

2016
Annual Report



Contributing to the Nation

Developing Leading MSMEs in the Digital Era



Melayani Dengan Setulus Hati

**UMKM
Digital**



**Technological
Advances**



**Sustainable
Business**



**Financial
Inclusion**



**Prudential
Banking**

Contributing to the Nation

Developing Leading MSMEs in the Digital Era

Throughout its history, BRI has always been faithful to its purpose and objective as a Government owned bank with a main role of supporting national economic development. To achieve this, BRI has focused on Micro, Small and Medium-Sized Enterprises (MSMEs), which constitute the backbone of the Indonesian economy by making significant contributions to the Gross Domestic Product (GDP) and manpower absorption. BRI's support of the MSME sector differentiates it from other companies within the competitive banking industry in Indonesia, and is a strategic tactic to ensure the sustainability of BRI in the future.

BRI adapts and proactively responds to changes, a strategy that has enabled the Bank to survive as one of the leading banks in Indonesia. The digital era has changed our lives, from personal interactions and running daily activities to the way we conduct business. Such changes have occurred due to the continuous technological advances. BRI views the dynamics of the digital era as an opportunity to innovate, and to provide better, faster and more convenient services.

BRI integrated digital technology into its initiatives and strategic projects in 2016. The launch of BRIsat in June 2016, for example, marked an important milestone that highlights the way BRI utilizes advances in information technology in the latest forms of communication.

The theme of BRI's 2016 Annual Report, "Contribute to the Nation, Developing Leading SMEs in the Digital Era" reflects BRI's determination to continue to innovate, and leverage the capabilities of digital banking technology to develop and enhance the potential of the SME sector in Indonesia. This determination is also a part of BRI's efforts to help realize the Nawacita program in economic development that envisions a self-sufficient Indonesia.

Annual Reports Theme Continuity

The themes of BRI's annual reports since 2012 and up to 2016 are indicative of BRI's consistent efforts over those years to ensure sustainable growth based on governance integrity and an ability to innovate, through the utilization of advanced technology, so as to be able to provide the best quality services especially for customers in the micro, small and medium enterprise sector throughout Indonesia.

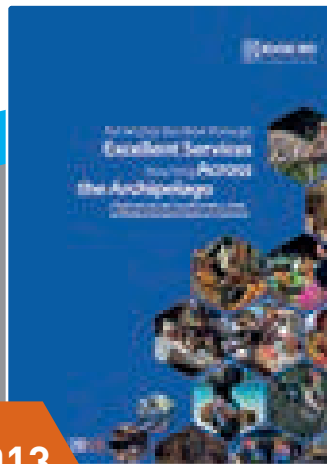


2012

Good Governance and Innovation: Our Foundation for Sustainability Development

Consistent implementation of Good Corporate Governance (GCG) has led the Bank's operations, enabling it to gain stakeholders' trust and to increase its corporate value, as well as to ensure a sustainable growth.

By upholding the GCG principles, BRI is confident to reach its target of becoming the Indonesia's most valuable bank.



2013

Achieving the Best through Excellent Services Reaching Across the Archipelago A Bank with the Best Growth in Micro, Small, and Medium Enterprise Business in Indonesia

Bank BRI's consistency in advancing Indonesia's economy through providing quality banking, financial and other services, as well as its unwavering focus on micro, small, and medium enterprise segments, whilst growing other business segments, supported by an extensive operational network covering the entire country, yielded excellent achievements.

Bank BRI is able to deliver the best MSME loan growth, increasing its total assets to Rp626.18 trillion and total loans rose to Rp448.35 trillion, while maintaining non performing loan at 1.63%. These results contributed to the increase in net profit, which grew by 14.3% to Rp21.35 trillion.

Bank BRI is committed to optimize synergy in all its lines of business, to generate quality and maintain sustainable growth.



2014

Continuous Innovations in Extending Services Built Upon Integrity and Cutting Edge Technology

Demonstrates a strong commitment to support the development of micro, small, and medium enterprises as well as other segments throughout the country. BRI has consistently invested in network expansion and human resources development to enhance services quality and human resources competence.

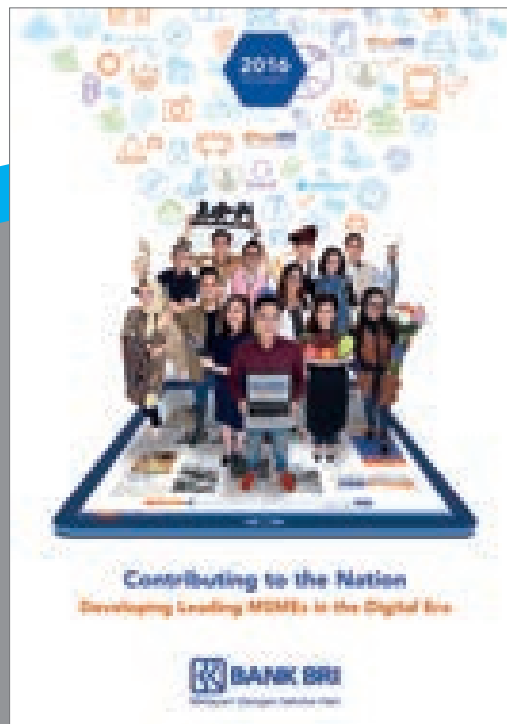
Aiming to become a Bank with the best and sustainable performance through productive and efficient network and human resources to support the customers' business growth across the archipelago.



2015

**The Biggest National Payment Bank
Harnessing Technology to Reach
Across the Archipelago Making
the Vision of a People's economy
a Reality**

In 2015, BRI focused on the Bank's development and identified a number of key leveraging factors for the Bank's performance, namely technology, innovation and network. We realized that rapid technology development, demographic shifts in terms of age and the migration from rural to urban areas, as well as globalization, have all contributed to changing lifestyles and preferences. In addition, massive, rapid and disruptive changes have also changed the landscape of business competition.



2016

**Contributing to the Nation
Developing Leading MSMEs in the Digital Era**

Throughout its history, BRI has always been faithful to its purpose and objective as a Government owned bank with a main role of supporting the national economic development. To achieve this, BRI has been focusing on Micro, Small and Medium-sized Enterprises (MSMEs),

BRI adapts and proactively responds to changes, a strategy that has enabled the Bank to survive as one of the leading banks in Indonesia. From personal interactions and running daily activities to the way we conduct business, the digital era has changed our lives. Such changes have occurred due to the continuous technological developments. BRI views the dynamics of the digital era as an opportunity to innovate, and to provide better, faster and more convenient services.

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Reference SEOJK No. 30-SEOJK.04-2016: Annual Report for Listed Companies

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Reference SEOJK No. 43-SEOJK.03-2016: Annual Report for Conventional Commercial Banks

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Consistent to the Roots

Adaptive to Progress

BRI has had a long journey of more than a century of leading the cause for a people's economy, while at the same time remaining responsive in managing change and progress in line with the dynamics of the era and the business environment.

1895

Established initially as a savings bank serving the local population in Purwokerto

1969

Assigned by the Government of Indonesia as the sole bank to distribute the Bimbingan Masal (Bimas) program loans.

1968

Change of name to Bank Rakyat Indonesia, as a government-owned bank supporting the national economic development programs

1984

Started to manage the Micro Business line replacing the Bimas program



2003

Listed its shares at the Stock Exchange

2013

Became the first bank in Indonesia to offer self-service banking services in the BRI Hybrid Banking network

2009

Launched the Teras BRI, an extension of the regular BRI Unit, proactively making the rounds to customers in the traditional wet markets, in tangible support of the Micro, Small and Medium Enterprises sector.

2016

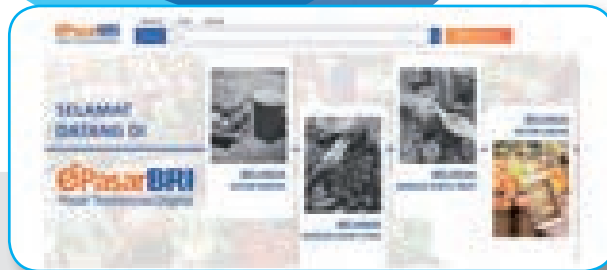
Launched a telecommunication satellite, the BRI-sat, in support of the development of digital banking services at BRI



Bringing the Benefits of Digitalization

to MSME

In 2016, BRI launched a number of initiatives to bring the advantages of digital technology for the benefit of the MSME sector in Indonesia.



e-Pasar BRI

As a digital platform that provides the latest information on commodity prices and stock in traditional wet markets, the e-Pasar BRI, accessible through www.epasarbri.com, enables direct interaction of market traders, thus increasing marketing reach and sales volume.

1 Million Free Domain

BRI collaborated with the Ministry of Communications and Informatics to provide free domain facilities to 1 million MSME entrepreneurs in Indonesia. This is an effort by BRI to facilitate the digitalization of the MSME sector in order to successfully compete in the digital era in Indonesia and the global stage.





BRIsat

With a footprint that covers the entire archipelago, to support the digitalization of BRI's banking services.



Teras BRI Digital

BRI provides digital service centers at some 600 traditional wet markets throughout Indonesia. Teras BRI Digital facilities provide access to digital banking services for micro customers, pushing the digital inclusion to all segments of society.



BRI Digital Challenge

BRI encourages Indonesia's start-ups with a competition to develop financial technology applications. The highlight of the event was the hackaton, where 121 teams competed to create digital products to empower the MSME sector and improve financial inclusion in Indonesia.



UMKM BRI Digitalvolution

An MSME festival for the digital era, being an exhibition of the leading products of the MSME sector, coupled with seminars and a coaching clinic on how to improve competitiveness and business capacity in the digital era.



Providing More People with Easier Access to Banking

Indonesia still has a high rate of unbanked population. According to 2014 data from Global Findex World Bank, only 36% of the population aged 15 and above possess a bank account. Most people in Indonesia are not yet served by banks.

BRI has a number of initiatives, such as BRILink Agent and Teras BRI Kapal, to facilitate the provision of banking services to the as yet un-reachable and un-serviceable segments of the population.

BRILink AGENT

The Branchless Financial Service for Financial Inclusion, or Laku Pandai, is a government-sponsored program to spearhead the penetration of banking services to the remotest parts of Indonesia.

In 2016, BRI already had some 84,550 BRILink agents serving as Laku Pandai outlets scattered throughout Indonesia. The program is also in support of the Nawa Cita, especially the point of developing Indonesia from the marginal sector.

BRI Partnership with BRILink Agents

BRI partners with customers of BRI, as BRILink agents, under a fee-sharing concept, to provide banking transactions to the public on a real-time online basis using the BRI's EDC or mini ATM device and the BRILink digital web application. BRILink agents thus open access to banking services to previously unbanked segments of society, for the purpose of financial inclusion.

- Number of Agents ▲ 68.23% YoY
- Number of Transactions ▲ 316.84% YoY
- Volume of Transactions ▲ 287.50% YoY



Operational Route

Bahtera Seva I

Muara Angke
Pramuka Island
Panggang Island
Kelapa & Harapan Island
Tidung Island
Untung Jawa Island

Bahtera Seva III

Bacan Island
Batang Lomang Island
Mandioli Island
Madapolo Island
Halmahera Island
Kayoa Island
Kasiruta Island

Bahtera Seva II

Flores Island
Longis Island
Boleng Island
Seraya Besar Island
Seraya Kecil Island
Messah Island
Kukusan Island
Rinca Island
Komodo Island
Papagaran Island

“Previously, fishermen were not able to go to banks and save their money. Back from fishing at sea, they soon spent all their money, so that there was nothing left for a rainy day. Now, they have learned to open a bank account and save their money.”



Hamsinah

BRILink Agent in Mandala Fishing Village,
Jayapura, Papua

TERAS BRI KAPAL

The first, and still the only one in the world, floating bank outlet. More than just a floating bank outlet, Teras BRI Kapal also has a mission to promote rural economies for coastal communities. In 2016, BRI fielded 3 vessels of Teras BRI Kapal, the Bahtera Seva I, II and III.

In addition to its banking and economic-related function, the Bahtera Seva III vessel also carried out a mission for the holistic development of communities, through the provision of mobile healthcare services and free library services, available on board the vessel.



World-Class Governance towards Sustainable Value Creation

The implementation of Good Corporate Governance (GCG) practices with the best world-class standard is part of BRI's strategy towards sustainable performance, growth and value-creation for the benefit of shareholders, customers, employees of BRI, local communities, and the environment as well.

STRATEGY for Sustainable Growth

Improving Services to Customer

Utilizing technology to ensure customer satisfaction.

Building Competitive People

- Empowering local workforce
- Developing smart employees
- Providing work benefits to increase work satisfaction and therefore, the quality of services to customers.

Sustainable Corporate Performance

Maintaining Good Corporate Governance practices to ensure sustainability for the company.

Developing Indonesia

- Achieving financial inclusion in Indonesia, with a focus on MSME;
- Growth of quality loan portfolio;
- Environment-friendly banking operational policies;
- Improving the welfare of communities through BRI Peduli.



Sustainable Finance Award 2016

BRI was recognized as a winner in the BUKU 4 banks category and the 'Best of the Best' for overall categories, in the 2016 Sustainable Financial Award event organized by the OJK. The implementation of GCG is one of the judging criteria in the Sustainable Financial Award, which is held to promote the development and implementation of sustainable financial in support of the achievement of Sustainable Development Goals (SDGs) in Indonesia.

Gratuity Control Program

BRI collaborated with the Corruption Eradication Committee (KPK) in the signing of an Integrity Pact for the Implementation of a Gratuity Control Program on July 22, 2016. The BRI-KPK collaboration is part of BRI's commitment to implement GCG practices in its activities, including those to improve the trust level of customers and the banking public towards BRI.



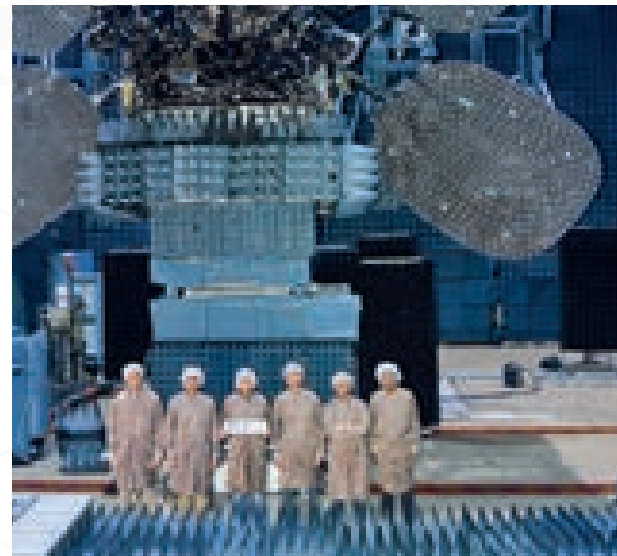
Launch of BRIsat

From the Orbit Serving the Nation

BRIsat is the first communication satellite in the world owned and operated by a bank to deliver its financial services. BRIsat is the answer to BRI's need of wider service coverage in Indonesia. In the digital era with its attending demand for extensive network infrastructure, BRIsat represents a strategic decision by BRI as a solution for future growth in its business and services, enabling BRI to reach and serve those segments of the public previously out of reach and unserved by the banking system.



BRIsat Control Center



BRIsat Satellite and Team

By the time of launch, BRI has completed the construction of a satellite control centre comprising a Primary Satellite Control Facility in Jakarta and a Backup Satellite Control Facility in Bali. The fully-redundant system is developed to ensure network stability and security.

The BRIsat team with the fully assembled satellite at the Space Systems/Loral manufacturing center in Palo Alto, California, US (May 2016). BRI sent a team of engineers to attend an internship program and familiarize themselves with the satellite during the assembly process.



Orbital Slot: 150.5 BT
Transponder Capacity: 36 C-Band & 9 Ku-Band



Integration of Rocket and Satellite

At the launch site at the Guiana Space Centre in Kourou, French Guiana, the BRLsat satellite is integrated into the Ariane 5 rocket, a heavy lift launch vehicle from Arianespace, the launch service provider for BRLsat. The BRLsat mission, flight VA-230, is a dual-launch mission for the simultaneous transport of two satellites into orbit.



View from the Launch Balcony

In June 18, 2016, at 18:38 local (Kourou) time, French Guiana, the BRLsat was launched into orbit. In August 3, 2016, BRLsat successfully passed the In-Orbit Test and was fully transferred under BRI control.



2016 Achievement

2016 Performance Highlights

BRI continue to solidify its leading position as a bank with the largest asset size and loan portfolio in Indonesia that is focused on serving the Micro, Small and Medium Enterprise sectors through a service network encompassing the fastest reach of the Archipelago, including with Teras BRI and BRI-sat communication satellite.

Total Assets

+14.25% ▲ **Rp1,003,644** Billion

Total Loans

+14.17% ▲ **Rp663,420** Billion

Third-Party Funds

+12.78% ▲ **Rp754,526** Billion

CASA

59.09%

Interest Income

+10.95% ▲ **Rp94,788** Billion

Fee Based Income

+25.38% ▲ **Rp9,223** Billion

BRILink

Number of Agent	+68.23%	84,550	Agent
Number of Transaction	+316.84%	98.48	million transaction
Transaction Volume	+287.50%	Rp139.11	Trillion

Net Income

Rp 26,228 billion



Sustainable Value Creation BRI

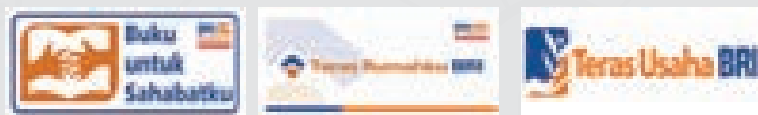
Sustainable Value Creation

BRI implements strategies that promote value creation for all its stakeholders, resulting in a sustainable financial performance for the Bank.

For Our Society and Environment

Society

BRI implements its CSR programs with the participation of local communities around the Head Office, regional offices, and branch offices.

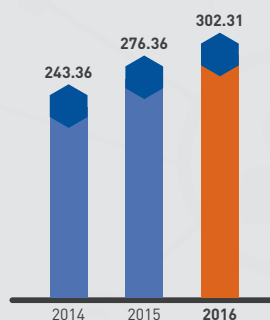


Environment

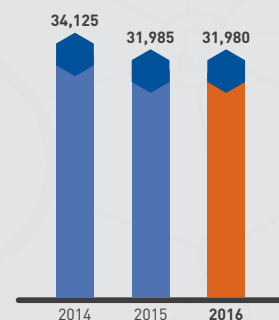
Replacement of all conventional lamp bulbs at BRI I Building to LED lamps resulted in a 3.02% reduction of electricity consumption at the Head Office from 8,484,520 Kwh in 2015 to 8,228,500 Kwh in 2016.

Throughout 2016, funds allocated for the Indonesia Lestari tree-planting program amounted to Rp1.99 billion, with a total of 231,735 trees planted.

Green Operation
PERTAMAX Energy (Kilo Litre)



Paper Volume (Ream)



For Our Investors

Governance

GCG Implementation:

1. Anti Money Laundering and Prevention of Terrorism Funding
2. Anti-Fraud, Gratuity Control, and Whistle Blower System
3. Integrated Risk Management

Anti-Fraud Strategy



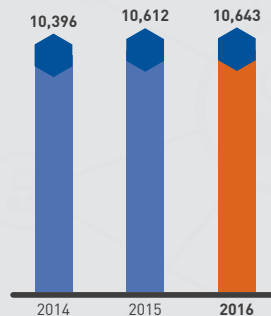
For Our Customers

In accordance with BRI Code of Conduct regarding customer confidentiality, the Bank has internal policies on customer complaints that emphasize the protection of customer data.

Customer Satisfaction Survey

SQ Index **4,0205**
Above Average
3,9979

Number of Operational Branches



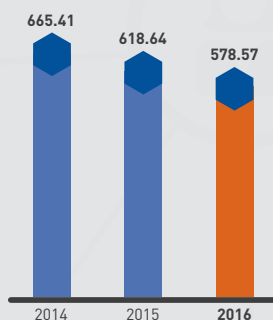
Awards 2016

2016 Indonesia Digital Popular Brand Award
Bank Call Center category
Organized by TRANSnCO Research

Banking Service Excellence Monitor (BSEM) Best Performance e-Channel category

For Our People

Employee Competences Development Expenses (Rp Billion)



1.19 Million Participants

Employee competences development expenses at BRI was reduced by 6.54% due to the implementation of a more efficient blended learning method combining 10% in-house learning and 90% e-learning.

Financial Highlights

Financial Highlights (Rp Billion)	2012	2013 ¹⁾	2014 ¹⁾	2015	2016 ^{**)}
Balance Sheets					
Total Assets	551,337	626,101	801,984	878,426	1,003,644
Total Earning Assets	499,042	568,546	728,094	781,931	904,077
Loan - Gross	362,007	448,345	510,697	581,095	663,420
Government Recap Bonds	4,316	4,511	4,304	3,816	3,318
Investments in Shares - Net	197	223	252	269	2
Total Liabilities	486,455	546,526	704,278	765,299	856,832
Third-Party Funds	450,166	504,281	622,322	668,995	754,526
- Demand Deposits	80,075	79,337	90,052	114,367	142,547
- Saving Deposits	184,365	212,997	236,395	272,471	303,270
- Time Deposits	185,726	211,948	295,875	282,157	308,709
Other Interest Bearing Liabilities	15,784	20,896	57,435	68,601	70,349
Capital/Equity	64,882	79,574	97,706	113,127	146,813
Profit/Loss					
Interest Income:					
- With Government Bonds Interest	49,610	59,461	75,122	85,434	94,788
- Without Government Bonds Interest	49,235	59,298	74,876	85,192	94,587
Net Interest Income:					
- With Government Bonds Interest	36,484	44,106	51,442	58,280	67,576
- Without Government Bonds Interest	36,109	43,943	51,197	58,037	67,375
Other Operating Income	8,390	8,348	9,299	13,855	17,213
Other Operating Expenses	(19,491)	(22,381)	(26,715)	(31,276)	(37,098)
Provision for impairment losses on financial assets	(2,700)	(3,946)	(5,719)	(8,900)	(13,791)
Income Before Tax	23,860	27,910	30,804	32,494	33,974
Net Income for the year	18,687	21,354	24,227	25,411	26,228
Income attributable to equity holders of parent entity	18,681	21,344	24,215	25,398	26,196
Income attributable to non-controlling interests	6.50	10.20	11.69	13.05	32.22
Comprehensive Income	18,687	22,392	24,482	24,872	41,380
Comprehensive income attributable to equity holders of parent entity	18,652	22,387	24,467	24,861	41,340
Comprehensive income attributable to non-controlling interests	8.91	4.58	14.67	11.05	39.63
Earnings per share (Rp)	757.26	865.22	981.59	1,030.43	1,071.51

Financial Highlights (Rp Billion)	2012	2013 ^{*)}	2014 ^{*)}	2015	2016 ^{**)}
FINANCIAL RATIO (BANK ONLY)					
Capital					
Capital Adequacy Ratio (CAR)	16.95%	16.99%	18.31%	20.59%	22.91%
Earning Assets					
Earning Assets and Non Performing Assets to total earning assets and non performing assets	1.19%	1.06%	1.09%	1.33%	1.46%
Non performing earning assets	1.46%	1.28%	1.26%	1.57%	1.61%
Allowance for possible losses to earning assets	3.43%	2.90%	2.40%	2.37%	2.75%
Non Performing Loans (NPL Gross)	1.78%	1.55%	1.69%	2.02%	2.03%
Profitability					
R O A	5.15%	5.03%	4.73%	4.19%	3.84%
R O E	38.66%	34.11%	31.19%	29.89%	23.08%
N I M	8.42%	8.55%	8.51%	8.13%	8.27%
B O P O (Operating Expenses to Operating Income)	59.93%	60.58%	65.42%	67.96%	68.93%
Liquidity					
L D R	79.85%	88.54%	81.68%	86.88%	87.77%
Compliance					
Violation of Legal Lending Limit					
- Related Parties	Nil	Nil	Nil	Nil	Nil
- Unrelated Parties	Nil	Nil	Nil	Nil	Nil
Excess of Legal Lending Limit					
- Related Parties	Nil	Nil	Nil	Nil	Nil
- Unrelated Parties	Nil	Nil	Nil	Nil	Nil
Statutory Reserves	10.64%	8.02%	8.07%	9.31%	6.94%
NET OPEN POSITION	3.00%	3.15%	3.86%	2.33%	6.67%

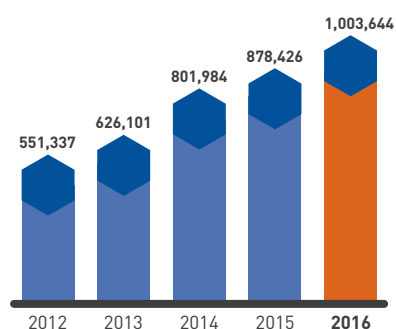
The financial figures presented above represent BRI's consolidated financial statements with subsidiaries for 2011, 2012, 2013 and 2014: PT BRISyariah, PT Bank Agroniaga Tbk, BRIngin Remittance Co. Ltd, statements for 2015: PT BRISyariah, PT Bank Agroniaga Tbk, BRI Remittance Company Ltd and PT Asuransi Jiwa Bringin Jiwa Sejahtera, and statements for 2016: PT BRISyariah, PT Bank Agroniaga Tbk, BRI Remittance Co. Ltd, PT Asuransi Jiwa Bringin Jiwa Sejahtera and PT BRI Multifinance Indonesia

Financial ratios use bank data only.

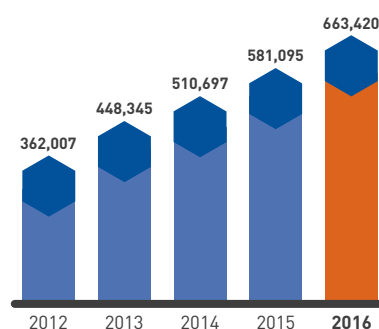
^{*)} Restatement following the adoption of PSAK No. 24: Employee Benefits

^{**)} In 2016 there were increases in assets and equity due to fix assets revaluation of Rp14.3 trillion

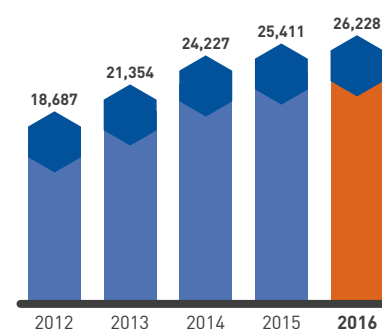
Total Assets (Rp Billion)



Loan - Gross (Rp Billion)

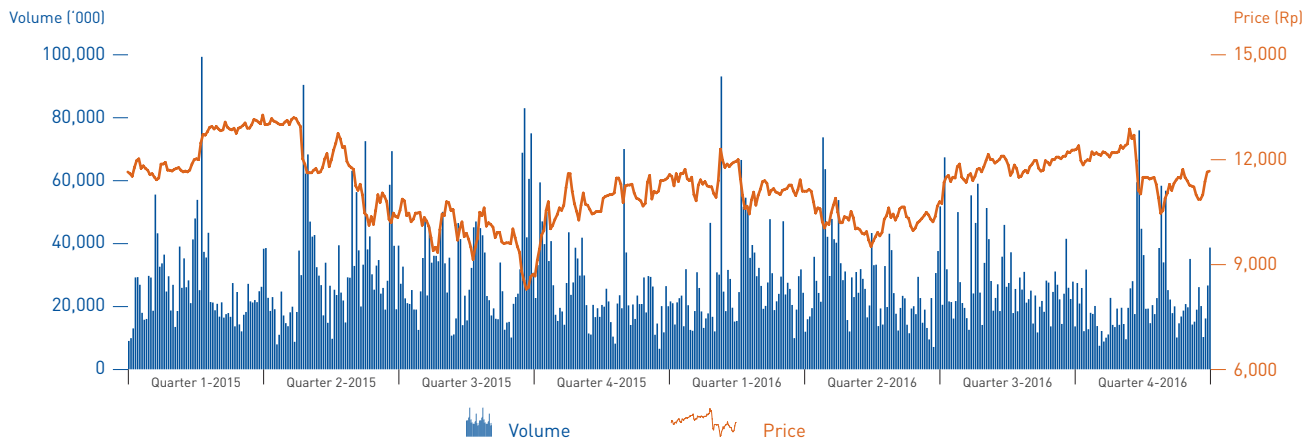


Net Income for the Year (Rp Billion)



Stock Highlights

2015-2016 SHARE PRICE PERFORMANCE, VOLUME AND MARKET CAPITALIZATION



SHARE PERFORMANCE

Year	Share Price				Total Outstanding Shares*	Transaction Volume (Share)	Market Capitalization (Rp Trillion)
	Opening	Highest	Lowest	Closing			
2015	11,525	13,275	8,300	11,425		6,991,507,000	
Quarter 1	11,525	13,275	11,425	13,275	24,669,162,000	1,658,133,400	327.48
Quarter 2	13,275	13,200	10,125	10,350	24,669,162,000	1,939,516,900	255.33
Quarter 3	10,350	10,875	8,300	8,650	24,669,162,000	1,858,139,300	213.39
Quarter 4	8,725	11,600	8,675	11,425	24,459,043,400	1,535,717,400	281.85
2016	11,400	12,875	9,525	11,675		6,428,688,000	
Quarter 1	11,400	12,300	10,450	11,425	24,447,444,000	1,683,530,900	281.85
Quarter 2	11,300	11,150	9,525	10,800	24,447,444,000	1,694,476,700	266.43
Quarter 3	10,900	12,225	10,750	12,200	24,447,444,000	1,614,634,400	300.96
Quarter 4	12,200	12,875	10,475	11,675	24,447,444,000	1,436,046,000	288.01

* Excluding treasury stock

CAPITAL MARKET CONDITION AND BRI STOCK PERFORMANCE

The performance of Indonesia's capital market in 2016 showed an improvement over the previous year, with the Jakarta Composite Index increasing by 15% above the level for 2015 to 5,297 or increasing by 703 points from its position a year earlier at 4,593.

Conditions in Indonesia's capital market improved along with the improvement in macro economic conditions as indicated by the growth in the GDP by 5%, low inflation rate, and large government spending on infrastructure development projects. The tax amnesty program start in July 2016 also provided positive sentiment to the capital market. In October 2016, the Jakarta Composite Index reached its highest level yet at 5,472 points, driven by the achievements of the tax amnesty program as recorded at the end of September 2016.

The daily average stock trading volume in 2016 amounted to 7,772.25 million shares, compared with 5,979.93 million shares in the previous year. The daily average stock trading value was Rp7,454.92 billion, compared with Rp5,766.23 billion in 2015. In 2016, net purchases by foreign investors amounted to Rp16.168 trillion.

Shares of BRI were traded at a daily average of 26.13 million shares per day, thus being one of the most liquid among listed companies in the stock exchange. The price of BRI shares at year-end 2016 went up 2.19% to Rp11,675 per share, from Rp11,425 per share at the end of 2015. The excellent stock performance is driven by the excellent performance shown by BRI which exceeded the industry average in most areas. The growth in loans and customer deposits were 14.17% and 12.81%, respectively, far above the industry average of 7.87% and 9.60%, respectively. While loan quality is maintained with NPL (Bank only) of 2.03%, less than the industry average of 2.93%. Highest share price for one BRI share was Rp12,875 recorded on November 14, 2016, while the lowest was on May 18, 2016, at Rp9,525 per share.

BRI SHARE PERFORMANCE INDICATOR

Indicator	BRI	
	2015	2016
Closing Price (Rp)	11,425	11,675
Lowest Price (Rp)	8,300	9,525
Highest Price (Rp)	13,275	12,875
Average Daily Transaction Volume	28,771,634	26,132,878
PE (x)	11.09	11.02
PBV (x)	2.48	2.03
Market Capitalization (Rp Trillion)	281.85	288.01

DIVIDEND PAYMENT

The amount of dividend to be paid is determined at the Annual GMS as the highest governance body of the Bank. The 2016 Annual GMS for financial year 2015 decided on a dividend payment of Rp7,619 billion, reflecting a dividend payout (DPO) ratio of 30%.

In the determination of DPO, the Bank's management proposes the amount of dividend with due considerations of projected sustainable business growth and the fulfillment of Capital Adequacy Ratio (CAR) level. With the phased implementation of Basel III requirements beginning January 2015, up to its full implementation by January 2019, BRI is determined to maintain a CAR level of above 17.5%, which is in line with the CAR requirement in accordance with Basel III stipulations.

In proposing the level of DPO ratio, BRI also considers the need for sustainable ROE level for the next three-year period. With sufficient capital level, BRI will have room for inorganic growth, either through capital injections to its subsidiaries or through the acquisition of companies that can add value for BRI.

Year of GMS	Date of Payment	Year	Dividend Payout Ratio	Dividend (Rp Billion)	Dividend per Share
2004*	23 July 2004	2003	75.01	990	84.19
2005	5 July 2005	2004	50	1,816	152.88
2006	10 July 2006	2005	50	1,904	156.18
2007	2 July 2007	2006	50	2,129	173.04
2008	7 July 2008	2007	50	2,419	196.34
2009	3 July 2009	2008	35	2,085	168.82
2010	15 July 2010	2009	30	2,192	132.08
2011	15 June 2011	2010	20	2,294	70.04
2012	15 May 2012	2011	20	3,017	122.28
2013	15 April 2013	2012	30	5,556	225.23
2014	4 May 2014	2013	30	6,348	257.22
2015	22 April 2015	2014	30	7,272	294.80
2016**	22 April 2016	2015	30	7,619	311.66

* Dividend Pay Out was calculated based on 2nd semester year 2003 net income

** Does not consider share Buy Back

In 2009 and 2010, BRI paid interim dividends of Rp45.74 per share and Rp45.93 per share, respectively, in accordance with the stipulations of Law No. 40 Year 2007 on Limited Liability Company. The interim dividends have been included in the total amount of annual dividend as stated above.

Dividend Year	Date of Payment	Dividend per Share (Rp)
2009	December 16, 2009	45.74
2010	December 30, 2010	45.93

Bond Highlights

OTHER SECURITIES LISTING CHRONOLOGY

Securities Issued and Due

No	Securities Face Value Rating	Issue Date	Maturity	Tenor (Month)	Coupon/ Discount Rate	Objective of Issuance
1	Subordinate Notes USD 150 million Moody's: B3	25 Sep 2003	30 Oct 2013	120	7.75	Capital raising
2	Bank BRI Subordinated Bonds I Year 2004 IDR 500 billion Pefindo: AA+	9 Jan 2004	9 Jan 2014	120	13.50	Capital raising
3	Bank BRI Subordinated Bonds II Year 2009 IDR 2,000 billion Fitch Indonesia: AA+	22 Dec 2009	22 Dec 2014	60	10.95	Capital raising
4	BRI MTN Phase I Year 2014 Series-A IDR 300 billion Fitch Indonesia: F1+	10 Oct 2014	15 Oct 2015	370 days	8.75	Liability structure reprofiling and diversification
5	BRI MTN Phase I Year 2014 Series-B IDR 60 billion Fitch Indonesia: AAA	10 Oct 2014	10 Oct 2016	24	9.25	
6	BRI MTN Phase I Year 2014 IDR 520 billion Fitch Indonesia: F1+	24 Dec 2014	24 Dec 2015	370 days	8.90	Liability structure reprofiling and diversification
7	BRI NCD Year 2014 Series-A IDR 165 billion	2 Dec 2014	2 Mar 2015	3	8.00	
8	BRI NCD Year 2014 Series-B IDR 790 billion	2 Dec 2014	2 Jun 2015	6	8.60	
9	BRI NCD II Phase I Year 2015 Series-A IDR 595 billion	22 Apr 2015	22 Jul 2015	3	7.10	Diversification of short- term funding
10	BRI NCD II Phase I Year 2015 Series-B IDR 1,020 billion	22 Apr 2015	22 Oct 2015	6	8.00	
11	BRI NCD II Phase I Year 2015 Series-C IDR 265 billion	22 Apr 2015	22 Jan 2016	9	8.10	
12	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-A IDR 655 billion Pefindo: AAA	2 Jul 2015	7 Jul 2016	370 days	8.40	Loan disbursement with practices of prudential banking and good corporate governance

Securities Issued and Outstanding

No	Securities Face Value Rating	Issue Date	Maturity	Tenor (Month)	Coupon/ Discount Rate	Objective of Issuance
1	Senior Notes USD 500 million Moody's: Baa3	28 Mar 2013	28 Mar 2018	60	2.95	Liability structure reprofiling and diversification
2	BRI MTN Phase I Year 2014 Series-C IDR 360 billion Fitch Indonesia: AAA	10 Oct 2014	10 Oct 2017	36	9.50	Loan disbursement with practices of prudential banking and good corporate governance
3	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-B IDR 925 billion Pefindo: AAA	2 Jul 2015	3 Jul 2018	36	9.20	Loan disbursement with practices of prudential banking and good corporate governance
4	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-C IDR 1,420 billion Pefindo: AAA	2 Jul 2015	3 Jul 2020	60	9.50	Liability structure reprofiling and diversification
5	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-A IDR 808 billion Pefindo: AAA	5 Feb 2016	8 Feb 2017	370 days	8.50	
6	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-B IDR 1,018.5 billion Pefindo: AAA	5 Feb 2016	4 Feb 2019	36	9.25	Loan disbursement with practices of prudential banking and good corporate governance
7	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-C IDR 2,823.5 billion Pefindo: AAA	5 Feb 2016	4 Feb 2021	60	9.60	
8	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-A IDR 1,212 billion Pefindo: AAA	25 May 2016	30 May 2017	370 days	7.50	
9	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-B IDR 2,437 billion Pefindo: AAA	25 May 2016	25 May 2019	36	8.20	Loan disbursement with practices of prudential banking and good corporate governance
10	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-C IDR 701 billion Pefindo: AAA	25 May 2016	25 May 2021	60	8.70	
11	Bank BRI MTN Phase I Year 2016 IDR 1,925 billion Pefindo: AAA	16 Sep 2016	21 Sep 2017	370 days	7.40	Business development through loan disbursement with practices of prudential banking and good corporate governance
12	Sukuk Al Mudarabah PT Bank BRISyariah IDR 1,000 billion Fitch Indonesia: A+	9 Nov 2016	16 Nov 2023	84	9.50	Strengthening capital structure for business expansion activities
13	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-A IDR 616 billion Pefindo: AAA	1 Dec 2016	6 Dec 2017	370 days	7.25	
14	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-B IDR 964 billion Pefindo: AAA	1 Dec 2016	1 Dec 2019	36	8.00	
15	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-C IDR 193 billion Pefindo: AAA	1 Dec 2016	1 Dec 2021	60	8.20	Loan disbursement with practices of prudential banking and good corporate governance
16	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-D IDR 477 billion Pefindo: AAA	1 Dec 2016	1 Dec 2023	84	8.65	
17	Bank BRI Shelf Registration Bonds II Phase I 2016 Series-E IDR 2,350 billion Pefindo: AAA	1 Dec 2016	1 Dec 2026	120	8.90	

Event Highlights 2016



FORSTRA (Forum Strategis)

The Board of Directors and the Echelon I of Bank BRI held the Strategic Forum early in the year to develop a common vision and mission towards the operation of BRIsat and its optimization.

22 January 2016



Launching E-Toll, a synergy between Government Banks

The Minister of SOEs Rini M. Soemarno together with the President Director of Bank BRI and other BODs of SOEs, officially launched the e-Payment Toll. The synergy is between Bank BRI, PT Jasa Marga (Persero) Tbk and 3 Government Bank members of the Association of State-Owned Bank (Himbara).

21 March 2016



The 2016 General Meeting of Shareholders

Bank BRI held the 2016 General Meeting of Shareholders. In addition to the change in the BOD, BRI also distributed a Rp7.61 trillion worth of dividend to shareholders, or Rp311.66 per share. It was equal to 30% net income of the Bank for the previous year.

23 March 2016



The Launching of BRIsat

BRIsat lifted off on June 18, 2016 Local Time in Kourou, French Guyana, or June 19, 2016 GMT. Bank BRI is the only bank that owns and manages its own satellite.

19 June 2016



World Anti-Narcotic Day

President Joko Widodo, accompanied by the President Director of Bank BRI, Mr. Asmawi Syam (right) during the event of the 2016 World Anti-Narcotic Day. During the event, Bank BRI was the only State-owned bank that directly supported the anti-narcotic campaign.

26 June 2016



CSR Activity: Annual Homecoming with BRI

Using airplanes, ships, trains and buses, 6,500 BRI customers enjoyed a free trip for the Ramadhan homecoming. The homecoming program is one of BRI's regular programs since 2004.

29 June 2016



Forbes Global 2000 Award

PT Bank Rakyat Indonesia Tbk (Bank BRI) featured in Forbes Global 2000 award list in 2016. In the 2016 Forbes Global 2000 list, Bank BRI ranked 429th in the world, the highest among Indonesian companies.

28 July 2016



Public Expose BRI at Indonesia Stock Exchange

The Vice President Director of Bank BRI Mr. Sunarso and the Director of Finance of Bank BRI Mr. Haru Koesmahargyo offered explanations during the public expose before investors and stakeholders at Indonesia Stock Exchange building.

3 August 2016



Analyst Meeting

The Board of Directors of BRI made a statement to the press regarding the financial performance of the Bank. Up to the end of Q II 2016, Bank BRI generated a net profit of Rp12.047 trillion.

15 August 2016



BRI's Booth Boasted the Highest Technology at IFFC

PT Bank Rakyat Indonesia (Persero) Tbk. presented a booth boasting high technology during the 2016 Indonesia Fintech Festival and Conference (IFFC), attended by the President of RI, Joko Widodo, and the Minister of Finance, Sri Mulyani.

30 August 2016



Visit of the Queen of the Netherlands

Queen Maxima of the Netherlands visited BRILink Agent at Bantarjati Bogor, accompanied by the Director of BRI, Mr Mohammad Irfan. During the visit, Queen Maxima also visited Laku Pandai, namely Toko Cemerlang, owned by Mr. Endartono, one of Bank BRI customers.

31 August 2016



BRI Digital Terminal 3 Ultimate

BRI Digital is the most complete digital outlet using BRIsat satellite communication network. This outlet serves transactions for various banking products, updates of financial information (financial advisory), investment, e-commerce, and other banking transactions in a self-service mode.

8 September 2016



1 Million Domain Program with Minister of Communication and Informatics

The Minister of Communication and Informatics, Mr. Rudiantara together with the President Director of BRI, Mr. Asmawi Syam attended the ceremony of collaboration between the Ministry of Communication and Informatics and BRI for the development of SMEs using Digital Platform in support of 1 Million Domain Program.

2 November 2016



The 2016 SOEs Forum

BRI supports and actively participates in the forum of SOEs held by the Ministry of SOE in collaboration with national media, with the objective of developing synergy between SOEs for the development of Indonesia.

3 November 2016



Bank BRI Entered into Collaboration with the Coordinating Ministry of Economic Affairs

The President Director of BRI, Mr. Asmawi Syam together with the Coordinating Minister of Economic Affairs, Mr. Darmin Nasution after signing the collaboration agreement on Geospatial Application for Rice Fields in Indonesia.

28 November 2016



Organizing the First BRIRUN

BRI held a digital themed running event called BRIRUN. This event was held in commemoration of the 121st Anniversary of BRI and was followed by 5.000 runners, in a 5 Km (5K) and a 10 Km (10K) run.

4 December 2016



Launching of Innovation Center

BRI Innovation Center was launched at the BRI Head Office Sudirman as a means to inspire creativity and to accommodate the innovations of the employees.

16 December 2016



BRI Supports the Seven Summits Mission

The President Director of Bank BRI Asmawi Syam with two climbers from Mahitala UNPAR, Mathilda Dwi Lestari (left) and Fransiska Dimitri Inkiriwang (23) after handing the Indonesian flag and Bank BRI flag to be flown at the summit of Mount Vinson Massif, Antarctica.

18 December 2016



Bank BRI Anniversary Family Day

Commemorating Bank BRI anniversary on December 16, Bank BRI held the 121st Family Day on December 18, 2016. This festive event was attended by more than 50,000 members of BRI.

18 December 2016

Awards & Certifications

International Awards

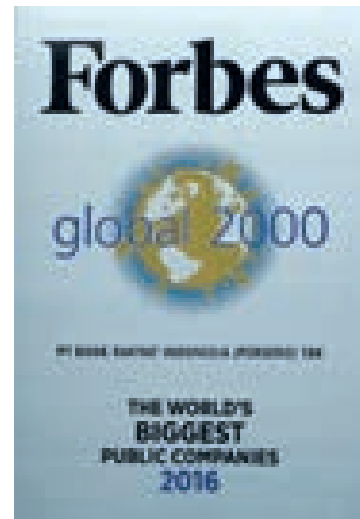
1. Award from The Asian Banker as "Best Microfinance Product" on 27 July 2016
2. Award from The Asian Banker as "Best Deposit Business" on 27 July 2016
3. Award from Forbes Global 2000 as "The World's Biggest Public Companies 2016" on 29 July 2016
4. Award from ASIA Money 2016 as "Best Domestic Bank Award in Indonesia"



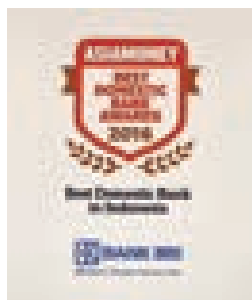
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National Awards

During 2016, Bank BRI received a total of 22 awards from various domestic institutions, among others:

1. BUMN Hadir Untuk Negeri 70 Tahun Indonesia Merdeka
2. Award from Alpha Southeast Asia Deal Award in the category of "Best Project Finance Deal of the year 2015 in Southeast Asia"
3. From Minister of Finance as first best SBSN tender participants in 2015
4. Award from Infobank as "The Best Digital Brand" 2011-2015 in the category of Conventional Bank
5. Award from Directorate General of Tax, Ministry of Finance for tax contribution in 2015
6. Award from Infobank "Digital Brand of The Year 2016" in the category of:
 - Digital Brand of Wealth Management
 - Digital Brand Umum Konvensional
7. Award from Tempo Inti Media Group as:
 - "The Best Bank in Digital Services"
 - "The Best Bank in Retail Banking Services"
 - "The Most Efficient Bank"
 - "The Most Reliable Bank"
 in the category of National Conventional Bank with assets above Rp100 trillion on 7 September 2016
8. Award from OJK as:
 - "Sustainable Finance Award" in the category Best of the Best
 - "Sustainable Finance Award" in the category of Banking



Certifications

ISO 9001:2008

The Financial Statements of BRI received the ISO 9001:2008 certification for "The Process of Preparing Financial Statements". The audit and certification was performed by SGS (Societe Generale de Surveillance) United Kingdom Limited. The certificate is valid for three years from December 9, 2014, to December 9, 2017.

ISO 9001:2008

The Accounting and Financial Management (AMK) Division received the ISO 9001:2008 certification for "The Process of Preparing Accounting Policy and Accounting Control" issued by SGS United Kingdom Ltd. Systems & Services Certification, United Kingdom. The certification is valid from October 2, 2015, up to September 15, 2018. This is an indication that the AMK Division constantly upgraded the quality of accounting policy formulation and supervision as needed by the stakeholders of BRI and in ensuring the quality of the Financial Statements.

ISO 9001:2008

The Operation Center Division receives the ISO 9001:2008 certification for 9 (nine) aspects comprising: "Operation Centre System for RTGS, Clearing, Remittance, Complaint Resolution, Card Perso Processing, e-Banking Reconciliation, ATM Reconciliation, Treasury and e-Banking Settlement, Cash and Investigation". The certification issued by Lloyd's Register Indonesia is valid from December 12, 2014, up to December 11, 2017. The certification is expected to improve the quality of transaction processes at BRI, ultimately leading to higher customer satisfaction.

ISO 9001:2008

BRI Contact Center has been operating with a quality management system in accordance with ISO 9001:2008 certification for "The Operation of Call Center for Banking, Premium Banking, Credit Card, Telemarketing and Supporting Services". Issued by Guardian Independent Certification Limited, the certification is valid from November 30, 2015, up to September 15, 2018. With the certification, BRI is expected to maintain its excellent contact center for the convenience of customers.

ISO 9001:2008

The Internal Audit unit of BRI performed its function in accordance with the ISO 9001:2008 Quality Management System for "Risk Based Audit of Internal Audit Services". The certification was first obtained in 2003, and was renewed every three years. The last re-certification from PT SGS Indonesia was obtained on January 30, 2015, and is valid for a 3-year period up until January 30, 2018.

ISO 9001:2008

The Goods and Services Procurement Division has obtained the ISO 9001:2008 certification on "Provision of Inventory, Purchase Payment and Archiving Service" from PT Lloyd's Register Indonesia certification agency. The certification is accredited both national and international by the National Accreditation Committee (KAN) and the United Kingdom Accreditation Services (UKAS), respectively, and valid from December 10, 2014, up to December 9, 2017.

ISO 9001:2015

BRI Corporate University has obtained the ISO 9001:2015 certification from Lloyd's Register Indonesia in December 2016, which will be valid until December 2019. The certification recognizes the standard for management systems at BRI Corporate University related to the "Provision of Banking Training Services". It is an indication that BRI Corporate University constantly strive to improve its operational quality to the satisfaction of training participants.

ISO 9001:2015

The International Business Division has obtained the ISO 9001:2015 certification issued by Lloyd's Register Indonesia certification agency on December 6, 2016, with a validity period up until November 5, 2019. The certification recognizes the Management System standard at the International Business Division related to the "Provision of Trade Processing Centre Service Including Supporting Function of Policy and Development & Monitoring Trade Finance". This indicates that BRI constantly strive to improve its operational quality to become a trusted brokerage agent.



Board of Commissioners Report



Mustafa Abubakar
President Commissioner/Independent Commissioner

Assalamualaikum Wr. Wb.

Dear Shareholders, fellow members of the Board of Commissioners, the Board of Directors, the Management of Bank Rakyat Indonesia (Persero) Tbk (BRI), employees and all other stakeholders. Praise be to God the Almighty for His blessings, which allowed the Company to achieve such encouraging results in 2016.

The year 2016 was full of both external and internal challenges for the Company. The external challenges included an unfavorable national economy that led to the unfavorable performance of BRI's debtors. In addition, the domestic banking sector had to deal with funding problems, with the majority of banks recording a Loan to Deposit Ratio (LDR) of almost 90%. With such a high LDR, and no solid funding growth, it was not easy for banks to reach a solid loan growth. Since funding growth is the major source of loan growth, it would have been impossible to realize a strong loan growth without relying on an appropriate strategy to generate funds.

On the other hand, the internal challenges the Company had to cope with included the optimization of the efficiency of the Bank's infrastructure in order to enhance the quality of its customer services. The launch of BRIsat in the middle of June 2016 set another milestone in the improvement of the Bank's services, and the enhancement of the quality and quantity of the banking products that it offers to the public. The other challenge that the Company faced was how to optimize and align the business and corporate governance of the Bank's subsidiaries, namely BRI Syariah, BRI Agro, BRI Remittance, BRI Life and BRI Finance.

Despite the challenges, the Company managed to achieve positive results, as highlighted by a number of indicators, such as 14.25% YoY growth in assets, 14.17% YoY growth in loans, 12.78% YoY growth in third party funds and 15.95% YoY growth in net interest income (YoY). The Company also managed to maintain its Non Performing Loans (NPL) at 2.13%. The said performance led to an income after tax of Rp26.23 trillion, the highest in the national banking industry.

The Company's positive performance in 2016 can be attributed to a series of policies and breakthroughs conducted by the Management while upholding the principles of prudent

banking, consistently implementing the GCG and conducting effective risk management. The Management continued to improve its policies, infrastructure, and quality of internal control, including human resources. Those improvements and developments will provide a solid foundation for growth of BRI's businesses in the future.

The year 2017 will still be a challenging one for the Company. Aside from efforts to take advantage of opportunities arising from the predicted increase in loan growth as driven by the increase in banking liquidity, declining loan interest rates, and the continuously improving economic condition, the Company also face challenges in maximizing the capability of BRIsat in support of the Bank's operations. In addition, with its extensive experience and excellent infrastructure in MSMEs Loans, BRI should be able to once again prove its reputation as the largest and most successful bank that distributes KUR in 2017.

In the light of this, the Board of Commissioners will oversee all of the policies and management actions undertaken by the Board of Directors, sending a message to all of BRI's employees throughout Indonesia that they should always keep up the good work, and remain committed and dedicated to the best interests of the Company.

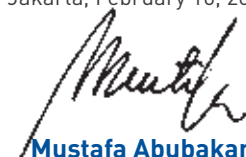
On this occasion, the Board of Commissioners wishes to welcome Mr. Mahmud, who was appointed as Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk by decision of the Annual GMS on March 23, 2016. The Board of Commissioners also conveys its appreciation to Mr. Gatot Mardiwastito and Mr. A. Toni Soetirto who, at the same Annual GMS, ended their term of office as Directors of the Company.

The Board of Commissioners also wishes to express its thanks to the Government as the holder of Dwiwarna Shares, public share holders, customers, business partners, as well as all stakeholders and the community at large for their trust and support of the Company, and its Board of Directors and employees.

May God the Almighty bless us all with guidance. The Board of Commissioners is confident that BRI will be able to reach its peak performance in the years to come. Amen.

Wassalamu'alaikum Wr. Wb.

Jakarta, February 16, 2017



Mustafa Abubakar

President Commissioner/Independent Commissioner

Board of Commissioners Supervisory Report

Dear Shareholders,

In accordance with legislation, the Board of Commissioners has a duty to supervise the management's policy decisions, the general management of the Company and its businesses, and to provide advice to the Board of Directors. Supervision and counselling are conducted in the best interest of the Company, and in accordance with its goals and objectives.

BRI's Board of Commissioners monitors and provides advice to the Board of Directors in good faith, responsibly and prudently. In carrying out its duties and functions, the Board of Commissioners acts independently, as outlined in the Articles of Association, the applicable legislation and the principles of good corporate governance.

Supervision and counselling are carried out by the Board of Commissioners to ensure that the Board of Directors performs its duties and responsibilities in accordance with the Company's goals and objectives, and to ensure that the Board of Directors manages the Company in a manner that safeguards the interests of its shareholders and other stakeholders. To optimize the execution of such duties, BRI's Board of Commissioners is supported by a number of committees, namely the Audit Committee, the Risk Management Oversight Committee, the Integrated Governance Committee and the Nomination and Remuneration Committee.

FREQUENCY OF PROVIDING ADVICE TO BOD AND APPLICABLE PROCEDURE

In 2016, BRI's Board of Commissioners performed supervisory activities in accordance with its duties and responsibilities. The Board of Commissioners discharged its duties during joint meetings with the Board of Directors, or through internal meetings of the Board of Commissioners, with or without the presence of related parties, as well as through visits to work units in the provinces. In general, the supervisory duties of the Board of Commissioners fall into two categories, namely routine and specific supervision.

1. Routine supervision includes:
 - a. evaluation of strategic policies and Bank Business Plan implementation on quarterly basis;
 - b. evaluation of pre-published financial statements on quarterly basis;
 - c. evaluation of audits conducted by Public Accounting Firm, covering the financial audit for the fiscal year 2015, follow-up of management letter for the fiscal year 2015 and the audit of the Partnership and Community Development Program for the fiscal year 2015;
 - d. reviewing and providing input regarding the Annual Audit Plan prepared by the Internal Audit Unit;
 - e. monitoring the management's follow up of internal and external audit finding on quarterly basis;
 - f. evaluation of the Bank's soundness level, risk profile, compliance function, and anti fraud strategy on quarterly basis;
 - g. evaluation of the performance of the subsidiaries.
 - h. evaluation of HR and employment policies;
 - i. evaluation of DPLK-BRI;
 - j. evaluation of the management of BRI's pension fund;
 - k. monitoring the activities of the Risk Management Committee (RMC) on quarterly basis;
 - l. monitoring loan growth on regular basis; and
 - m. reviewing the adequacy of integrated internal control, integrated risk profile and integrated compliance.

2. Specific supervision encompasses issues that require further consideration, or strategic issues that require immediate decisions, including:
 - a. the management and utilization of Information Technology (IT), including the management and operation of BRI's satellite, following up IT Health Checks, as well as network and service management, and ATM and e-channel performance;
 - b. implementation of risk management, particularly regarding liquidity, fraud, Mandatory Reserves (GWM) management, and human error.

- c. business development of the subsidiaries (BRI Syariah, BRI Agro, BRI Remittance, BRI Life and BRI Finance), such as any GCG improvements to achieve integrated governance, implementation of integrated risk management, as well as business synergy between BRI's subsidiaries and BRI.
- d. monitoring of BRI's business development on non-organic basis.
- e. improving organizational structure, and HR policies and remuneration program in accordance with business processes and best practices.

EVALUATION OF BOD PERFORMANCE AND COMPANY SUPERVISION IN 2016

The Board of Commissioners appreciates the achievements made by the Board of Directors in 2016, amidst the slow global and national economic growth in that year. The economic growth of the European Union stood at just 1.7% (YoY), an increase from 1.5% (YoY) in 2015. The economy of the United States of America (USA) grew by 1.6% (YoY), the slowest growth since 2011. China's economy grew by 6.7% (YoY), the slowest growth since 2009, due to the slowdown in private investment and export performance. Japan's economy grew by 2.2% (YoY), a higher rate than previously predicted due to an increase in export performance during three consecutive quarters, which was a result of an increase in the shipment of smartphone components.

Indonesia's economy grew by 5.02% (YoY) in 2016, higher than the growth in 2015, which stood at 4.79% (YoY). On the domestic front, the economic growth was driven by a stable domestic demand, especially household consumption. However, the realization of government spending was lower than the previous year due to budget cuts. Until end of 2016, the inflation rate stood at 3.02% YoY with the Consumer Price Index (IHK) at 126.71% basis point, an increase from the previous year.

In 2016, the Board of Directors managed to maintain the Company's positive performance. The Company's net income reached Rp26.23 trillion and its consolidated assets reached Rp1.004 trillion. Such achievement was followed by improvements in other key indicators, such as loan growth of 14.17% YoY and fee-based income of Rp9.22 trillion, which increased by 25.38% YoY. The Company also recorded commendable financial ratios, such as Return on Equity that stood at 21.80%, Return on Assets that stood at 3.66% and operating cost to operating income (BOPO) ratio of 70.33%. In line with the development of its businesses, the Board of Directors was also able to focus on maintaining the quality of assets, resulting in gross NPL of 2.13% and net NPL of 1.22%. The Board of Directors also managed to maintain liquidity by maintaining the Primary Rupiah GWM and the Primary Forex GWM at the rate of 7% with LDR reaching 87.93%.

Realizing that in addition to achieving business growth targets, it is also important to maintain sustainable growth, the Board of Commissioners always strives to conduct supervision in accordance with micro financial parameters and external macro parameter as a means of developing an early warning system.

1. Risk Profile

In 2016, the Board of Commissioners conducted periodic evaluations of the implementation of policies and risk management strategies to ensure that all material risks had been mitigated and any potential impacts had been followed up. Evaluation was conducted with the objective of ensuring that the Board of Directors had managed the risks in an effective manner, and that the risk management culture had rooted itself throughout the organization.

The Board of Commissioners realizes that the increasing complexity of business activities and the expanding network demand a better and more effective implementation of risk management so that each risk, present and future, can be identified and mitigated. Adopting an enterprise-wide risk management strategy has allowed BRI to identify, measure, monitor, and control the risk exposure in all the organization's lines of business.

In 2016, BRI mitigated the Company's inherent risks through a comprehensive risk management strategy. The development and strengthening of risk management unit up to the regional level also strengthened the implementation of risk management and the culture of risk management, which became ingrained in all of BRI's employees.

By conducting active supervision through observation, discussion, unit visits, and consulting independent experts, the Board of Commissioners ensured that risk management had been implemented comprehensively throughout 2016 as reflected in the Company's composite risk level, which was low to moderate (2), with low risk level applicable to market risk and compliance risk, and low to moderate risk level applicable to loan risk, liquidity risk, operational risk, legal risk, strategic risk and reputation risk.

The effectiveness of the Bank's risk management is also reflected in its attainment of targets and its level of soundness, with a composite rating of 2 or 'Healthy', as well as for its implementation of compliance functions, anti fraud strategy and Good Corporate Governance. Nevertheless, risk management strategies should be continuously improved in line with the dynamic nature of the Bank's business.

2. Good Corporate Governance (GCG)

The Bank implements the five principles of Corporate Governance, namely Transparency, Accountability, Responsibility, Independence and Fairness. Furthermore, the basic principles of Good Corporate Governance are embodied in the following principles of corporate governance:

- a. Transparency in decision making processes and in the submission of material information relevant to the Bank's activities, including information contained in the quarterly Financial Statements, as well as disclosing the number of shares owned by the Board of Commissioners and the Board of Directors in the Bank's Annual Report.
- b. Clarity of the Bank's executive functions and the responsibilities of the Management to ensure an efficient and economical management of the Bank, as reflected in the clear outlines of responsibilities held by each of the Company's structures, a fair and objective recruitment of employees, and a performance-based remuneration system for the management and employees.
- c. Alignment of the Bank's management with the prevailing regulations and the principles of sound corporations, as reflected in the reports submitted by the Bank to the regulator and other authorities in accordance with the prevailing rules and regulations.
- d. Management of the Bank in a professional manner without any conflicts of interest nor influence or pressure from any party not in compliance with the prevailing rules and principles of a sound corporation. This is reflected in the commitment of all of the Company's employees to maintain professionalism without conflicts of interest or influence or pressure from any party.
- e. Fairness and equality in fulfilling the obligations to stakeholders arising from any agreements in accordance with the prevailing regulations, as reflected in the reward and punishment system for achievements and violations, and providing the same level of service to all customers.

The Board of Commissioners believes that the Bank implemented the principles of GCG in an appropriate manner in 2016. The Bank's self-assessment of GCG implementation resulted in a Composite Score of 2.00.

3. Profitability

The evaluation of the Bank's profitability was conducted by the Board of Commissioner, and covered profitability performance, supporting factors, sustainability and profitability management. The Board of Commissioner saw that throughout 2016 the Board of Directors implemented the appropriate strategy that led to a net profit of Rp26.23 trillion, an increase of 3.22% from the net income in the previous year. Despite the slight growth, the achievement can be attributed to the success in maintaining NIM above 8% and reducing the cost of funds (bank only) from 4.24% to 3.83%, and increasing Fee-Based Income by 8.57% (bank only).

The Board of Directors was also able to record positive results relating to key financial ratios, such as Return on Assets of 3.67%, a decrease from 3.99% in the previous year due to the lower rate of growth of Profit Before Tax as compared to the average growth of Assets, partly attributable to the asset revaluation of Rp14.32 trillion in Quarter II 2016. In addition, the Return on Equity stood at 21.80%, a decrease from 29.05% in 2015. The decrease in ROE was mainly due to the increase in equity from asset revaluation, which increased the Bank's equity by Rp13.8 trillion in Quarter II of 2016. The efficiency was reflected in the CER ratio that stayed constant at 43.68%, while the BOPO ratio increased from 67.81% to 70.33%, in line with the increase in Non Performing Loan Coverage Ratio from 143.75% to 161.16% in 2016.

4. Capital

In general, the Board of Commissioners believes that the Board of Directors managed the capital in accordance with the character, business scale and complexity of the Bank's operations. This was reflected in the capital level, which remained above the minimum requirement set by Bank Indonesia. The Capital Adequacy Ratio (CAR) of BRI at the end of 2016 stood at 22.69%.

EVALUATION OF THE PERFORMANCE OF THE COMMITTEES UNDER BOC

The basis for evaluation of committees under the Board of Commissioners are:

1. Work Plan and Budget (RKA) for the current year and its achievement.
2. Attendance in committee/Board of Commissioners meeting or meetings of Board of Commissioners and committee members.

Throughout 2016, the committees under the Board of Commissioners, namely the Audit Committee, the Risk Management Oversight Committee, the Nomination and Remuneration Committee, and the Integrated Governance Committee, performed each of their functions and responsibilities successfully, providing significant support to the Board of Commissioners in its execution of duties and supervisory function.

The role of the Audit Committee, among others, is to ensure the adequacy of internal control, including financial reporting. In 2016, the Audit Committee also reviewed the effectiveness and compliance of the audit conducted by the Public Accounting Firm, and reviewed the Bank's financial statements and other financial reports to ensure compliance with the prevailing standards and regulations.

The ability of BRI to manage risk can be attributed to the success of the Risk Management Oversight Committee, which worked hand in hand with the Directorate of Compliance to review and monitor the implementation of the Bank's risk management strategy. The Bank's risk profile in 2016 stood at the level of "Low to Moderate" with an excellent quality of loan portfolio and low score for non-performing loans.

The Nomination and Remuneration Committee provided constructive suggestions and input relating to the Bank's system and procedures relating to the selection and/or change of member of the Board of Commissioners, the Board of Directors and the independent members of the Committees, as well as suggestions and input relating to the remuneration of the Board of Commissioners and the Board of Directors. In addition, the Nomination and Remuneration Committee also provided constructive feedback to the Board of Commissioners regarding the results of its review of the Bank's employment policies and human resources management.

The role of the Integrated Governance Committee is, among others, to assist the Board of Commissioners in strengthening its oversight function in an integrated manner so as to improve public trust in the Company. The Committee also monitors the continuing enhancements on policies, procedures and work practices at all levels of the organization, in order to ensure the implementation of internal control, compliance and risk management functions in an integrated manner.

BOC appreciates the achievements made by the committees, and expects that the committees will work to further improve their performance and continue collaborating with the relevant work units to help the Bank achieve the best possible performance in the banking and financial industry in Indonesia.

MONITORING ACTIVITIES AND RECOMMENDATIONS

In 2016, the Board of Commissioners and its committees performed the following monitoring functions:

1. Held a joint meeting of the Board of Commissioners and the Board of Directors in order to evaluate the achievement of strategic policies and the implementation of 2016 RKAP/RBB, at least 1 (one) time during each quarter.
2. Held a meeting of the committees under BOC with BOD, or related divisions, in order to:
 - a. Evaluate pre-published financial statements on quarterly basis.
 - b. Evaluated the audit conducted by the Public Accounting Firm, including the financial audit for the fiscal year 2015, the management letter for the fiscal year 2015 and the PKBL audit for the fiscal year 2015.
 - c. Evaluated the results of the internal audit on quarterly basis.
 - d. Monitored BOD's follow up of the internal and external audit findings on quarterly basis.
 - e. Reviewed the annual audit plan (PAT) in 2016 and monitored the follow up of the findings of the internal audit (SKAI).
 - f. Evaluated the Bank's Risk Profile, its implementation of compliance functions and the Anti-Fraud Strategy on quarterly basis.
 - g. Evaluated the Bank's soundness on quarterly basis.
 - h. Evaluated GCG by conducting a self-assessment each semester.
 - i. Evaluated the Bank's general Risk Management policy.
 - j. Evaluated the performance of the Bank's subsidiaries.
 - k. Evaluated the management of human resources and labor policy.
 - l. Evaluated the Bank's Information Technology Policy, including the management of, and policies relating to, the BRI Satellite (BRIsat).
 - m. Evaluated the Integrated Risk Management policy.
 - n. Evaluated the Management and Investment of Pension Fund policy.
 - o. Evaluated the DPLK-BRI.
 - p. Evaluated the Wealth Management policy.
3. Visited Work Units in 19 Regional Offices.

Based on the evaluation and its work visits during 2016, the Board of Commissioners provided the following advice and recommendations:

1. Loan

Loan disbursement should be conducted with due regard to prudent banking, and be accompanied by improvements in the quality of internal controls and the implementation of effective risk management. BOD needs to increase oversight of certain loan segments that experience a deterioration in NPLs. BOD is also required to improve the monitoring of the debtors' business development in several sectors of the economy that have been affected by the decline in national economic growth.

2. Funding

The Board of Directors has successfully managed the Bank's financial aspects. Amid tight liquidity, the increase in CASA was achieved and funding need for loan disbursement was met.

3. Revenue and Expenses

The growth of revenue and expenses was successfully maintained so that the operating margin continued to increase. In order to improve the revenue structure, BOD is required to continue to increase fee-based income so that the major portion of interest income can gradually be decreased. One of the strategies to increase fee-based income is to increase the availability and utilization of the e-channel network, particularly ATMs and EDCs.

4. Capital

BOC believes that the Bank's capital has been managed prudently while giving due regard to the need for the expansion of credit. External funding sources have been comprehensively evaluated by taking into account the most optimal terms and conditions for the Bank. With risk appetite at a minimum CAR of 16%, the Board of Directors has demonstrated that it has been managing CAR with utmost caution ensuring that it remains at a safe level above the minimum risk appetite CAR.

The Board of Commissioners has also requested that the management continue to prioritize the distribution of productive assets with lower RWA, and continue to improve the quality of risk management.

5. Human Resources

BOC believes that the management of Human Resources (HR), the Bank's main asset, has been carried out in a successful and sustainable manner. Performance assessment is based on the Balanced Scorecard and implementing individual Key Performance Indicator (KPI) to ensure that all employees can work to their full potential in support of the Company's business growth.

BOC continues to encourage its employees to improve their capacity by taking courses at the Corporate University, and ensures that the University's curriculum is aligned with the Bank's business needs as well as the need for employee integrity.

BOC supports all initiatives that work towards ensuring a balanced division of employee between business units and supporting units. Information technology plays an important role in supporting the operational needs of employees.

6. Information Technology

The role of information technology has contributed greatly to the Bank's performance. There are a number of issues that need to be addressed to ensure the smooth operation of the Bank's IT services. In order to optimize the Bank's IT, BOC has given the Management the following input:

- a. Continue to improve the quality of IT governance with regular reviews of the Bank's IT policy;
- b. Following up IT assessments and recommendations made by independent parties; and
- c. Integrate BRIsat with IT infrastructure in all operational units.

7. Risk Management

The process of assessing risk management should reflect the conditions in the field, as the results of such assessments provide the basis for the Management's decisions and corrective measures. Self-assessments of the Bank's risk management would provide better results if they were done in collaboration with the BOD and all units under the BOD. It is important that the results of Risk Management assessments reflect the real situation in accordance with the set parameters. To achieve this, BOD needs to encourage the units to perform self-assessments that reflect the Bank's real situation.

8. Internal Control

Based on the results of internal and external audits, BOC believes that there are still weaknesses in the Bank's internal control measures, as reflected in the increasing incidences of fraud throughout 2016, and the increasing financial penalties from regulators, as well as transaction errors and system failures.

To enhance the Bank's internal control measures, BOC has requested BOD to correct the weaknesses in the Bank's internal controls measures through the following actions:

- a. improving oversight of each operational processes in the work units;
- b. enhancing the compliance and risk management in the work units;
- c. improving the quality of internal control measures through the implementation of Risk Based Audits of the operational processes in the work units;
- d. improving monitoring by unit leaders of actions based on the findings of internal and external audits;
- e. following up the findings of the internal and external auditors, and fulfilling the commitments made by the management, including mitigation measures to avoid recurrence of undesirable incidents; and
- f. enhancing the competence of workers through continuous training and education as well as coaching by superiors.

9. Good Corporate Governance (GCG)

Implementation of GCG policies should be aligned with operational policies, best practices and requirements of the stakeholders. BRI conducts periodic assessments of the implementation of GCG using two methods, namely self-assessment and assessment by independent parties.

The self-assessment conducted at the end of June 2016 resulted in the score of 1 (Excellent), while the latest assessment by regulator/OJK resulted in the score of 2 (Good). The assessments made by independent parties such as IICG and ACGS resulted in the score of Excellent/ Most Trusted Company.

Nevertheless, there are still some weaknesses when it comes to the implementation of GCG that need to be addressed, including the internalization of the culture of risk awareness, improvement of the coordination between units, prevention of some recurring audit findings, and reduction of the penalties/fines from regulators.

BOC suggested that the Management should improve the quality of the implementation of GCG in all aspects of the Bank's operations, and ensure that GCG is internalized in the Bank's corporate culture.

The Company has implemented a policy to report violations through the Whistle Blowing System (WBS) which is integrated at all levels of the organization, from the BRI Unit level to the Head Office level. All reports go directly to the President Director in order to maintain confidentiality and integrity of WBS reporting.

The Company implements an effective WBS mechanism as part of its commitment to uphold business ethics and transparency in business. The WBS mechanism provides reporting channels to receive reports from employees, key management personnel and all other stakeholders. The operation of WBS is described in a separate sub-section.

By protecting the confidentiality of the informers, the Company encourages all parties to submit reports of violation without fear of reprisals. To maintain the integrity and effectiveness of the WBS mechanism, the Board of Commissioners periodically held discussions with the Internal Audit and the Board of Directors.

10. Capital Investment and Development of Subsidiaries

In 2016, BRI invested Rp378.55 billion in PT BRI Multifinance Indonesia (BRI Finance) in order to increase its ownership of the company from 45% to 99%. This capital investment is a part of BRI's strategy to provide full banking services and integrated banking solutions.

Investments in subsidiaries should be preceded by an in-depth and comprehensive study carried out in accordance with all applicable regulations. Investments should also be based on the Bank's strategy to develop stronger, mutually beneficial subsidiaries. BOC has requested that the management monitor the implementation of the business plans of the Bank's subsidiaries in order to build synergy for BRI and its subsidiaries, as well as to improve the quality of implementation of Governance of the subsidiaries and governance between BRI and the subsidiaries within the framework of the Integrated Governance.

11. Capital Expenditure

The preparation of capital expenditure should be aligned with the project plan, as well as business development and human resources. In addition, the use of the Bank's budget should be optimized to improve services to customers.

12. Organization

BRI's organizational development should be able to meet the medium term business development expectations, as well as take into account the efficiency of the management of existing resources.

13. Network

Network development is in line with the branchless banking policy, which has been reflected in prioritizing the development of the e-channel network. However, it appears that the management is not as effective as it could be when it comes to managing the e-channel network considering that EDC utilization has only reached 33%. Accordingly, the Board of Commissioners has requested that the management:

- a. pay attention to the theoretical capital gap, the readiness of human resources, IT support, cost efficiency and the alignment with the policies of branchless banking in additional outlets;
- b. increase the utilization of EDC by merchants and customers by offering various reward programs; and
- c. increase the effectiveness of the monitoring system (early warning system) of the e-channel network.

14. Partnership Program and Community Development (PKBL)

The Board of Directors shall further optimize the implementation of PKBL, especially when it comes to the implementation of the Community Development Program. The fund distribution for Community Development should be directed towards development programs that can foster economic independence of the surrounding communities.

CHANGES IN BOARD COMPOSITION

In accordance with the resolution of the Annual GMS on March 23, 2016, Mr. Mahmud was appointed as Commissioner of the Company, thereby strengthening the membership of the Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk from 8 (eight) to 9 (nine) personnel.

EVALUATION OF BUSINESS PROSPECTS 2017 BY THE BOD

In general, we believe that the Board of Directors' outlook on business prospects in 2017 is in line with the expectations of the Board of Commissioners. The banking industry will remain affected by the sluggish global economy and the stability of the domestic economy. To that end, the Board of Commissioners supports the Bank's strategy for 2017, namely to focus on micro and consumer segments, while maintaining low-cost fund composition, loan quality and operational efficiency, as well as continue to increase the share of fee-based income to total revenues of the Bank.

The Board of Commissioners hereby submit its supervisory report on the management of the Company in 2016.

Board of Commissioner

PT Bank Rakyat Indonesia (Persero) Tbk.

Board of Commissioners



1. **Mustafa Abubakar**
President Commissioner/
Independent Commissioner
2. **Gatot Trihargo**
Vice President Commissioner
3. **A. Sonny Keraf**
Independent Commissioner

4. **Ahmad Fuad Rahmany**
Independent Commissioner
5. **Vincentius Sonny Loho**
Commissioner
6. **Adhyaksa Dault**
Independent Commissioner

7. **Jeffry J. Wurangian**
Commissioner
8. **Ahmad Fuad**
Independent Commissioner
9. **Mahmud**
Commissioner*



* Still undergoing fit and proper test



Board of Directors Report



Asmawi Syam
President Director

Assalamualaikum Wr. Wb.

Praise we pray to the Lord Almighty, as for His blessings that BRI's business journey in 2016 has been satisfied with good results. BRI strived for and managed some success to show good performance in 2016, to maintain the trust that is given, to provide the best results to all stakeholders, and to increase value to shareholders. These achievements have strengthened BRI's position in the pursuance of sustainable business growth. At this opportunity, allow me, on behalf of the Board of Directors, to present you a summary of BRI's performance in 2016.

GLOBAL MACRO ECONOMY

Global Economic Growth Stagnant

The growth of global GDP will reach near 3.1% at the end of 2016, slightly less than the growth in 2015 of 3.2%. The slow growth of economy in China has not been balanced by a stronger growth of the US economy, with results of the UK Brexit referendum and the US Presidential Election were contributory factors to the volatility of global financial markets. Going forward, the growth of economies across the world will be influenced by the policies of the new government in United States of America.

DOMESTIC MACRO ECONOMY CONDITION

Stable Domestic Consumption and Trend of Increasing GDP Growth

The Indonesian economy in 2016 performed slightly better compared to 2015 with an annual GDP growth of 5.02%, higher than the 4.79% in 2015, with household consumption accounting for 56,5% and still the largest contributor to Indonesian GDP. In addition, the GDP growth was also supported by strong government spending in infrastructure, compensating for the weakening of export earnings due to the instability of commodity prices.

The government introduced the Tax Amnesty Program in July 2016 to reduce the fiscal deficit in support of infrastructure spending target. At the end of 2016, the government's revenue from the Tax Amnesty Program reached a total of more than Rp100 trillion, while total declared assets reached Rp3.879 trillion, consisting of domestic and overseas declarations, repatriation of assets, as well as redemptions. Declaration of assets on the tax amnesty period reached 23% of Indonesia's GDP, making the program one of the most successful tax amnesty programs in the world.

BANKING INDUSTRY

Adapting to Slower Growth

Credit growth in 2016 slowed down to 7.87% YoY compared to the previous year of 10.44%. Such slowing of credit growth reflected the weak demand for credit still in evidence during 2016. The slow credit growth was moreover accompanied by an increase in gross non-performing loan ratio to 2.93% in 2016, from 2.49% in the previous year. On the other hand, third party funds in the banking sector increased by 9.60% in 2016, higher than the growth in the previous year at 7.26% YoY. The higher growth of third party funds in 2016 was attributable to, in part, the inflows of repatriated funds in the Tax Amnesty program. The slow credit growth in conjunction with higher growth of third party funds have resulted in a relaxation of liquidity in the banking sector by the close of 2016.

In mid December 2016, the Federal Reserve raised its benchmark rate by 25 bps, and in the same month, Bank Indonesia still maintained its Reverse Repo rate benchmark at 4.75% in consideration of inflation that reached 3.02%. In March 2016, the Financial Services Authority (OJK) applied a cap on bank deposit interest rates for BUKU 3 banks at 100 bps and for BUKU 4 banks at 75 bps above the benchmark rate. Meanwhile, in mid-August 2016, Bank Indonesia changed the benchmark interest instruments from an instrument based on a 12 month to a 7-day Reverse Repo. Currently, the upper limit of deposit rates at BRI is 6.75%, which is calculated based on Bank Indonesia 12-month Bank Indonesia Certificates.

PERFORMANCE IN 2016

Strategic Policy

Defensive Strategy: Growth in Micro Sector by Monitoring CASA Level

Amid the dynamic macro-economic conditions, in 2016, we implemented a defensive strategy to maintain sustainable performance. With a high LDR in the Bank, we sought to maximize productivity on assets by prioritizing growth in the Micro Business and Consumer Business segments, while for liabilities, we are still trying to maintain a minimum level of CASA of 55%.

Building the Foundation to Prepare a Transformation Phase

This year, we prepared a transformation project to be undertaken in the period 2018 - 2022, by reviewing the Company's long-term strategy. In view of changes in the demographic as well as advances in technology, we believe that excellence in managing savings using the benefits of technology will be key BRI's success in the future. To overcome challenges, at the end of the 2015, we formed the Transaction Banking Division, with an emphasis on individual and retail payment services. In 2016, we continued the development of such business to the Corporation and State-Owned Enterprise segments by forming the Commercial Transaction Banking division under the coordination of the Transaction Banking division.

Utilizing Technology to Boost Efficiency

2016 was also an important year for us in terms of adopting new technologies to support banking services. In June 2016, we successfully launched a communication satellite, the BRI-sat, followed by forming a new division dedicated to operate the satellite. Currently, we are in the process of integration between the new satellite system and the existing network, and in 2018, we expect that the integration process will have covered a number of our regional areas. BRI-sat can support the operational performance of all the distribution networks of BRI, especially those based on e-channels. In addition to strategies in network infrastructure, we also restructured the IT Division by separating the strategic function from operational function in order to have a speedier execution in IT development.

Digitalizing Banking Services

BRI operates the widest and largest network of banking offices in Indonesia with 10,643 offices. BRI also has four overseas branches, namely in Singapore, Hong Kong, New York and Cayman Islands. In addition, the Bank also operates 3 units of Teras BRI Kapal as floating branch offices to serve people living on islands and in isolated coastal communities with little or no access to banking services. In 2016, the number of branches increased by only 31 offices. This is part of our strategy to maximize BRI's digital technology in reaching the public and expanding our business in the future.

BRI provides an e-channel network that records more than 283,453 e-channel points dispersed all across the territory of Indonesia. To anticipate the increasing needs of the community for banking transactions that are quicker, easier and more efficient, BRI in 2016 expanded the e-channel network by adding some 1,500 ATMs, 500 Cash Recycle Machines (CRM), 69,954 EDCs, and 100 units of Self Service Banking (SSB) machines.

Leading in Developing the Nation's Economy

BRI continues to maintain its position as a bank that focuses on empowering the backbone of the national economy, namely the Micro sector and the Small and Medium Enterprises (SMEs), with the Micro, Small & Medium Enterprises (MSME) segment contributing around 72.53% to BRI's total loan portfolio.

BRI was also the largest disbursing bank for small business loans under the Kredit Usaha Rakyat (KUR) program, accounting for some 70% of the national quota in 2016 for KUR disbursement. BRI disbursed Rp65.06 trillion of loans to more than 3.7 million borrowers, consisting of Micro KUR of Rp57.24 trillion and Retail KUR of Rp7.82 trillion.

BRI expanded its services using the concept of BRILink where customers of BRI cooperate as Agents serving the community for banking transactions in real time using the features of BRI EDC mini ATM equipment with a fee sharing arrangement. The performance of BRILink in 2016 showed good business growth compared to 2015 with the BRILink Agents increasing to number 84,550 agents in 2016 from 50,259 agents in 2015, spread out from Sabang to Merauke. This increase was accompanied by an increase in the number of transactions to 98.40 million from 23.60 million and the value of transactions reached Rp139.10 trillion from Rp35.90 trillion in the previous year.

BRI's support for the development of the nation's economy includes increasing the financial literacy of society through cooperation with the Government and OJK, as well as through various Corporate Social Responsibility programs that aim to develop the quality of human development and the living standards of local communities.

Target Realization

Comparison between achieved results and targeted results (bank only):

Performance	Target 2016	Realization 2016	Achievement
Loan Growth (Rp billion)	653,701	635,291	97.18%
LDR	90.92%	87.77%	103.59%
Net Interest Margin	8.09%	8.27%	102.22%
NPL	2.16%	2.03%	106.75%
CER	46.78%	42.77%	109.38%
Net Profit After Tax (Rp billion)	25,442	25,753	101.23%

Overall, BRI has successfully achieved and even exceeded its business targets set out for the year of 2016, except for credit growth and CER targets.

In 2016, BRI managed to realize a Net Profit After Tax (NPAT) of 101.23% above the stated target, while its Net Interest Margin reached 8.27% above the target for the year. The growth in net profit was supported the growth in net interest income of 15.37%, growth in fee income of 25.38%, and an increase of 18.02% in income from settlement of written-off loans (recovery income), during 2016.

The CER ratio in 2016 was maintained at 42.77%, still within range of the target set for 2016. In terms of operating expenses, BRI recorded an increase primarily due to higher labor costs as an impact of long-term incentive reserves in preparation for executing the Management and Employee Stock Ownership Program (MESOP).

Total loans disbursed by BRI in 2016 reached Rp635.29 trillion, growing 13.76% compared to 2015. This growth increase was slightly below the target set out in 2016 in the amount of Rp653.70 trillion, due to the weak demand for loans. The allocation of loans is prioritized for the MSME, Consumer and the Corporate SOE segments. Micro Business is still a major contributor to the growth of BRI loans whereby BRI Micro loans comprised 32.43% of BRI's total loans in 2015 and 33.43% in 2016.

In 2016, BRI managed to control its NPL at 2.03%, better than the target set out in 2016 which was at 2.1% - 2.4%. BRI's NPL ratio level was also better than the average banking industry which was at 2.93%. Such improvement was achieved by undertaking various efforts including improving lending procedures in the Medium segment, developing overall credit portfolio analysis, intensifying the restructuring of small loans and corporate loans, as well as improving collection efforts to minimize NPLs and increase recovery revenues.

BRI's Third Party Funds (DPK) increased 12.61% (yoy) to Rp723.85 trillion, driven by the growth in savings accounts at 11.23% (yoy), time deposit accounts at 8.87% (yoy), and demand deposit accounts at 24.58% (yoy). The growth of BRI's DPK was better than the average growth of 3.15% within the banking industry. The composition of BRI's DPK in 2016 was also better than 2015 with the increase in low-cost funds (CASA) to 60.57% in 2016 compared to 59.21% in 2015.

BRI has made various efforts to reduce the cost of funds with regard to the management of interest rate and liquidity risks, and successfully reduced the cost of funds from 4.24% at the end of 2015 to 3.83% by the end of 2016. The lower cost of funds is not independent from the government imposition of a limit on interest rates for bank deposits for BUKU 4 banks at 75bps above the Bank Indonesia benchmark rate, as well as internal efforts to increase efficiency in the management of assets and liabilities.

BRI has the largest customer base with over 50 million deposit accounts. BRI maintains its market share of deposit accounts by offering its flagship products, Simpedes and Britama. These two products rank above 95% in brand awareness and are well-differentiated in the eyes of customers. To maintain customer loyalty, BRI consistently performs promotional programs, among others, the Pesta Rakyat Simpedes and Untung Beliung BRITAMA.

BRI's CAR level was recorded at 22.69% at the end of 2016, increasing from 20.39% at the end of 2015, and well above the minimum capital adequacy provisions set out by BI at a rate of 9%. This achievement was supported by an asset revaluation carried out in the second quarter of 2016 resulting in an increase of equity by Rp13.82 trillion.

BRI has ably performed its intermediary function as an institution in the effective and efficient collection and distribution of public funds, as evident from the level of Loan to Deposit Ratio (LDR) of 87.93% at year-end 2016.

Challenges

A number of obstacles faced by BRI in carrying out its primary function as a financial intermediary included a fairly tight liquidity condition due to the declining government tax revenues and slow industry-wide growth of saving accounts, the weakening of credit demand, and also the weakening of international trade volumes due to global economic conditions.

Internally, BRI continues to strive to improve the quality of its service, particularly through the use of technology. Therefore, in the long-term plan, BRI will be more focused on investments in the development of information technology and the quality of its human capital.

Performance of BRI Subsidiaries

BRI foresees that in the future, the Consumer Business will be more attractive in line with the increase in per-capita income in Indonesia and the stable growth in household consumption. In 2016, BRI added a new subsidiary in the field of multi-finance with the increase of its share ownership in Bank of Tokyo Mitsubishi Finance from 45% to 99%, making BRI the controlling shareholder in BTMU Finance. With the completion of this acquisition, BTMU Finance was renamed BRI Finance. BRI Finance will be focused on developing the BRI Consumer Business, hence, the ongoing business restructuring is aimed to optimize the synergy with the BRI Consumer Business.

Additionally, BRI Life, acquired in 2015, has started to show positive results with a net profit of Rp 209.15 billion in 2016, with its Risk Based Capital increased to 280%. As part of the ongoing restructuring process, BRI has promoted a new board of directors and commissioners for BRI Life. BRI Life's new management was chosen from professionals and former bankers of BRI to maximize synergy with the BRI Consumer Business.

BRI subsidiaries which are engaged in banking industry, BRI Syariah and BRI Agro, both showed positive performance with net incomes of Rp170.64 billion and Rp103.49 billion, respectively, and ROE of 7.42% and 7.34%, respectively. However, on a consolidated basis, the net profit contribution to BRI net income is not yet significant. Both banks are still experiencing pressure on credit quality, so for the time being, the Bank is opting in for a defensive strategy with a focus on selective growth and improved credit quality.

IMPLEMENTATION OF BRI'S CORPORATE GOVERNANCE 2016

The Board of Directors realizes that the good implementation of Good Corporate Governance will strengthen the growth and quality of BRI's business, resulting in sustainable added value for all stakeholders. The implementation of BRI corporate governance refers to Bank Indonesia Circular Letter No. 15/15/DPNP dated April 29, 2013, concerning Implementation of Good Corporate Governance for Commercial Banks.

According to the results of evaluation by the Financial Services Authority (OJK) in 2016 on GCG implementation, BRI received a rating of '2', showing that BRI has implemented well its GCG and has complied with all the principles of corporate governance. Moreover, in the same year, the Bank managed to get an award in the field of Sustainable Finance from the OJK with honors "Best of the Best" which shows the commitment of BRI in maintaining sustainable business growth.

Implementation of GCG at BRI includes a declaration of commitment to not accept and / or ask for gifts in any form and for any reasons from customers, debtors, business partners, or other third parties; statement of compliance with the code of ethics, as well as disclosure of all activities that have elements of conflict of interest every year, where each working unit is obliged to report on a quarterly basis any transaction/decision-making having elements of conflict of interest. Further, all BRI partners associated with the supply of goods and services must establish an Integrity Pact. BRI implements a zero tolerance anti-fraud strategy demonstrating BRI's commitment to be on guard against fraud, with zero tolerance for any form of fraud originating inside or outside BRI.

BRI implements risk management in an integrated manner by implementing a four-pillar risk management strategy where pillar 1 is the active supervision of the Boards of Commissioners and Directors; Pillar 2 is the adequacy of policies, procedures and limits; pillar 3 is the risk management processes and risk management information systems; and pillar 4 is internal control system.

BRI has also had a whistle-blower system since 2009 to create a conducive organizational climate and encourage a culture of reporting matters detrimental to both financial and non-financial standing, including potential detriment to corporate image.

Implementation of Information Technology Governance has also been done by dividing IT into two domains, namely strategic control and operational control. This division allows the Bank to conduct regular evaluation processes on planning and governance, development and implementation, delivery and support, and monitoring and evaluation. The application is based on Minister of State Owned Enterprises Regulation No. PER-02/MBU/2013 on Guidelines for Developing Management of Information Technology in SOEs and Bank Indonesia Regulation No. 9/15/PBI/2007 regarding Implementation of Risk Management in the Use of Information Technology by Commercial Banks.

BRI Integrated Governance

BRI has the Integrated Governance Committee at the level of the Board of Commissioners consisting of the Board of Commissioners of BRI, Board of Commissioners of BRI Agro, and the Board of Commissioners and Sharia Supervisory Board of BRI Syariah. Under this Committee, the implementation of integrated governance is monitored directly by the Director of Compliance through quarterly Risk Management Committee meetings.

Evaluation of Performance of Committees Under the Board of Directors

There are 10 (ten) executive committees assisting the Board of Directors in implementing its duties and responsibilities: Risk Management Committee, Credit Policy Committee, Credit Committee, Asset-Liability Committee, Information Technology Steering Committee, Capital and Investment Committee, and Project Management Office (PMO) Steering Committee, Product Committee, HR Policy Committee, and Position Evaluation Committee.

In the evaluation of the Board of Directors, all of these committees have performed their duties and responsibilities in 2016 in helping the BOD.

The Risk Management Committee (RMC) oversees and supervises BRI's risk profile; undertakes capital analysis and stress tests (liquidity, capital and enterprise); and evaluates BRI's risk issues, as well as RMC recommendations and RMC recommendation implementation. The Integrated RMC also convenes forums to conduct surveillance and supervision of integrated risks with subsidiaries BRI Syariah, BRI Agro, BRI Finance, and BRI Life as part of the BRI Financial Conglomerate. This supervision covers BRI's integrated risk profile, analysis of capital and stress tests (liquidity, capital and enterprise), discussion on risk issues in each subsidiary and recommendations as well as decisions of the Integrated RMC.

The Credit Policy Committee (KKP) works in formulating policy, overseeing the implementation of policies, monitoring progress and conditions of credit portfolios, and providing suggestions for improvements.

The Credit Committee assists the Board of Directors in evaluating and deciding on applications to obtain credit in certain amounts and for certain credit types of credit as set out by the Board of Directors. The duties of the Credit Committee include to provide an approval or rejection of credit according to applicable regulations and to coordinate with ALCO in allocating funding for credit at amounts set out by ALCO.

ALCO (Asset-Liability Committee) assists the Board of Directors in the management of assets and liabilities of the Company in order to obtain optimal yields, including setting out strategy and policy of asset and liability management by considering risks.

The Information Technology Steering Committee (ITSC) assists the Board of Directors in providing direction and recommendations on IT policy, development and operational implementation. In its implementation, ITSC has two main roles, namely to provide policy direction and management of BRI's IT in the long term (five years) and short term (yearly) with reference to the IT strategic plan; and to control the development and implementation of BRI's IT, both for ongoing and future projects, with reference to the IT strategy.

The Capital & Investment Committee assists the Board of Directors in taking decisions for corporate actions based on the results of studies and comprehensive analysis. In addition to that, the committee also plays an active role in the management of BRI's subsidiaries.

The PMO Steering Committee has the duty to provide direction and create strategic decisions in project management, including setting project prioritization, providing project-specific strategic decisions, and providing direction on the results of post-implementation project evaluations.

Changes on Directors Composition

Following decision of the General Meeting of Shareholders (AGM) dated March 23, 2016, there were changes in the composition of the BRI Board of Directors by promoting Sis Apik Wijayanto and Priyastomo as new Directors to replace Directors who had completed their terms, namely A. Toni Sutirto and Gatot Mardiwasisito.

BRI provides the highest appreciation to the departing Directors for their contributions, both for their energy and ideas towards BRI's development.

MANAGING HUMAN RESOURCES

Human resources are the primary capital to drive BRI's businesses and to realize quality business growth and sustainability. On an individual basis, BRI implements a performance management system using a Balanced Scorecard (BSC) as a tool to measure employee performance, including a strategy map setting out the objectives and Key Performance Indicator (KPI) targets.

In 2016, BRI is supported by a total of 99,333 employees (excluding outsourced workers), consisting of permanent employees (including those in probation period), contract employees, and trainees. The number is an increase from 92,574 employees in 2015.

BRI is also improving human resources quality by providing in-house learning programs to 86,649 participants. In the commitment for increased efficiency and worker productivity, BRI provide e-learning with 57 modules that were attended by 1,107,879 participants in 2016. In addition, the Bank sent 36 of its best employees to pursue post-graduate studies in Europe and the USA.

CORPORATE SOCIAL RESPONSIBILITY

Responsibilities towards Workers, Worker Health and Safety (People)

Some of BRI's commitments to fair employment practices are the appreciation for gender equality through recruitment policies at the level of Management Trainee, employee development through access to education and training on a need-basis, competency-based performance evaluation, and career development based on performance. For employee health, all permanent and contract BRI employees receive health insurance benefits. In terms of work safety, BRI has a Business Continuity Management protocol to be executed at a time of crisis, for example in the event of natural disasters. In addition to various forms of responsibility, BRI also provides retirement benefits to every permanent employee.

Responsibilities to Customers

BRI constantly strives to maintain the quality of services to customers. To that end, a service culture has become part of the tag-line of BRI namely "Serving Wholeheartedly" and the service culture "CAKRAM". In addition, the Bank is committed to protecting customer information and data and provides a variety of communication access for customer complaints.

Responsibilities to Communities' Social and Economic Welfare

BRI's responsibility to the surrounding communities is realized through distributing loans in the Partnership Program, KUR Micro, and Kupedes, as well as through philanthropist programs that aim to support the development of productive business sector using BRI's CSR funds.

Responsibilities to Environment

BRI has applied the principles of Green Banking on lending, especially in the Corporate segment dealing with the agricultural sector. In addition, a variety of efforts to improve efficiency include saving paper through the use of automation with the e-Office application and in the loan application process, as well as practical suggestions to save natural resources built into the work culture. Beyond these efforts, various philanthropist programs in nature conservation continue to be made through CSR funds distribution. This amounted to Rp2.84 billion in 2016, which, among other programs, was distributed for the planting of 231,735 trees as well as for various animal conservation programs.

Distribution of CSR Funds

During 2016, the BRI Peduli program disbursed Rp132.71 billion of CSR funds, an increase of 5.01% compared to Rp126.38 billion in 2015. The implementation of the CSR philanthropist programs addressed the needs in areas of education, health, environmental protection, improvement of public facilities, improvement of worship facilities and activities, natural disaster, and social assistance to reduce poverty.

OVERVIEW OF BUSINESS PROSPECTS AND STRATEGY 2017

Overall, the economic situation in 2017 is expected to remain similar to that in 2016. The US economy is expected to grow stronger and the Federal Reserve rate is predicted to rise during 2017. Meanwhile, China's economic growth is expected to be steady at 6.00%.

Indonesia's economic growth in 2017 is estimated to be in the range 5.00% -5.40%, having a better potential than had been expected for 2016. Inflation is expected to be in the 4% range, in line with the forecasts of an increase in the tariffs for electricity, gas and oil prices. The current account deficit is expected to increase but remain below 3% of GDP. Meanwhile further increases in commodity prices will be a positive overall influence on the domestic economy along with the increasing performance of exports. The government's plan to accelerate the disbursement of state spending in the first half of 2017 is also expected to spur the growth of the real sector.

In 2017, loans in the banking sector is expected to grow in the range of 9%-12% with deposits increasing in the range of 8%-11%. Banking liquidity will thus be fairly tight with expectations of an increased ratio of government debt to GDP. As we expect an increase in inflation, we also expect that Bank Indonesia will change the BI 7-day Rate to anticipate any change in Federal Funds Rate in 2017. Growth of the banking industry will be supported primarily from the domestic sector in response to overall economic growth in Indonesia in 2017.

Therefore, in 2017, BRI will prioritize the strategy of developing Micro and Consumer sectors. From the perspective of assets, BRI will increase penetration of Micro market with KUR and Kupedes products as well as manage the market share of the Consumer business primarily in the salaried workers segment through optimization of cross sell programs with Corporate and SOE segments.

Meanwhile for liabilities, the Bank will implement a strategy to maintain deposit growth through an effective marketing strategy for both Micro and Retail offered through Simpedes and Britama products, increase the penetration of BRILink to increase the Bank's profile in the retail payment business, as well as develop business opportunities in wholesale transaction banking in the Corporate segment.

Loan quality will be managed by continuing the loan restructuring strategy for Micro and Medium Enterprises. For the Corporate and SOE segments, efforts to maintain credit quality will be realized by focusing on the potential growth of BRI businesses related to government projects and sectors that are driven by the domestic economy.

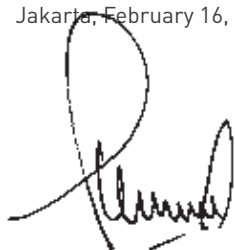
APPRECIATION TO ALL STAKEHOLDERS

On behalf of the Board of Directors, I offer my high appreciation to all BRI employees who have worked hard, were able to maintain customer trust, had a strong commitment, and showed harmonious cooperation that helped BRI achieve an outstanding performance in 2016. I would like to thank the Board of Commissioners wholeheartedly for their advice and guidance. The highest thanks go also to the shareholders, customers and business partners of BRI as well as all other stakeholders on their cooperation.

Going forward, we believe that BRI will be able to demonstrate a better performance, by prioritizing prudential principles and continuing to provide added value to all stakeholders. BRI will continue to serve the banking needs of the people of Indonesia and synergize with all BRI stakeholders to drive the economic growth of Indonesia.

Wassalamu'alaikum Wr. Wb

Jakarta, February 16, 2017



Asmawi Syam
President Director

Board of Directors



1. Asmawi Syam
President Director

2. Sunarso
Vice President Director

3. Haru Koesmahargyo
Director

4. Randi Anto
Director

5. Kuswiyoto
Director

6. Susy Liestiowaty
Director

7. Sis Apik Wijayanto
Director

8. Mohammad Irfan
Director

9. Donsuwan Simatupang
Director

10. Priyastomo
Director

11. Zulhelfi Abidin
Director



Responsibility for Annual Report

STATEMENT OF ACCOUNTABILITY OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS FOR 2016 ANNUAL REPORT OF PT BANK RAKYAT INDONESIA (PERSERO) TBK.

We, the undersigned, hereby declare that all information in the 2016 Annual Report of PT Bank Rakyat Indonesia (Persero) Tbk. have been presented in their entirety, and that we assume full responsibility for the accuracy of the contents of this Annual Report.

This statement is duly made in all integrity.

Jakarta, February 16, 2017

BOARD OF COMMISSIONERS



Mustafa Abubakar
President Commissioner/Independent Commissioner



Gatot Trihargo
Vice President Commissioner



Ahmad Fuad Rahmany
Independent Commissioner



Ahmad Fuad
Independent Commissioner



Adhyaksa Dault
Independent Commissioner



A. Sonny Keraf
Independent Commissioner



Vincentius Sonny Loho
Commissioner



Jeffry J. Wurangian
Commissioner

**STATEMENT OF ACCOUNTABILITY OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS
FOR 2016 ANNUAL REPORT OF PT BANK RAKYAT INDONESIA (PERSERO) TBK.**

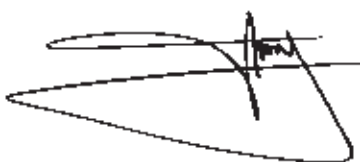
BOARD OF DIRECTORS



Asmawi Syam
President Director



Sunarso
Vice President Director



Randi Anto
Director



Haru Koesmahargyo
Director



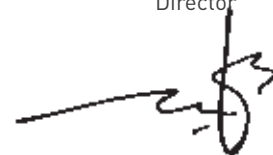
Zuhelfi Abidin
Director



Susy Liestiowaty
Director



Donsuwan Simatupang
Director



Mohammad Irfan
Director



Kuswiyoto
Director



Priyastomo
Director



Sis Apik Wijayanto
Director

BRI continues to grow and to evolve, utilizing the advantages of digitalization to empower Micro, Small and Medium enterprises throughout the archipelago from Sabang to Merauke.





01

Corporate Profile

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General Information

Name of Company	PT Bank Rakyat Indonesia (Persero) Tbk	
Line of Business	Banking	
Business Segment	<ul style="list-style-type: none"> • Micro Banking • Retail Banking • Middle and Corporate Banking 	
Date of Establishment	18 December 1895	
Legal Basis of Establishment	Law No 21 Year 1968	
Statutory Capital	Rp15,000,000,000,000	
Fully Paid-in Capital	Rp6,167,290,500,000	
Stock Exchange	The Company's shares were listed at the Jakarta Stock Exchange (now Indonesia Stock Exchange) on November 10, 2003.	
Ticker Code	BBRI	
Shareholders Composition	Government of RI	56.75%
	Public	43.25%
Number of Employee	93,333	
Network	<ul style="list-style-type: none"> • 1 Head Office • 19 Regional Office • 1 Special Branch Office • 466 Branch Office • 609 Sub-Branch Office 	<ul style="list-style-type: none"> • 5,380 BRI Unit • 984 Cash Office • 2,545 Teras BRI • 638 Mobile Teras BRI
Head Office	Gedung BRI I Jl Jend Sudirman Kav 44-46 Jakarta 10210 No. Tel. : (62-21) 251-0244, 251-0254, 251-0264, 251-0269, 251-0279 No. Fax : (62-21) 250-0077 Website : www.bri.co.id	
Corporate Secretary	Corporate Secretary Division Gedung BRI 1, 20 th Floor Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210 Email : humas@bri.co.id Call center : 14017/(62-21) 57987400	

Corporate Identity



Melayani Dengan Setulus Hati

The Board of Directors of Bank Rakyat Indonesia, through Decision No.S.3-DIR/2/1985 dated February 28, 1985, inaugurated the Logo of Bank Rakyat Indonesia.



A square shape with rounded edges. The four equal sides denote balance, with the rounded lines signifying a dynamism or flexibility in addressing the changing times.

The bold lettering 'BRI' in capital denotes firmness.

The lines, color and shape of the logotype are firm and simple but precisely measurable, to give impressions that are imaginatively reflective of an excellent management system, conveniences as well as security.

In totality, the simple form is expected to facilitate instant recognition as well as long-term impression.

The firm, regular lines and colour are expected to convey an image of a modern and professional institution, reflecting the characteristics of the banking industry with its emphasis on precision and accuracy. It also gives an impression of the modern management of a national business with an international outlook and a progressive spirit.

The straight-forward display of lines, shape and colouring give an impression of simplicity and firmness, as a reflection of one of BRI's mission statements as the spearhead of the Government's policies to provide banking services to all segments of society, from the smallest and remote communities to the largest urban groups in cities.

The colour blue denotes a feeling of comfort, calmness, and tranquillity. As a provider of financial services, BRI is committed to deliver these conveniences to customers through the provision of secure services, comprehensive and sophisticated facilities, and an extensive service network.

Bank BRI at a Glance

The history of PT Bank Rakyat Indonesia (Persero) Tbk ("BRI", "Bank", or "Perseroan") began in 1895 in Purwokerto, Central Java, by Raden Aria Wiriatmaja, originally to manage mosques' cash, to be distributed to the public using a simple scheme. Throughout history, various names have been attached to BRI, beginning with "Hulp en Spaarbank der Inlandsche Bestuurs Ambtenaren", Hulp en Spaarbank der Indlandsche Bestuurs Ambtenareen, Syomin Ginko, and finally, officially established as Bank Rakyat Indonesia on 18 December 1968 by virtue of Law No. 21 Year 1968.

In 1992, BRI changed its legal status to PT Bank Rakyat Indonesia (Persero) by virtue of Law of Banking No. 7 Year 1992 and listed its stocks on Jakarta Stock Exchange, now the Indonesia Stock Exchange, on 10 November 2003, with the stock code BBRI. In 2007, BRI undertook strategic steps by acquiring Bank Artha Services (BJA), which was then converted into PT Bank BRISyariah. BRI's Syariah Business Unit then was spun-off from BRI and merged into PT Bank BRISyariah (BRI Syariah) on January 1, 2009.

Since its establishment, BRI consistently focuses on micro, small and medium enterprises (SMEs), and became the pioneer of microfinance in Indonesia. The Bank maintains its commitment until today, and with the support of its experience in delivering banking services, especially in the SME segment, BRI has been able to record the achievement of being the most profitable bank in 11 years in a row. Such an achievement is the result of hard work of all BRI employees who ceaselessly innovate and develop banking products and services for all business segments.

Through innovation, BRI is able to respond to any developments in society and the business world. One of them is the development of technology. BRI is the first to provide banking self-service in Indonesia through BRI Hybrid Banking in 2013.

BRI also brought its technology-based banking services to every corner of the country, even to the small islands of the archipelago. In 2015, BRI launched Teras BRI Kapal, the world's first ever sea-floating banking service. Then, in 2016, a new history was made. On June 18, 2016 18:38 pm Kourou time, French Guiana, BRI launched BRI-sat, making it the first bank in the world that owns and operates its own satellite.

Procurement of this satellite was part of BRI's strategic plan to strengthen the supporting infrastructure for digital services of the future, which could offer quality banking technology from the center of the city to the remote corners of the nation.

In order to provide the best service for customers, BRI increased the number of ATM machines up to 24.292 units as well as the number of EDC as many as 257.712 units. E-channel network spread all over Indonesia is the evidence of BRI consistency in reaching the then unreachable.

BRI continues to expand its network. To strengthen its business existence in the global arena, BRI opened overseas units. In 2015, BRI opened an overseas branch office in Singapore, following the existing overseas unit, such as BRI New York Agency, BRI Cayman Island Branch, Hong Kong Representative Office, and BRI Remittance Hong Kong.

Change of Name of Bank Rakyat Indonesia

1895

De Poerwokertosche Hulp en Spaarbank der Inlandsche Hoofden

1912

Hulp en Spaarbank der Inlandsche Bestuurs Ambtenareen

1934

De Poerwokertosche Hulp Spaar- en Landbouw Credietbank atau Volksbank

1942

Centrale Kas Voor Volkscredietwezen Algemene

1942

Algemene Volkscredietbank (AVB)

1942

Syomin Ginko

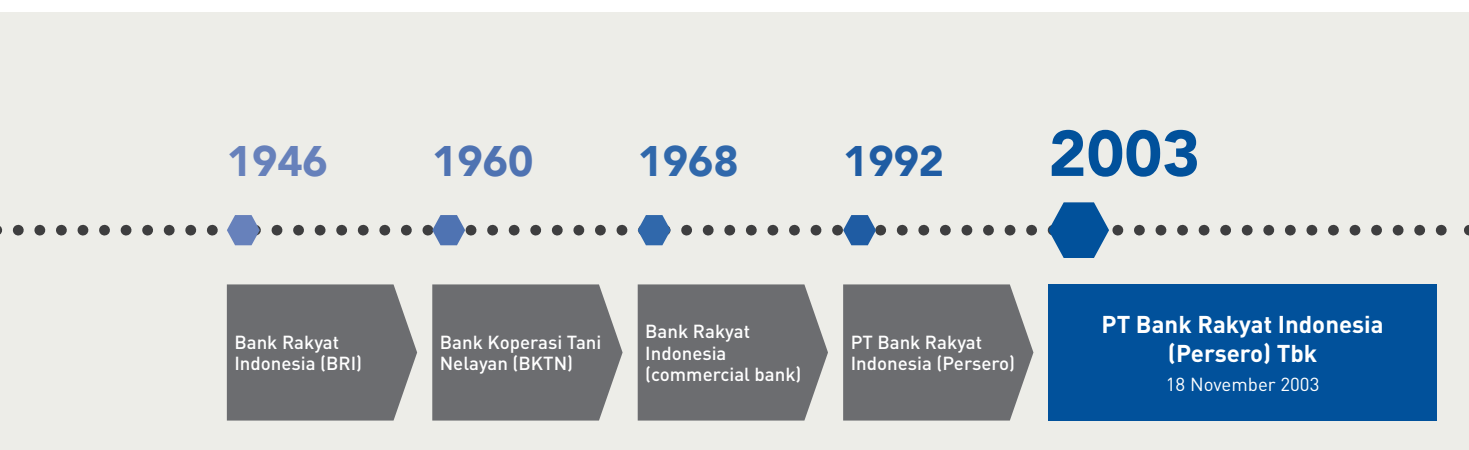


To address the growing market and the diverse needs of the community on banking products and services, BRI elaborated its business segments into: Micro Business and Program, Retail Business, Corporate Business, International Business, Treasury and Capital Market Supporting Services, as well as subsidiaries that focus on the business of Sharia Banking, Agribusiness, Remittance, Insurance and Financing.

BRI's elaboration on financing segments became more visible in 2016, as BRI added new members engaging in multi-finance business by increasing its capital participation in PT BTMU-BRI Finance from 45% to 99% so that BRI became the controlling shareholder. Upon completion of this process, PT BTMU BRI Finance later renamed as PT BRI Multifinance Indonesia.

Every corporate action and work plan is part of BRI's effort in providing complete banking services to its customers, especially the SME sector. Following the presence of BRI'sat, BRI now can maximize its digital banking services. A number of digital initiatives for SMEs has been in operation in 2016, from the development of Teras BRI Digital, e-Pasar, one million free domain program for SMEs, and the launch of co-working space. All initiatives for SMEs are carried out to create a superior MSMEs in the era of digital economy.

Going forward, with its identity and more than 121 years of extensive experience in finance, BRI will provide the best banking services in Indonesia for all parties. BRI will also continue work hand in hand with Indonesian SMEs to continue increasing their capacity to become regional champion and eventually, BRI banking services will keep on propelling the national economy and bring greater prosperity for the country.



Our Journey

1895

On 16 December 1895, Raden Aria Wiriatmaja founded De Poerwokertosche Hulp en Spaarbank der Inlandsche Hoofden in Purwokerto as a mosque-fund manager whose function was to manage and disburse funds to the people through a simple scheme.

The institution experienced several name changes, from Hulp en Spaarbank der Inlandsche Bestuurs Ambtenaren (1895), De Poerwokertosche Hulp Spaar-en Landbouw Credietbank or Volksbank, to Centrale Kas Voor Volkscredietwezen Algemene (1912). In 1934 the name was again changed, to Algemene Volkscredietbank (AVB). During the period of Japanese occupation, AVB was known as Syomin Ginko (1942-1945).

1946

On 22 February 1946, the Government of Indonesia, by virtue of Government Regulation No. 1 of 1946, changed Syomin Ginko into Bank Rakyat Indonesia (BRI), a government-owned bank with the front-line role of supporting national economic development.

1984

Following the closing of Bimas program by the Government, BRI started to manage its micro business commercially, disbursed through BRI Unit.

1992

According to Republic of Indonesia Government Regulation No. 21 of 1992, BRI changed its legal status to PT Bank Rakyat Indonesia (Persero).

2003

On 10 November 2003, BRI became a Publicly-listed Company by listing its shares on the Jakarta Stock Exchange (now Indonesia Stock Exchange/IDX) with ticker code "BBRI." Today, BRI is part of the LQ-45 index and also are of the bluechip companies on IDX.

2013

BRI Hybrid Banking, the first self-service banking in Indonesia

2014

- BRI's ATM network continues to increase, reaching 20,792 ATM units and 131,204 EDC units – constituting the largest ATM and EDC network in Indonesia.
- BRI signed its Satellite Procurement and Launcher Agreement of BRI Satellite (BRIsat) with Space System/Loral (SSL) and Arianespace on 28 April 2014.

2015

- In 2015, BRI opened Singapore Overseas Unit and acquired PT Asuransi Jiwa Bringin Jiwa Sejahtera (Bringin Life).
- On 4 August 2015, BRI launched Teras BRI Kapal to reach out to people living in coastal areas that are underserved by banking services.
- BRI also inaugurated BRI Corporate University to provide comprehensive facilities for employee education.



1960

The government changed BRI into Bank Koperasi Tani Nelayan (BKTN).

1968

Based on Law No. 21 of 1968, the Government re-established the name Bank Rakyat Indonesia with the status of a commercial bank.

1969

BRI was appointed by the Government as the only bank to disburse loan program Mass Assistance (Bimas) and started to establish BRI Unit.

2007

BRI acquired Bank Jasa Artha, later changed into PT Bank BRISyariah.

2009

Real-time online interconnection with 6,480 outlets at the time.

2011

- On 11 January 2011, the Bank exercised a 1:2 ratio stock split
- On 3 March 2011, the signing of a Deed of Acquisition of shares of PT Bank Agroniaga Tbk between BRI and Dana Pensiun Perkebunan (Dapenbun).
- On 16 December 2011, the signing of Instrument of Transfer, and Bought and Sold Notes between BRI and PT Asuransi Jiwa BRIngin Jiwa Sejahtera over the shares of BRIngin Remittance Co. Ltd. (Hong Kong).

2016

- BRI's own satellite, the BRIsat, was successfully launched on June 18, 2016, at 18:38 Kourou Time, French Guiana. BRIsat will provide the supporting infrastructure for BRI's digital services.
- BRI acquired BTMU Finance, a multifinance company, and subsequently changed its name to BRI Finance.
- BRI inaugurated a full-digital branch at Terminal 3, Soekarno-Hatta Airport, and launched several programs concerning digitalization for SME, such as e-Pasar, Teras BRI Digital, 1 Million Free Domain for MSMEs, and Rumah Kreatif BUMN.

Vision & Mission



Vision

Commercial Bank that always prioritizes Customer Satisfaction

Mission

- “To conduct the best banking practices with a priority to serve micro, small, and medium enterprises (MSMEs) in order to support the economy of the people”
- “To provide customers with excellent services, delivered through a vast network and supported by professional human resources and a reliable information technology system, while adhering to effective risk management and sound practices of Good Corporate Governance”
- “To create optimal values and benefits for stakeholders”

The Bank's Vision and Mission are approved by the Board of Commissioners and the Board of Directors based on the Decree of the Board of Directors No. Kep.: 81-DIR/REN/02/2013 dated 13 February 2013.

Core Values



INTEGRITY

Devoted, dedicated, honest, upholding honour and reputation, and abiding by Banking Code of Conduct as well as existing Regulations



PROFESSIONALISM

Responsible, effective, efficient, disciplined, and forward-looking in anticipating developments, challenges, and opportunities



LEADERSHIP

Consistently fair, resolute, and high-minded, yet would not tolerate actions that are not exemplary



CUSTOMER SATISFACTION

Fulfill customers' needs and expectations by providing the best services with due observance to Company interests, supported by human resources which are skilled, friendly, service-oriented and coupled with superior technology



RESPECT FOR INDIVIDUALS

Recruit, develop, and retain qualified human resources, and manage human capital based upon trust, openness, fairness, and mutual respect toward employees, as an integral part of the Company, by building cooperation and partnerships. Appreciate individual and team performance, to create synergy for the benefit of the Company

Statements of the Bank's Core Values are endorsed by the Decree of the Board of Directors No: S.85-DIR/KPS/04/2014 dated 30 April 2014 on Corporate Culture Revitalization.

BRI Corporate Culture

BRI culture that is BRILIAN, 10 Code of Conduct, 20 Indicators of Conduct and 20 Corporate Culture in Practices shows the commitment and determination to make BRI as a leading commercial bank who always put customer satisfaction and leading in building the nation's economy.



BRILiaN (BRI's Five Values) encompasses the following core values:

1. Integrity
2. Professionalism
3. Leadership
4. Customer Satisfaction
5. Respect for Individuals



The 10 (Ten) Code of Conduct of BRI Worker are the behavior and conduct expected from each BRI Worker as a reflection of the BRI Corporate Culture (BRILiaN)

1. Honest, trustworthy and obeying the rules
2. Always maintain the honour and reputation, both personally and of the company
3. Reliable, prudent, disciplined and responsible
4. Future oriented
5. Be an unselfish role model
6. Firm in following-up any deviation
7. Provide the best service while considering the interests of the company
8. Skilled, friendly and helpful
9. Treat fellow workers in an open, fair and respectful manner
10. Develop an attitude of cooperation in creating synergies for the benefit of the company



The 20 (twenty) Indicators of Conduct are the parameters used in measuring the implementation of behavior and conduct of BRI Worker that reflect the core values of the Corporate Culture.

1. Putting the Company first
2. Encouraging and appreciating the courage to convey the facts as it is, including irregularities
3. Keeping promises and obeying rules
4. Upholding ethics at work
5. Carrying out tasks with attentiveness, according to the rules, and accept the consequences
6. Optimizing the use of resources
7. Always improve own competences
8. Open to new ideas or better way of working
9. Maintain exemplary behaviour at work or in the society
10. Willing to accept criticism and suggestions for improvement
11. Always act without favouritism
12. Confident and dare to make the right decision
13. Understand and meet customers' needs
14. Provide fast, precise and accurate service with politeness
15. Gladly provide the best solution for the customer
16. Act consistently to maintain service quality for the best interest of the customer
17. Act objectively on the basis of behaviour, attitude and achievement to retain and develop BRI Worker
18. Show respect to colleagues, to superiors and to subordinates
19. Appreciation for high-achieving individual/team
20. Coordination and cooperation to enhance achievements and contributions to the company.



The 20 (twenty) Corporate Culture in Practice represent early success factors in the implementation of BRI Corporate Culture.

1. Perform morning prayer together
2. Being on time and on schedule (office hours, meetings, business meetings, report submission).
3. Honest in performing presentations.
4. Refrain from smoking at the office.
5. Use the telephone, computer and other company facilities for office-work only
6. Effective and efficient use of company facilities
7. Optimum utilization of work hours while taking breaks in accordance with the rules
8. Lend a helping hand to subordinates and colleagues in difficulties
9. Maintain regular dialogue with staff and subordinates for information-sharing and motivational sessions
10. Responding to and resolving complaints at the first opportunity in accordance with its authority
11. Be friendly (smiles & greetings) in providing service to customers (internal & external).
12. Maintain a clean and orderly work environment (work station, prayer room, pantry, toilet).
13. Provide appreciation (not necessarily financial) directly in person to those with good performance or behavior.
14. Improving awareness and understanding to be able to recognize and control risks.
15. Improving awareness towards the availability and condition of service-support facilities.
16. Improving knowledge of BRI's products and of banking products in general.
17. Uphold the correct behavior and appearance as a professional banker in accordance with established service standards.
18. Understand and meet internal and external customers' needs.
19. Develop the competences to meet the demand of the organization and the competition.
20. Maintain effective and efficient coordination with internal and external parties.



Line of Business

BRI's core business, based on the last deed of Amendment No. 81 dated 23 April 2015, approval from the Minister of Justice and Human Rights of the Republic of Indonesia by virtue of decision letter No. AHU-AH.01.03-0926947 dated 23 April 2015, and article 3 paragraph (2) of BRI's Articles of Association, are:

- a. Collecting deposits from the public in the form of demand deposits, time deposits, certificate of deposit, savings and/or other forms equivalent to the foregoing;
- b. Loan Disbursement;
- c. Issue promissory notes/Loan Agreement (SPH);
- d. Purchase, sell, or put encumbrance over, at the Bank's own risk or for the benefit of and under the instructions of the customers:
 1. Bill of Exchange, including accepted bill of exchange by the company as a bank in which its validity period does not exceed the common practice for trading of such bills;
 2. Promissory notes/Loan agreements and other commercial papers, valid for a period not exceeding the common practice for trading of such papers;
 3. State treasury notes and government guarantees;
 4. Bank Indonesia Certificates (SBI);
- e. Bonds;
- f. Commercial papers, with a validity period in accordance with prevailing laws and regulations;
- g. Other commercial papers with a validity period in accordance with prevailing laws and regulations;
- e. Transfer funds for its own benefit or for the benefit of customers;
- f. Placement of funds with, borrow funds from, or lend funds to other banks whether by letters, telecommunication facilities, or registered money order cheque, or other mediums;
- g. Receive payment of receivables from commercial papers and undertake settlement with or among other third parties;
- h. Provide safekeeping of goods and commercial papers;
- i. Conduct custody activities for the benefit of other parties based on a contract;

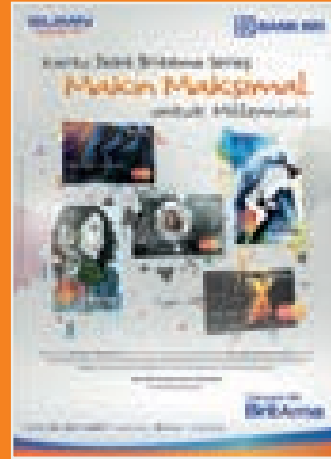
- j. Conduct fund placement from one customer to another in the form of commercial papers not registered at the Stock Exchange;
- k. Purchase through auction or any other medium of collateral partially or as a whole, in the event that borrower is in default to the Company as the Bank, with the provision that purchased collateral can be forthwith liquidated;
- l. Conduct factoring, undertake credit card business, and provide trustee services
- m. Provide funding and/or other activities based on Sharia Principles in accordance with rules and regulations stipulated by competent authority;
- n. Conduct activities in foreign currencies that meet the requirements imposed by competent authorities;
- o. Conduct capital participation in banks or other financial companies, such as leasing, venture capital, securities companies, and clearance, settlement, and depository institutions, with due observance to rules and regulations imposed by competent authorities;
- p. Conduct temporary capital participation in order to overcome credit failure or financing failure according to Sharia Principles, provided that such participation shall be eventually withdrawn in compliance with regulations from Bank Indonesia;
- q. Act as founder and manager of pension fund in accordance with prevailing laws and regulations;
- r. Conduct other commonly banking activities, which do not contravene with the prevailing laws and regulations.

Products and Services

Savings Product

Britama Savings

Britama Savings comes complete with e-banking facilities for convenient transactions by customers at any place and any time, as well as free personal accident insurance coverage. BritAma also has sub-products to cater to the specific needs of customers, namely BritAma Bisnis, BritAma Rencana, BritAmaX, and the BritAma Valas with a choice of USD, SGD, AUD, EUR, CNY, AED, HKD, GBP, JPY and SAR currencies.



BRI Junio & Junio Rencana Savings

BRI Junio is a savings product especially created for children, representing our commitment to introduce banking to children and to nurture the habit of saving from an early age. The BRI Junio savings product comes complete with e-banking features, financial planning features (Junio Rencana), personal accident insurance coverage for children, and a specially-designed Debit Card.

Simpedes

Simpedes Savings is a savings product from BRI, intended for rural people but comes complete with modern features such as an ATM card that provide access through other bank's domestic ATM networks, supported by 24-hour Internet Banking and Mobile Banking services. Variants of Simpedes Savings include the Simpedes TKI, Simpedes Umum, Simpedes Impian and Simpedes Kredit Pangan.

- Tabunganku
- SimPel (Student Savings)
- Hajj Savings

- Time Deposit (Rupiah and Foreign Exchange)
- Current Account (Rupiah and Foreign Exchange)



Loan Products

Micro Loans

Kupedes

KUPEDES is a loan facility for productive and consumptive purposes for eligible micro enterprises and individuals, up to a loan ceiling of Rp200 million.



KUR Mikro

KUR Mikro is a loan facility for start-up micro entrepreneurs with a loan ceiling of Rp25 million.



Consumer Loans

Retail Commercial Loans

- Cash Collateral Loan
- Investment Loan
- Working Capital Loan
- Export Loan
- Construction Loan
- BO-I Construction Loan
- Franchise Loan
- Petrol Station Loan
- Warehouse Receipt Loan
- Warehouse Ownership Loan
- Petrol Station Bridging Loan
- Loan for Private Indonesian Migrant Workers Placement Agency (PPTKIS) and Migrant Workers (TKI)
- Pre-Financing Loan
- Post-Financing Loan
- Distributor Financing Loan

- Mortgages Loan (KPR)
- Vehicle Loan (KKB)
- Credit Cards

BRIGuna

Multipurpose loan for the salaried segment. BRIGuna provides a choice of three products: BRIGuna Karya (for active employees with fixed salaries), BRIGuna Umum (loan for permanent employees and up to retirement age), and the BRIGuna Purna (loan facilities for pensioners).

Program Loans

- Loan for Members of Primary Cooperatives (KPPA)
- Warehousing (Subsidy & Commercial)
- Cattle Breeding Business Loan (KUPS)
- Retail KUR
- Migrant Workers KUR
- Crops KUR

Medium and Corporation Loans

- Working Capital Loan (KMK)
- Working Capital Loan for Export (KMK-E)
- Working Capital Loan for Import (KMK-I)
- Working Capital Loan Construction (KMK-K)
- Investment Loan (KI)
- Syndicated Loan

Banking Services



Cash Management System

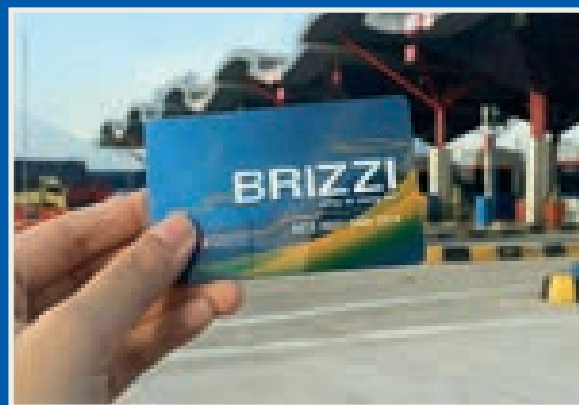
BRI's Cash Management services enable corporate customers to directly monitor their financial transactions via an online facility. The Cash Management service also includes a notional pooling facility as an added value service from GiroBRI for the corporate group customers, enabling consolidated balances and borrowing among group members based on the agreed consolidated balance, a corporate virtual account facility as an added value service to facilitate identification of incoming and outgoing funds transactions by the customers in an integrated manner with the Enterprise Resource Planning (ERP) system, and many other cash management services.

Institutional Services

- Driver's License Online Payment System
- MPN GII (State Revenue Module Gen II)
- E-Tax (Electronic Tax)
- Hospital Online
- Online Tuition Fee Payment System
- Visa on Arrival (VoA)
- Services related to Nasabah Instansi Kerja Sama (NIK)
- Services related to Otoritas Jasa Keuangan (OJK)
- Services related to Sistem Perbendaharaan Anggaran Negara (SPAN)
- Kartu Identitas Multifungsi (KIM)
- KTA Elektronik
- SIM Online
- E-Samsat
- E-Tilang (Tilang Online)
- PDAM Online
- BPJS-TK Service Point Office

Business & Financial Services

- Bank Guarantee
- Clearing
- Bill Payment
- Deposit Receipt
- Online Transactions
- LLG Transfer and RTGS (Real-Time Gross Settlement)



E-Banking

- ATM BRI
- Mobile Banking BRI
- Phone Banking BRI
- Internet Banking BRI
- Kiosk BRI
- Mini ATM BRI
- BRIZZI (Electronic Money BRI)
- MOCASH (Mobile Cash BRI)

International Business Services

- Import Services
- Issuance of Letter of Credit (LC)
- Issuance of LC Amendment
- Import Credit Facilities
- Pre-Import Financing (Import Guarantee)
- Post-Import Financing (KMKI & Trust Receipt)
- Export Services
- Advising LC
- LC Confirmation
- Export Billing Service
- Outward Documentary Collection
- Outward Clean Collection
- Pre-Shipment Financing (KMKE)
- Post-Shipment Financing
- Negotiated Money Order for Export
- Diskonto Wesel Ekspor Berjangka
- Export Rediscounting Bills
- Refinancing LC
- Risk Participation
- Banker Acceptance
- USD Local Settlement
- Guarantee (Standby LC)
- LC with Domestic Documentation (SKBDN)
- Bill Purchase Financing
- Money Changer

Treasury Services

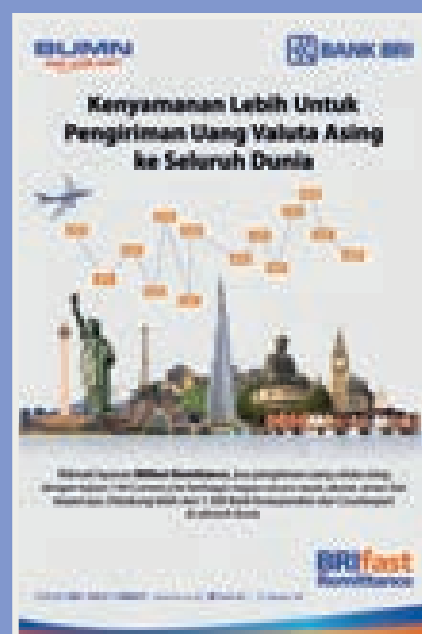
- Foreign Exchange Transaction
- Swap Transaction
- Forward Transaction
- Trustee Services
- Securities Selling Agent Services
- Custodian Services
- BRI Financial Institution Pension Fund (DPLK-BRI)(DPLKBRI)

BRI Priority Banking

BRI's Wealth Management services to cater to the wealth management and financial planning needs of BRI's priority and select customers. Offering a one-stop financial solution concept in the management of customers' financials by professional and certified marketers, BRI Wealth Management services provide mutual funds products, retail government bonds, retail sukuk, retail savings bonds, sukuk savings, DPLK, and bancassurance products.

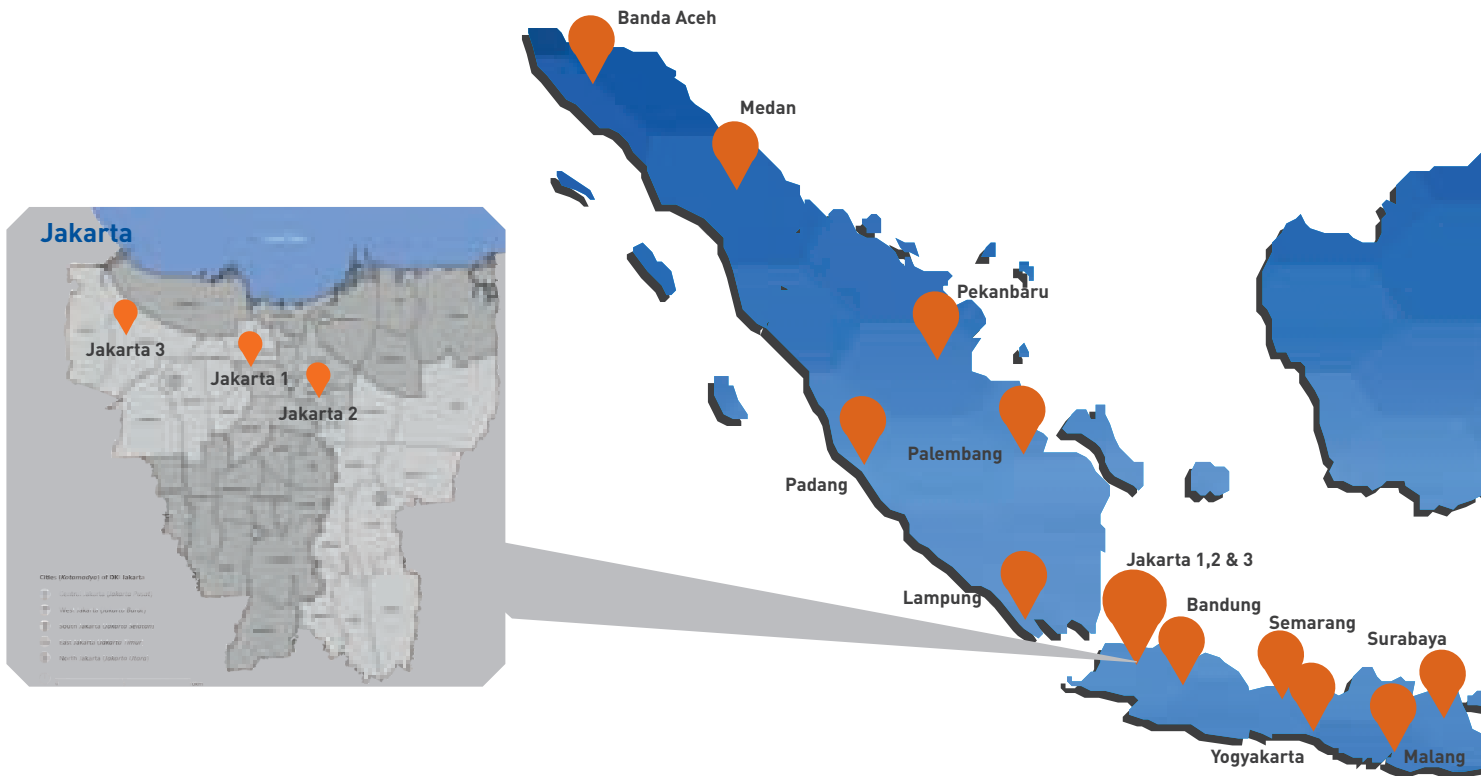
BRIfast Remittance

BRIfast Remittance is BRI's remittance service for outgoing fund remittance to overseas countries and incoming fund remittance from overseas to Indonesia. BRIfast Remittance offers outgoing remittance in 144 currencies all over the world, incoming remittance credited to BRI accounts, incoming remittance credited to other bank accounts, and incoming remittance cash pick-up service (no need for a bank account) that can be withdrawn at around 10,000 BRI outlets as well as at some 60,000 BRIlink agents throughout Indonesia, in real-time online mode.



Operation Areas, Branch and E-Channel Network

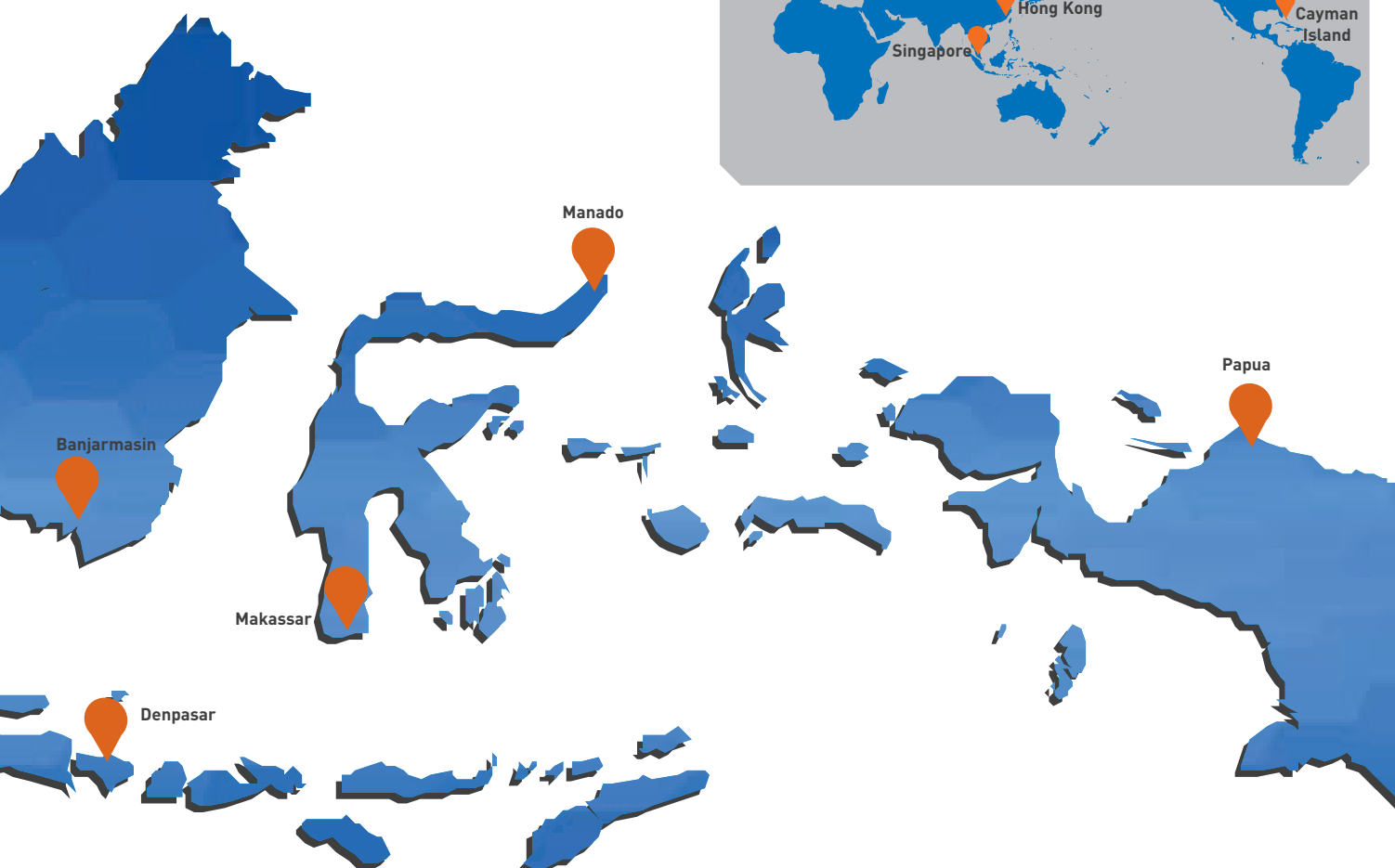
Domestic Regional Office Network



- Currently, BRI serves its customers through over 10,643 operating units and 283,453 units in e-channel network across Indonesia.
- BRI operates 8 levels of offices, comprising the Head Office, 19 Regional Offices, 1 Special Branch Office, 466 Branch Offices (including 4 Overseas Operating units), 609 Sub-branch Offices, 984 Cash Offices, 5,380 BRI Units, 2,545 Teras BRI, and 636 Mobile Teras BRI.

E-Channel	2012	2013	2014	2015	2016	YoY
ATM	14,292	18,292	20,792	22,792	24,292	1,500
EDC	44,715	85,936	131,204	187,758	257,712	69,954
CRM	92	192	392	892	1,392	500
E-Buzz	42	50	55	57	57	0
Total	59,141	104,470	152,443	211,499	283,453	71,954

International Network



Outlet	2012	2013	2014	2015	2016	YoY
Head Office	1	1	1	1	1	-
Regional Office	18	18	19	19	19	-
Special Branch Office	1	1	1	1	1	-
Branch Office	445	452	460	466	466	-
Sub-Branch Office	545	565	584	603	609	6
BRI Unit	5,000	5,144	5,293	5,360	5,380	20
Cash Office	914	950	971	983	984	1
Teras BRI	1,778	2,206	2,457	2,543	2,545	2
Mobile Teras BRI						
- Mobil	350	465	610	635	635	-
- Kapal	0	0	0	1	3	2
Total Operating Units	9,052	9,802	10,396	10,612	10,643	31

* Total of Work Units including 4 Overseas Work Units
Notes: bank only

Office Network

HEAD OFFICE

Gedung BRI 1,
Jl. Jend. Sudirman No. 44-46
Jakarta 10210
Tel. : (021) 2510244, 2510254
Fax. : (021) 2500065, 2500077

Fixed Assets Management Property

Gedung BRI 2 25th Floor
Tel. : (021) 57906163
Fax. : (021) 57905736

Procurement

Gedung BRI 2 25th Floor
Tel. : (021) 57905731
Fax. : (021) 57905736/57905735

Human Capital Services

Gedung BRI 1 14th Floor
Tel. : (021) 5751466
Fax. : (021) 2511625

Outsourcing Management

Gedung BRI 1 10th Floor
Tel. : (021) 5751441
Fax. : (021) 57932804

Human Capital Policy & Development

Gedung BRI 1 14th Floor
Tel. : (021) 5751418
Fax. : (021) 57932823

Institutional Banking 1

Gedung BRI 1 9th Floor
Tel. : (021) 5758950
Fax. : (021) 57852236

Institutional Banking 2

Gedung BRI 1 9th Floor
Tel. : (021) 5758980
Fax. : (021) 5211652

Micro Business Policy & Strategy

Gedung BRI 2 28th Floor
Tel. : (021) 752900
Fax. : (021) 5752919

Pengembangan Bisnis Mikro 1

Gedung BRI 2 28th Floor
Tel. : (021) 5752860
Fax. : (021) 57932880

Micro Business Development 2

Gedung BRI 2 28th Floor
Tel. : (021) 5752840
Fax. : (021) 57932840

General Business

Gedung BRI 2 12th Floor
Tel. : (021) 5751100
Fax. : (021) 5751146

International Business

Gedung BRI 2 4th Floor
Tel. : (021) 5758318
Fax. : (021) 2510303

SME & Medium Business

Gedung BRI 2 12th Floor
Tel. : (021) 57932785
Fax. : (021) 57932780

Loan Program & Partnership

Gedung BRI 2 28th Floor
Tel. : (021) 5752930
Fax. : (021) 57932846

Networks

Gedung BRI 1 8th Floor
Tel. : (021) 5758844
Fax. : (021) 57933019

Risk Management

Gedung BRI 2 16th Floor
Tel. : (021) 5752450
Fax. : (021) 5713121

Corporate Secretary

Gedung BRI 1 20th Floor
Tel. : (021) 5751966
Fax. : (021) 5700916

Mass Banking

Gedung BRI 2 5th Floor
Tel. : (021) 5758618
Fax. : (021) 2510307

Transaction Banking

Gedung BRI 2 8th Floor (individual)
9th Floor (Komersial)
Tel. : (021) 5752533
Fax. : (021) 2511651

Wealth Management

Gedung BRI 2 19th Floor
Tel. : (021) 5752500
Fax. : (021) 57854308

Marketing Communication

Gedung BRI 2 30th Floor
Tel. : (021) 5752470
Fax. : (021) 5740540

Credit Card

AD Premier
Jl. TB Simatupang No. 5 Pasar Minggu
Tel. : (021) 80674002
Fax. : (021) 80674059

Gedung BRI 2 15th Floor

Tel. : (021) 57932770

Credit Administration

Gedung BRI 1 12th Floor
Tel. : (021) 5751242
Fax. : (021) 57933098

Finance & Accounting Management

Gedung BRI 1 7th Floor
Tel. : (021) 5758718
Fax. : (021) 2510367

SOE Business 1

Gedung BRI 1 13th Floor
Tel. : (021) 5751300
Fax. : (021) 57852230

SOE Business 2

Gedung BRI 1 13th Floor
Tel. : (021) 5751850
Fax. : (021) 2510293

Service & Contact Center

Gedung BRI 1 6th Floor
Tel. : (021) 5758686
Fax. : (021) 57852239

Agribusiness

Gedung BRI 1 11th Floor
Tel. : (021) 5751125
Fax. : (021) 2510331

Consumer Loan

Gedung BRI 2 18th Floor
Tel. : (021) 5751370
Fax. : (021) 57933034

Corporate Development & Strategy

Gedung BRI 2 31st Floor
Tel. : (021) 80825050
Fax. : (021) 80825051

Compliance

Gedung BRI 2 10th Floor
Tel. : (021) 5752550
Fax. : (021) 5752551

Legal

Gedung BRI 2 5th Floor
Tel. : (021) 5751323
Fax. : (021) 57971066

Restructuring & Recovery Credit

Gedung BRI 1 12th Floor
Tel. : (021) 5751218
Fax. : (021) 2511658

Treasury

Gedung BRI 2 3rd
Tel. : (021) 2510315
Fax. : (021) 2500093

IT Operation

Gedung BRI Ragunan
Tel. : (021) 78843880
Fax. : (021) 78843759

Gedung BRI 1 3rd Floor
Tel. : (021) 776999

BRI Corporate University

Gedung BRI Ragunan
Tel. : (021) 29712000
Fax. : (021) 29712003

Credit Risk & Analysis

Gedung BRI 1 15th Floor
Tel. : (021) 5751502
Fax. : (021) 5751515

Investment Services

Gedung BRI 2 30th Floor
Tel. : (021) 2500124
Fax. : (021) 5752360

Operation Center

Gedung BRI 1 2nd Floor
Tel. : (021) 5752488
Fax. : (021) 57853367

IT Planning & Development

Gedung BRI Ragunan
Tel. : (021) 775999

Satellite & Terrestrial

Gedung BRI 1 11th Floor
Tel. : (021) 5158206
Fax. : (021) 2511624

Digital Banking Operation

Gedung BRI 1 10th Floor
Tel. : (021) 5751001
Fax. : (021) 5742569

**SPECIAL BRANCH
OFFICE**

Gedung BRI 2 1st Floor
Tel. : (021) 5713105
Fax. : (021) 5707570

**OVERSEAS BRANCH
OFFICES****New York Agency**

140 Broadway 30th Floor New York,
NY 10005
Tel. : +1 212 3793840
Fax. : +1 212 3793850

Hong Kong Representative

Room 2211, 22/F Lippo Center Tower 2
89 Queensway, Hong Kong
Tel. : (852) 25271318
Fax. : (852) 28623693

Singapore Branch

50 Collyer Quay, #08-06,
Oue Bayfront, Singapore 049321
Tel. : +65 68050686
Fax. : +65 65091742

Caymand Island

Cayman Island Branch
190 Elgin Avenue Grand Cayman,
KY1-9005, Cayman Island

REGIONAL OFFICES

Banda Aceh

Jl Cut Meutia No 17 Banda Aceh
Tel. : [0651] 22822
Fax. : [0651] 23487

Bandar Lampung

Jl. Raden Intan No 19
Tanjung Karang, Bandar Lampung
Tel. : [0721] 259340
Fax. : [0721] 259397

Bandung

Jl Asia Afrika No.57-59, Bandung
Tel. : [022] 4200356
Fax. : [022] 4232038

Banjarmasin

Jl. Jend. A.Yani KM 3,5 No. 151
Banjarmasin
Tel. : [0511] 3250256/57
Fax. : [0511] 3252992

Denpasar

Jl. Hayam Wuruk No. 123
Denpasar
Tel. : [0361] 228715
Fax. : [0361] 222717, 264858, 234796

Jakarta 1

Jl Veteran No. 8 Jakarta Pusat
Tel. : [021] 3840802
Fax. : [021] 3453685

Jakarta 2

Gedung Mulia Lt. 2nd Floor,
Jl. Gatot Subroto Kav. 9-11
Tel. : [021] 52920581, 52920585
Fax. : [021] 52920586, 52920587

Jakarta 3

Jl. Kapten Soebianto Djojokusumo Kav
CBD II No.1 Kel. Lengkong Gudang Kec.
Serpong Tangsel
Tel. : [021] 22230155 ex 2015
Fax. : [021] 5481766

Jayapura

Gedung BRI 3rd - 5th Floor Jl. Pasifik
Permai, Kompleks Ruko Dok II, Kel.
Bhayangkara, Distrik Jayapura Utara,
Kota Jayapura, Papua 99112
Tel. : [0967] 524453
Fax. : [0967] 524452, 537191

Makassar

Jl Achmad Yani No. 8 Makassar
Tel. : [0411] 3616174, 312931,
322974, 3613176
Fax. : [0411] 365535

Malang

Jl. Laksmana Martadinata 80, Malang
Tel. : [0341] 474949 (hunting)
Fax. : [0341] 474935/44/45

Manado

Jl Sarapung No. 4-6, Manado
Tel. : [0431]863592,863378,863778
Fax. : [0431] 862779, 866966

Medan

Jl. Putri Hijau No. 2A, Medan
Tel. : [061] 45256666, 4528323
Fax. : [061] 4525601

Padang

Jl Bagindo Azis Chan No. 30,
Kec. Padang Timur, Padang
Tel. : [0751] 892309, 892310, 892311, 892312
Fax. : [0751] 892313/14/15

Palembang

Jl. Kapten A. Rivai No. 15, Palembang
Tel. : [0711] 313411
Fax. : [0711] 312262

Pekanbaru

Jl. Jend Sudirman Blok E Kavling No. 01
Kel. Simpang Tiga, Kec. Bukit Raya, Pekanbaru
Tel. : [0761] 44493/94/97
Fax. : [0761] 44533, 571719

Semarang

Jl. Teuku Umar No. 24 Semarang
Tel. : [024] 8440728, 8440729,
8440730, 84418146
Fax. : [024] 84473154

Surabaya

Jl Jend Basuki Rahmat No. 122-138
Gedung BRI Tower Lt 20, Surabaya
Tel. : [031] 5324230
Fax. : [031] 5324033

Yogyakarta

Jl Cik Ditiro No. 3 Yogyakarta
Tel. : [0274] 510850, 520268, 520269, 520270,
520272, 562707, 561403
Fax. : [0274] 514166, 584883, 584882

Regional Office	Special Branch Office	Branch Office	Sub-branch Office	Cash Office	BRI Unit	Teras BRI	Mobile Teras BRI	Teras BRI Kapal
Banda Aceh	-	11	15	30	141	44	29	-
Bandar Lampung	-	14	16	33	188	76	21	-
Bandung	-	30	45	80	608	277	42	-
Banjarmasin	-	31	31	55	290	150	56	-
Denpasar	-	31	27	58	295	180	42	1
Jakarta 1	-	26	54	74	96	82	10	-
Jakarta 2	-	32	68	78	191	97	21	-
Jakarta 3	-	36	57	64	260	133	31	1
Jayapura	-	13	12	27	85	48	29	-
Special Branch Office	1	-	-	5	-	-	-	-
Makassar	-	36	28	69	348	156	53	-
Malang	-	24	36	43	529	271	37	-
Manado	-	17	18	43	205	68	43	1
Medan	-	24	34	47	271	131	47	-
Padang	-	14	8	31	157	67	21	-
Palembang	-	21	29	43	234	119	33	-
Pekanbaru	-	22	20	36	171	118	34	-
Semarang	-	22	38	60	421	177	27	-
Surabaya	-	25	39	41	290	154	26	-
Yogyakarta	-	33	34	67	600	197	33	-

SUBSIDIARIES

PT Bank BRISyariah (BRI Syariah)

Jl. Abdul Muis No. 2-4,
Jakarta 10160
Tel. : (021) 3450226, 3450227
Fax. : (021) 3513812

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)

Gedung BRI Agro
Jl. Warung Jati Barat No. 139
Jakarta 12740
Tel. : (021) 79199980
Fax. : (021) 79199950

BRI Remittance Company Ltd (BRI Remittance)

Flat 22 G/F Bay View 33
Moreton Terrace
Causeway Bay,
Hong Kong
Tel. : +852 25271318
Fax. : +852 28613693

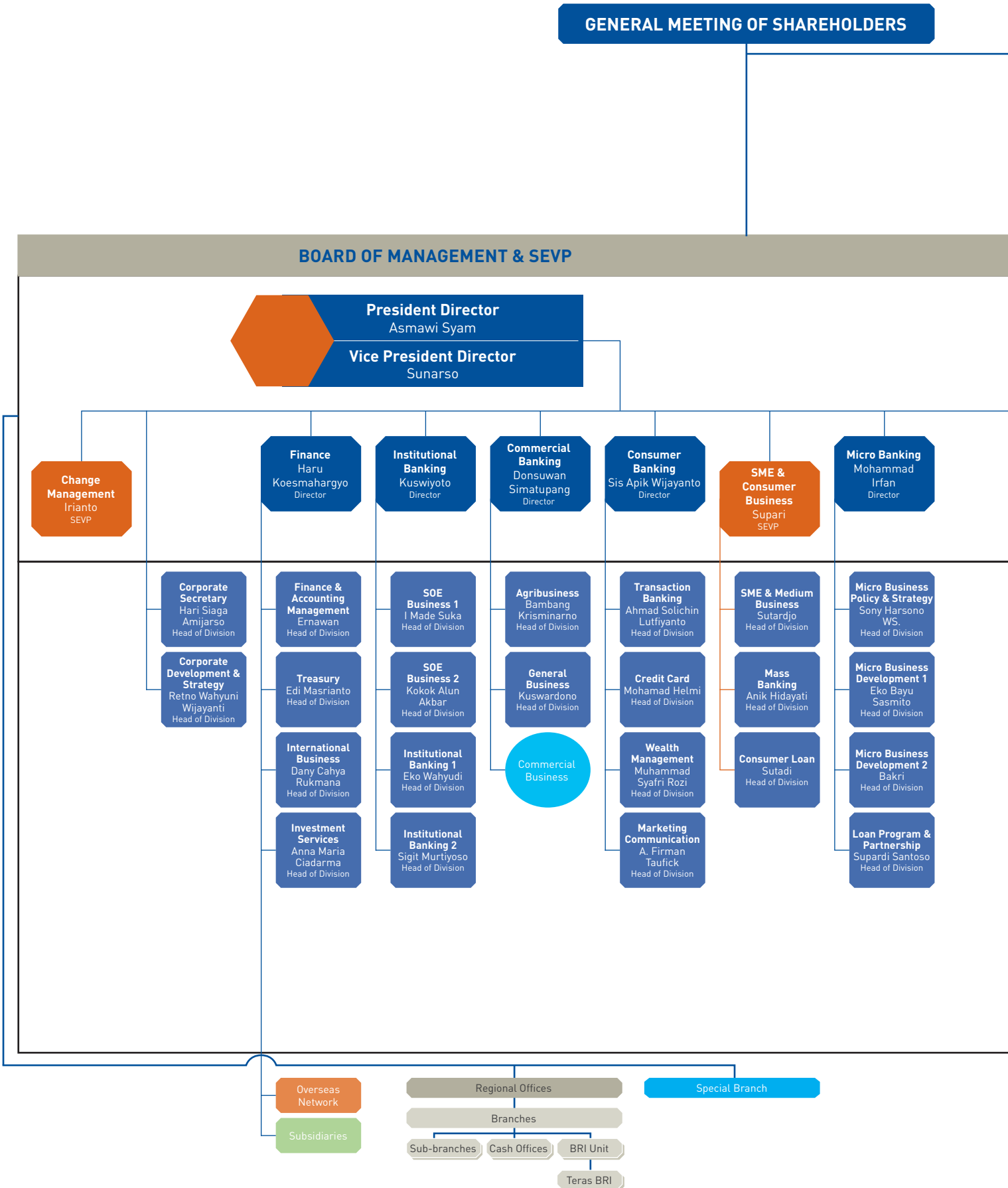
PT Asuransi Bringin Jiwa Sejahtera (BRI Life)

Kantor Pusat BRI Life
Gedung Graha Irama 2nd, 5th, 7th, 11th & 15th
Floor,
Jl. HR Rasuna Said Blok X-1 Kav. 1 & 2,
Jakarta 12950
Tel. : (021) 5261260, 5261261
Fax. : (021) 5261258, 5261472

PT BRI Multifinance Indonesia (BRI Finance)

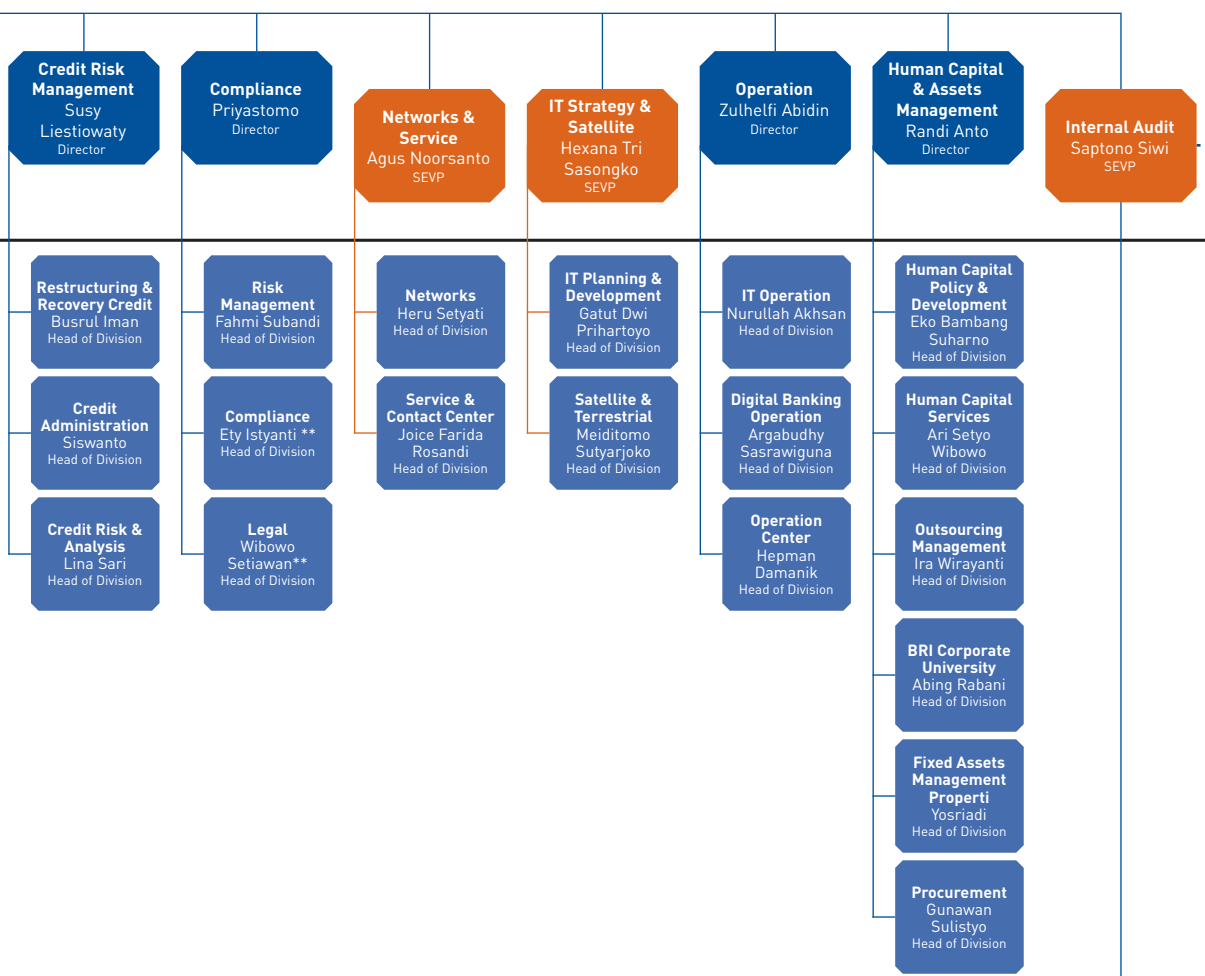
Wisma 46 10th Floor
Jl. Jend. Sudirman Kav. 1
Jakarta
Tel. : (021) 5745333
Fax. : (021) 5745444

Organization Structure



Board of Commissioners

President Commissioner/Independent Commissioner : Mustafa Abubakar
Vice President Commissioner : Gatot Trihargo
Independent Commissioner : Adhyaksa Dault
 Ahmad Fuad
 A. Fuad Rahmany
 A. Sonny Keraf
Commissioner : Vincentius Sonny Loho
 Jeffry J. Wurangian
 Mahmud *



Board of Commissioners Committee:
 Audit, Nomination & Remuneration, Risk Management Monitoring, Integrated Governance

Board of Directors Committee:
 Risk Management, Credit Policy, Credit, ALCO, Human Capital Policy, IT, Capital & Investment

- Directors
- SEVP
- Division
- Regional Office
- Special Branch
- Inspector Office

- Group
- Overseas Networks
- Operational Networks
- Subsidiary

* Fit and Proper process by OJK
 ** Acting

Board of Commissioners' Profiles



01

Mustafa Abubakar
President Commissioner/
Independent Commissioner

Age 67, Indonesian Citizen, domiciled in Jakarta

History of Work/Position and Organization

Appointed as Commissioner of BRI for the first time on March 29, 2012 based on the Notarial Deed of Fathiah Helmi, S.H., No. 41 dated December 17, 2012 and has passed the fit and proper test by Bank Indonesia, set forth in the Letter of Bank Indonesia No. 14/67/GBI/DPIP/Rahasia dated July 17, 2012, and as Vice President Commissioner/Independent Commissioner of BRI since 2014 based on the Notarial Deed of Fathiah Helmi, S.H., No. 10 dated July 10, 2014 and has passed the fit and proper test by the Financial Services Authority as Independent Commissioner according to Letter of FSA No. SR-190/D.03/2014 dated November 11, 2014. Then appointed again as Vice President Commissioner/Independent Commissioner of BRI on March 23, 2015 based on the Notarial Deed of Fathiah Helmi, S.H., No. 81 dated March 23, 2015.

He once served as State Minister of SOE (2009-2011), President Director of Perum Bulog (2007-2009), General Chairman of Collective Forum for the Government Internal Oversight (FORBES-APIP) period of 2003-2008, Acting Governor of Nangroe Aceh Darussalam Province (2005-2007), General Inspector in Marine and Fishery Ministry (2001-2005), General Inspector of Marine and Fishery Exploration Department (1999-2001), General Chairman of Indonesia Fishery Society (MPN) period of 1996-1999, World Bank Project Consultant (SEDP) in Bank Indonesia (1985-1989), World Bank Project Consultant (Rural Credit Project) in BRI (1979-1985), as well as other various organizations, such as General Chairman of Student Association Bogor Agricultural Institute (DEMA-IPB) period of 1975-1976.

Dual Position

Currently, he is active in various organization, among others, as the Member of the Board of Trustees of Leuser International Foundation (YLI) (2012-present), member of Advisory Council of National Banking Advisory (PERBANAS) (2013-present),

Vice Chairman of the Executive Council of Lemhannas Graduates Association (IKAL), Head of Supervisory Council of Bankers Associations of Risk Management (BARa) (2016-present), and Vice Chairman of Indonesian Banker Association (IBI) (2015-present). In education sector, he serves as member of the Academic Senate of STIE Indonesia Banking School (2013-present).

Special Assignment

Chairman of Nomination and Remuneration Committee (2015-present)
Member of Risk Management Committee (2015-present)

History of Education

He obtained Doctoral Degree in Marine Technology from the Bogor Agricultural Institute (2004), M.Si in Marine Technology from the Bogor Agricultural Institute (2002), and Engineer Degree in Water Resources Management from the Bogor Agricultural Institute (1977).

Education/Training

He underwent education and training program as follow:
Refresher Program for Commissioners of SOEs "Roles & Responsibilities and Authority of the Commissioner in building Excellent SOE in Global Market" - SOEs Club, Jakarta (2016), The 1st Annual Islamic Finance Conference Forum on Sukuk for Infrastructure Development, Jakarta (2016), The 2016 IIA International Conference and Financial Institutions, New York (2016), ECIIA Conference on Governance, Risk and Control + Benchmarking, Stockholm, Moscow, Helsinki (2016), ASEAN Banking Conference & 46th ASEAN Banking Council Meeting, Bangkok (2016).

Affiliation

He has no affiliation with members of BOD, Shareholders, or fellow members of BOC of BRI.



02

Gatot Trihargo
Vice President Commissioner

Age 56, Indonesian Citizen, domiciled in Jakarta

History of Work/Position and Organization

Appointed as Vice President Commissioner of BRI for the first time on March 19, 2015, by the Notarial Deed of Fathiah Helmi, S.H. No. 7 dated August 7, 2016 and has passed the fit and proper test by the Financial Services Authority as Vice President Commissioner based on the Letter of FSA No. SR-99/D.03/2015 dated June 1, 2015.

He once served as Commissioner of PT Pertamina (Persero) (2014 – 2015), Commissioner of PT Telekomunikasi Indonesia (Persero) Tbk (2013 -2014), Commissioner of PT Jiwasraya (Persero) (2008-2012) and Commissioner of PT Adhi Karya (Persero) Tbk, (2007-2012).

Dual Position

Currently serves as Deputy of Financial Services, Survey, and Consulting Businesses of the SOE Ministry (2013-present). Member of National Executive Board of the Indonesian Chartered Accountant Association (IAI) (2014-present), General Chairman of Management Accountant Association (IAMII) (2016 - now), President of the Association Certified Fraud Examiner (CFE) – Indonesia Chapter (2010-present), Member of the Honorary Council of the Association of Indonesia Audit Committee (IKAI) (2010-present), Member of the Examiners Board of the Certified Professional Management Accountant (CPMA) (2009-present), and Member of the Examiners' Board of the National Center for Sustainability Reporting (NCSR) (2009-present).

Special Assignment

Member of Nomination and Remuneration Committee
Member of Integrated Governance Committee

History of Education

Graduated with a Doctoral Degree in Strategic Management from the University of Padjadjaran, Bandung (2016), Master Degree in Accounting and Financial Information System (MAFIS) from the Cleveland State University, Ohio, United States (1993), and Diploma IV in Accounting from State Accounting College (STAN) in 1989.

Education/Training

He underwent education and training program as follow:
The Journey of Risk Management Implementation in State-Owned Enterprises – Embracing Digital Era (Speaker), Denpasar (2016), "Role, Responsibility and Authority of Commissioner in Building Excellent SOE" – BUMN Executive Club, Jakarta (Speaker) (2016).

Affiliation

He is affiliated with the Controlling Shareholder, which is the Deputy of Financial Services, Survey Services and Consultant Services at the Ministry of State-Owned Enterprises.

Board of Commissioners' Profiles



03

Ahmad Fuad Rahmany
Independent Commissioner

Age 62, Indonesian Citizen, domiciled in Depok

History of Work/Position and Organization

Appointed as Independent Commissioner of BRI for the first time on March 19, 2015 by the Notarial Deed of Fathiah Helmi, S.H., No. 7 dated August 7, 2016 and has passed the fit and proper test by the Financial Services Authority as Independent Commissioner based on the Letter of FSA No. SR-85/D.03/2015 dated May 19, 2015.

He once served as Director General of Taxes of the Finance Ministry (2011-2014), ex-officio Commissioner of the Deposit Insurance Corporation (2009-2014), Chairman of Capital Market and Financial Institution Supervisory Body (Bapepam-LK) (2006-2011), Deputy of Finance and Funding of Aceh-Nias Rehabilitation and Reconstruction Agency (2005-2006), Director of Treasury Bonds Management (2004-2005), and Head of the Center for State Bods Management (2001-2004). He once served as Non-Executive Member of the Board of Directors in Indonesia Eximbank (2013-2014), Commissioner of PT Indonesia Asahan Aluminium (Persero) (2014-2015), Commissioner of PT Bank Internasional Indonesia Tbk (2001-2006), Commissioner of PT Danareksa (Persero) (2001-2006).

Dual Position

He has no dual position in other company/institution.

Special Assignment

Chairman of Audit Committee (2015-present)
Member of Nomination and Remuneration Committee (2015-present)
Member of Risk Management Monitoring Committee (2015-present)

History of Education

He obtained MBA in Economics from Vanderbilt University, Tennessee, US (1997); Master of Arts, from Duke University, Durham, North Carolina, US (1987); and Bachelor of Economics from University of Indonesia, Jakarta (1981).

Education/Training

He underwent education and training program as follow:
Refresher program for Commissioners & Directors: "Professional Commissioner & Opportunities in the Digital Era", Jakarta (2016), the seminar on "National Economic Outlook 2017", Jakarta (2016), Seminar "SOE as the Fortress of National Economic", Jakarta (2016).

Affiliation

He has no affiliation with members of BOD, Shareholders, or fellow members of BOC of BRI.



04

Ahmad Fuad
Independent Commissioner

Age 62, Indonesian Citizen, domiciled in Jakarta

History of Work/Position and Organization

Appointed as Independent Commissioner of BRI for the first time on March 29, 2012 by the Notarial Deed of Fathiah Helmi, S.H., No. 41 dated December 17, 2012 and has passed the fit and proper test by Bank Indonesia as Independent Commissioner based on the Letter of Bank Indonesia No. 14/44/GBI/DPIP/Rahasia dated May 10, 2010.

He once served as Member of the Supervisory Board of BI Pension Fund (2010-2012), Legal Director of Bank Indonesia (2008-2012), Banking Investigations and Mediation of Bank Indonesia (2005-2008), and Deputy Director of Legal in Bank Indonesia (2001-2005) as well as Bank Indonesia Supervisor (1983-2001).

Dual Position

Currently serves as Legal and Compliance Advisor at Bank Sahabat Sampoerna (2012-now) and Legal and Compliance Advisor at Bank ICBC Indonesia (2014-present).

Special Assignment

Chairman of Risk Management Monitoring Committee (2015-present)
Chairman of Integrated Governance Committee (2015-present)
Member of Nomination and Remuneration Committee (2012-present)

History of Education

He earned Master of Business from the University of Adelaide, Australia (1995) and Bachelor of Law from University of Indonesia, Jakarta (1982).

Education/Training

He underwent education and training program as follow:
"Roles and Responsibilities, and authority of the Commissioner in Building Excellent SOE in Global Market" Jakarta, Benchmarking & Workshop: "Enterprise Risk Management", London (2016), Risk Management Certification Refresher Program "Legal Risk Strategy for Credit Recovery and Litigation", Bali (2016), Good Corporate Governance in Miami ECIIA Conference on Governance Risk & Control, New York (2016), Executive International Conference - Integrated Risk Management: Enhancing the Power of Enterprise Risk Management in Creating a Sound Bank and Financial Risk Integration, Stockholm (2016), and Managing Risk & Opportunities in the Digital Era, Bali (2016).

Affiliation

He has no affiliation with members of BOD, Shareholders, or fellow members of BOC of BRI.



05

Adhyaksa Dault
Independent Commissioner

Age 53, Indonesian Citizen, domiciled in Jakarta

History of Work/Position and Organization

Appointed as Independent Commissioner of BRI for the first time on May 24, 2010 by the Notarial Deed of Fathiah Helmi, S.H., No. 35 dated May 20, 2010 and has passed the fit and proper test by Bank Indonesia as Independent Commissioner, set forth in the Letter of Bank Indonesia No. No. 12/95/GBI/DPIP/Rahasia dated July 20, 2010 and reappointed for a second term on March 20, 2015 by the Notarial Deed of Fathiah Helmi, S.H., No. 7 dated August 7, 2016.

He once served as Chairman of the Indonesian National Youth Committee (KNPI) (1999-2002), Minister of State for Youth and Sports (2004-2009) and served as Commissioner in several companies (1995-2002).

Dual Position

He currently serves as Chairman of National Quarter of Scout (2013-present), In the field of education, he currently active as lecturer at Post Graduate Dept. of the Jakarta State University (2009-present), and Lecturer in the Post Graduate School of Marine Sciences and Fisheries Faculty of Diponegoro University (2009-present).

Special Assignment

Member of Audit Committee (2015-present)
Member of Nomination and Remuneration Committee (2010-present)

History of Education

He obtained Doctorate degree in Maritime Engineering from Bogor Agricultural Institute (2007), Master Degree in Community Development from University of Indonesia, Jakarta (1999), and Bachelor Degree in Law from University of Trisakti Jakarta (1989).

Education/Training

He underwent education and training program as follow:
Seminar on Managing Risk and Opportunities in the Digital Era, Bali (2016), Risk Management Refreshment Program, Milan (2016), Asian Banking Conference & 46th ASEAN Banking Council Meeting, Bangkok (2016).

Affiliation

He has no affiliation with members of BOD, Shareholders, or fellow members of BOC of BRI.



06

A. Sonny Keraf
Independent Commissioner

Age 58, Indonesian Citizen, domiciled in Jakarta

History of Work/Position and Organization

Appointed as Independent Commissioner of BRI for the first time by the Notarial Deed of Fathiah Helmi, S.H., No. 7 dated 7 August 2016 and has passed the fit and proper test by the Financial Services Authority as Independent Commissioner based on the FSA Letter No. SR-98/D.03/2015 dated 1 June 2015.

He once served as Extraordinary Lecturer in the Doctorate Program of Environmental Science of University of Indonesia (2001-2014). He served as Member of the National Parliament and Commission VII Deputy of the National Parliament in October (2004-2009), Minister of Environment (1999-2001), and Member of the Ethical Council of the Indonesian Corruption Watch (ICW) (1998-1999).

Dual Position

Also serves as member of the National Energy Council (2014-present), Independent Commissioner of PT. Gorontalo Sejahtera Mining (2016-now), and Lecturer in UNIKA Atmajaya Jakarta (1988-present).

History of Education

He earned MBA degree in the Higher Institute of Philosophy from Katholieke Universiteit Leuven, Belgium (1995), Master of the Higher Institute of Philosophy, from Katholieke Universiteit Leuven, Belgium (1992), and Bachelor Degree from Driyarkara Philosophy College (1988).

Special Assignment

Member of Audit Committee (2015-present)
Member of Nomination and Remuneration Committee (2015-present)

Education/Training

He underwent education and training program as follow:
ASEAN Global Leadership, San Francisco (2016) and Seminar Internal Audit in Rising, 75 Years Trough Sharing, New York (2016), Green Banking Seminar, Jakarta (2016).

Affiliation

He has no affiliation with members of BOD, Shareholders, or fellow members of BOC of BRI.



07

Vincentius Sonny Loho
Commissioner

Age 59, Indonesian Citizen, domiciled in Jakarta

History of Work/Position and Organization

Appointed as Commissioner of BRI for the first time on March 29, 2012 by the Notarial Deed of Fathiah Helmi, S.H., No. 41 dated December 17, 2012 and has passed the fit and proper test by Bank Indonesia as Commissioner, set forth in the Letter of Bank Indonesia No. 14/96/GBI/DPIP/Rahasia dated September 3, 2012.

He once served as General Chairman of Government Internal Auditor Association (AAIPI) (2013-2015), Finance Ministry Inspector General (2011-2015), Commissioner of PT Merpati Nusantara Airlines (2011-2012), Director of Accounting and Reporting at the Ministry of Finance's Treasury Directorate General (2008-2011), and Director of Finance Supervisory on Public Service Agencies (BLU) at the Ministry of Finance's Treasury Directorate General (2006-2008).

Dual Position

Currently also serves as Director General of State's Assets of the Finance Minister (2015-present); Secretary to Government Accounting Standards Committee (2016-present), and Member of IAI Consultative Board in the Public Sector Accountant Compartment.

Special Assignment

Member of Integrated Governance Committee (2015-present)
Member of Nomination and Remuneration Committee (2012-present)

History of Education

He obtained Master of Public Management from Carnegie Mellon University, Pittsburgh (1998); Diploma IV Degree from the State Accounting College-STAN (1987); and Diploma III Degree from the State Accounting College-STAN (1980).

Education/Training

He underwent education and training program as follow:
The IIA International Conference 2016 and Financial Institutions, New York (2016).

Affiliation

He is affiliated with the Controlling Shareholder, which is the Directorate General of State Wealth, the Ministry of Finance.



08

Jeffrey J. Wurangian
Commissioner

Age 62, Indonesian Citizen, domiciled in Jakarta

History of Work/Position and Organization

Appointed as Commissioner of BRI for the first time on March 19 2015 by the Notarial Deed of Fathiah Helmi, S.H., No. 7 dated August 7, 2015 and has passed the fit and proper test by the Financial Services Authority as Commissioner based on the FSA Letter No. SR-137/D.03/2015 dated July 3, 2015

He once served as Business Advisor and Investment Chairman CT Corp, Bank Mega Group (2012-2015); President Director of PT Bank Sulut (2010-2012), Marketing Director of PT Bank Sulut (2008-2009), General Director PT Bank Sulut (2007-2008), Operational Director Bank Mitraniaga, (1991-1992), and Vice President Saseka Finance (1989 – 1990).

Dual Position

He currently serves as Vice Chairman of the Development of SOE Cooperation - Indonesian Chamber of Commerce and Industry (Kadin Indonesia) (2016-present)

Special Assignment

Member of Risk Management Committee (2015-present)
Member of Nomination and Remuneration Committee (2015-present)

History of Education

He earned Doctorate Degree in Economics from University of Merdeka, Malang (2010), M.Sc., Agricultural Economics, from Oklahoma State University, Oklahoma, US (1999), and MBA from European University, Belgium, Joined Program with IEU School of Business (1989), and Bachelor Degree in Development Economics from University of Sam Ratulangi, Manado (1980).

Education/Training

He underwent education and training program as follow:
Innovation and Entrepreneurship" at University of California, Berkeley, California, USA (2016); "Roles and Responsibilities, and authority of Commissioner in Building Excellent SOE in the Global Market" by SOE Executive Club in Jakarta, " Refresher Seminar for Commissioner of SOE" Commissioner Professionals Qualified Global" by SOE Executive Club in Jakarta, Executive International Conference by BARa in Stockholm.

Affiliation

He has no affiliation with members of BOD, Shareholders, or fellow members of BOC of BRI.



09

Mahmud
Commissioner

Age 58, Indonesian Citizen, domiciled in South Tangerang

History of Work/Position and Organization

Appointed as Commissioner of BRI for the first time on March 19, 2015 by the Notarial Deed of Fathiah Helmi, S.H., No. 1 dated September 2, 2016.

He served as Senior Advisor, Strategic Support Group of the Board of Commissioners, the Financial Services Authority (2016), Head of the Department DPB1, Financial Services Authority (2013-2016), Head of the Department DPB1, Bank Indonesia, Jakarta (2013), Head of Makassar Regional Office, Bank Indonesia Makassar (2012-2013), Head of the Department of DPIP, Bank Indonesia Jakarta (2010-2011), Deputy of Head of BI Surabaya, Bank Indonesia Surabaya (2007-2010), Head of BI Pekanbaru, Indonesia Pekanbaru Bank (2002-2007), Supervisor of Bank executive, Bank Indonesia Jakarta (2001-2002).

Dual Position

He has no dual position at other company/institution.

Special Assignment

-

History of Education

He holds a Master of Management from the University of Padjadjaran, Bandung (2003) and a Bachelor's Degree in Economics from the University of Diponegoro, Semarang (1982).

Education/Training

In 2016, he did not undergo any education and training program.

Affiliation

He has no affiliation with members of BOD, Shareholders, or fellow members of BOC of BRI.

Board of Directors' Profiles



01

Asmawi Syam
President Director

Age 61, Indonesian Citizen, domiciled in Jakarta

History of Work/Position

Appointed as President Director of BRI for the first time on September 5, 2007 based on the Notarial Deed of Imas Fatimah, S.H., S.H., No. 69 dated November 8, 2007 and has passed the fit and proper test by Bank Indonesia, set forth in the Letter of Bank Indonesia No. 9/138/GBI/DPIP/Rahasia dated September 26, 2007, and reappointed for the second term on March 28, 2012 based on the Notarial Deed of Fathiah Helmi No. 41 dated 17 December 2012. Serving as President Director of BRI for the first time on 19 March 2015, based on the Notarial Deed of Fathiah Helmi, S.H., No. 81 dated 23 April 2015 and has passed the fit and proper test by the Financial Services Authority as President Director based on the Letter of FSA No. SR-61/D.03/2015 dated 16 April 2015.

He began his banking career in BRI in 1980 and has served several managerial positions such as Head of Denpasar Regional Office (1999-2001), Head of Bandung Regional Office (2001-2003), Head of Consumer Banking Division (2003-2005), and Head of General Business Division (2005-2007). Started serving as Member of BOD as the Director of Institution and SOE of BRI since 5 September 2007 and reappointed for second term on 28 March 2012 until March 2015.

Organization

Chairman of HIMBARA

Dual Position

Currently focusing as the President Director of BRI and has no dual position in any other business institution.

History of Education

He earned Master Degree in Management from University of Padjadjaran, Bandung (2003); and Bachelor Degree in Economics from University of Hasanuddin, Makassar (1979).

Education/Training

Attended the following education and training: SOE Seminar in Jakarta, Indonesia; FGD ROAD MAP OF SOE 2015 - 2019; From State Owned Enterprise to World Class Competitors Creative innovative and State Owned Firms, Filipina; International CWM Executive Europe Program in Zurich, Switzerland; Executive International Conference: Integrated Risk Management: "Enhancing the Power of Enterprise Risk Management in Creating a Sound Bank and Financial Risk Integration" at Stockholm, Sweden.

Affiliation

He has no affiliation with members of BOC, Shareholders, or fellow members of BOD of BRI.



02

Sunarso
Vice President Director

Age 53, Indonesian Citizen, domiciled in Jakarta

History of Work/Position

Appointed as Vice President Director of BRI at the Annual General Meeting on March 19, 2015, which was later ratified by the Notarial Deed of Fathiah Helmi, SH, No. 81 dated April 23, 2015 and passed the fit and proper test by the FSA in accordance with the FSA Letter No. SR-62/D.03/2015 dated April 16, 2015.

He began his career in the banking industry in Bank Dagang Negara in 1990. As the bank merged to become Bank Mandiri in 1999, he served as Senior RM for Corporate Banking. In November 2006, promoted to SVP to lead the new work unit of Corporate Banking Plantation Specialist Group. In 2009, promoted to EVP of Corporate Banking Agrobased Group, a development from Plantation Specialist Group. In the AGM of Bank Mandiri in May 2010, he was appointed as Director of Commercial & Business Banking to the date of March 17, 2015.

Organization

Chairman of the Indonesian Association of Bachelor of Agriculture (PISPI) since 2015, the Executive Board of Indonesian Economists Association (ISEI) for food security since 2015, member of the Expert Council of the Alumni Association of Institute of Agriculture Bogor (IPB HA) since 2013.

Dual Position

Currently focusing as the Vice President Director of BRI and has no dual position in any other business institution.

History of Education

He obtained Master of Science in Business Administration from University of Indonesia (2002) and Engineering degree in Agronomics from Bogor Agricultural Institute (1998).

Education/Training

Attended the following education and training: International Risk Management Refreshment Program, in Zurich, Switzerland and Bocconi University, Italy; Decision Making for Leaders, in Melbourne University, Australia; The Customer Focused Organization in Kellogg School of Management, Northwestern University, Illinois- USA; High Performance Leadership, The IMD, Lausanne, Switzerland; Strategic Business Leadership, University of Chicago, USA.

Affiliation

He has no affiliation with members of BOC, Shareholders, or fellow members of BOD of BRI.



03

Donsuwan Simatupang
Director of Commercial Banking

Age 55, Indonesian Citizen, domiciled in Jakarta

History of Work/Position

Appointed as Director of BRI for the first time on March 19, 2015 based on the Notarial Deed of Fathiah Helmi No. 7 dated August 7, 2016 and has passed the fit and proper test by the Financial Services Authority as Director based on the Letter of FSA No. SR-101/D.03/2015 dated June 1, 2015.

He began his banking career in BRI from 1986. He has held managerial positions in BRI as Division Head of Retail Credit (2008-2010), Head of Medan Regional Office (2010-2012), Head of Surabaya Regional Office (2012-2013), and Division Head of General Business.

Organization

-

Dual Position

Currently focusing as the Director of BRI and has no dual position in any other business institution.

History of Education

He obtained MBA from Virginia Tech United States (1993) and Bachelor Degree in Economics from the University of Parahyangan, Bandung (1985).

Education/Training

Analysis of Business Strategy Development, in Jakarta; Seminar on Credit Banking Law, in Jakarta; APRACA Microserv Field Visit, India and Thailand.

Affiliation

He has no affiliation with members of BOC, Shareholders, or fellow members of Board of Directors of BRI.



04

Haru Koesmahargyo
Director of Finance

Age 50, Indonesian Citizen, domiciled in Jakarta

History of Work/Position

Appointed as Director of BRI for the first time on March 19, 2015 based on the Notarial Deed of Fathiah Helmi No. 7 dated August 7, 2016 and has passed the fit and proper test by the Financial Services Authority as Director based on the Letter of FSA No. SR-109/D.03/2015 dated June 8, 2015.

He began his banking career in BRI from 1990. He has held managerial positions in BRI as Head of Desk Investor Relation in Corporate Secretary Division (2008-2011), General Manager of New York Overseas Office (2011-2014), and Division Head of Treasury (2014-2015). Other than BRI, he has also held position as President Commissioner of PT BTMU-BRI Finance, from November 2014 to March 2015.

Organization

- Treasury of HIMBARA
- Deputy General Secretary of Perbanas

Dual Position

Currently focusing as the Director of BRI and has no dual position in any other business institution

History of Education

He obtained MBA degree in Investment Banking from Emory University, the United States (2000) and Bachelor Degree in Agriculture Industrial Engineering from University of Brawijaya, Malang (1989).

Education/Training

Attended the following investor conference, education and training:

Indonesia Investment Day – Conference in Singapore and London; JP Morgan CEO & CFO Conference in New York; 54th ACI (Association Cambiste Internationale) World Congress; FGD ROAD MAP OF SOE 2015 - 2019.

Affiliation

He has no affiliation with members of the Board of Commissioners, Shareholders, or fellow members of the Board of Directors of BRI.



05

Kuswiyoto
Director of Institutional

Age 51, Indonesian Citizen, domiciled in Jakarta

History of Work/Position

Appointed as Director of BRI for the first time on August 12, 2015 based on the Notarial Deed of Fathiah Helmi No. 12 dated December 14, 2015 and has passed the fit and proper test by the Financial Services Authority as Director based on the Letter of FSA No. SR-207/D.03/2015 dated November 4, 2015.

He began his banking career in BRI from 1988 and has held managerial positions as Deputy of SOE Division (2007-2010), Division Head of Agribusiness (2010-2014), Head of Makassar Regional Office (2014-2015), and Head of Jakarta 1 Regional Office (April-August 2015). Aside from BRI, he has also served as Commissioner of PT Bringin Indotama Sejahtera Finance, from 2013 until 2014.

Organization

Head of Union of Employee (2002-2005)

Dual Position

Currently focusing as the Director of BRI and has no dual position in any other business institution.

History of Education

He earned MBA Finance from Washington University, United States (1997) and Bachelor Degree in Economics from University of Airlangga, Surabaya (1986).

Education/Training

Attended the following education and training:

Workshop on the Holding Plan for SOE of Banking Sector in Yogyakarta; Risk Management in Agriculture in Manila; National Seminar on the Role of the Management of Change in Jakarta.

Affiliation

He has no affiliation with members of the Board of Commissioners, Shareholders, or fellow members of the Board of Directors of BRI.



06

Mohammad Irfan
Director of Micro Banking

Age 57, Indonesian Citizen, domiciled in Jakarta

History of Work/Position

Appointed as Director of BRI for the first time on March 19, 2015 based on the Notarial Deed of Fathiah Helmi No. 7 dated August 7, 2016 and has passed the fit and proper test by the Financial Services Authority as Director based on the Letter of FSA No. SR-100/D.03/2015 dated June 1, 2015.

He began his banking career in BRI from 1983 and has held managerial positions as Head of Technology & Information System Division (2003-2006), Head of Padang Regional Office (2006-2009), Head of Semarang Regional Office (2009-2010), and Head of Jakarta 1 Regional Office (2010-2015).

Organization

None

Dual Position

Currently focusing as the Director of BRI and has no dual position in any other business institution.

History of Education

He earned a Master Degree in Management from LPPM, Jakarta (1998) and an Engineering degree from Fishery Faculty, Bogor Agricultural Institute (1982).

Education/Training

Attended the following education and training:
Seminar Bank Management Course, in Manila; Mergers & Acquisitions in New York; Card Asia Seminar, in Singapore; Strategic Decision Making in Jakarta.

Affiliation

He has no affiliation with members of the Board of Commissioners, Shareholders, or fellow members of the Board of Directors of BRI.



07

Priyastomo
Director of Compliance

Age 53, Indonesian Citizen, domiciled in Jakarta

History of Work/Position

Appointed as Director of BRI for the first time on March 23, 2016 based on the Notarial Deed of Fathiah Helmi No. 1 dated September 2, 2016 and has passed the fit and proper test by the Financial Services Authority as Director based on the Letter of FSA No. SR-105/D.03/2016 dated June 21, 2016.

Started his banking career at BRI in 1989, and has held various managerial positions at BRI, among others, as a Head of Jayapura Area (2012-2014), Head of Retail and Medium Business Division at the Headquarters (2014-2015), Head of Yogyakarta Area (April-December 2015) and Head of Bandung Area (January to March 2016). Aside from a career in BRI, he also served as a Commissioner of PT Asuransi Bringin Sejahtera Artamakmur from 2014 to 2015.

Organization

None

Dual Position

Currently focusing as the Director of BRI and has no dual position in any other business institution.

History of Education

He holds a Master's Degree in International Management from Gadjah Mada University, Yogyakarta (2008) and a Bachelor's degree in Animal Husbandry from Gadjah Mada University, Yogyakarta (1987).

Education/Training

Attended the following education and training:
Seminar on SOE in Jakarta; Risk Mitigation Coach Sessions in Switzerland; Banking Risk Management Competency Certification Level 5 in Jakarta; National Conference on Corruption Eradication by KPK, "Reformation of Law Enforcement System and Transparent and Accountable Public Services"; Risk Management Insurance Company Level 5.

Affiliation

He has no affiliation with members of the Board of Commissioners, Shareholders, or fellow members of the Board of Directors of BRI.



08

Randi Anto
Director of Human Capital & Assets Management

Age 55, Indonesian Citizen, domiciled in Jakarta

History of Work/Position

Appointed as Director of BRI for the first time on April 29, 2011 based on the Notarial Deed of Fathiah Helmi No. 81 dated April 28, 2011 and has passed the fit and proper test by the Financial Services Authority as Director based on the Letter of FSA No. 13/68/GBI/DPIP/Rahasia dated July 4, 2011 and reappointed as a Director on March 23, 2016, by the Notarial Deed of Fathiah Helmi, SH, No. 1 dated September 2, 2016.

He began his banking career in BRI from 1984 and has served managerial positions, namely Head of Compliance and Risk Management Division (2004-2006), Head of Credit Administration Division, Head Office (2006-2007), Head of Palembang Regional Office (2007-2009), Head of Human Resources Management (2009-2011).

Organization

Vice Chairman of BARA

Dual Position

Currently focusing as the Director of BRI and has no dual position in any other business institution.

History of Education

He obtained a MBA from St. Louis University, the United States (1994) and a Bachelor Degree in Economics from University of Diponegoro, Semarang (1984).

Education/Training

Attended the following education and training: Indonesia Banking Human Capital Conference in Jakarta, Indonesia; International CWM Executive Europe Program in Zurich, Switzerland; Improving Compliance Competency, in Jakarta; Worldclass Leadership Mentoring Coaching, in Jakarta.

Affiliation

He has no affiliation with members of the Board of Commissioners, Shareholders, or fellow members of the Board of Directors of BRI.



09

Sis Apik Wijayanto
Director of Consumer Banking

Age 55, Indonesian Citizen, domiciled in Jakarta

History of Work/Position

Appointed as Director of BRI for the first time on March 23, 2016 based on the Notarial Deed of Fathiah Helmi No. 1 dated September 2, 2016 and has passed the fit and proper test by the Financial Services Authority as Director based on the Letter of FSA No. SR-85/D.03/2016 dated May 20, 2016.

Started his banking career at BRI in 1990, and held various managerial positions at BRI, among others, as the Head of the Special Branch (2012-2014), Head of Banjarmasin Area (2014-2015), and Head of Jakarta 2 Area (April-October 2015), Aside of BRI, he also served as Director of Funding & Distribution in BTN from March 2015 until March 2016.

Organization

Board of Council of ISEI DKI Jakarta.

Dual Position

Currently focusing as the Director of BRI and has no dual position in any other business institution.

History of Education

He holds a Master of Management from the University of Airlangga, Surabaya (2007) and a Bachelor's degree in Business Administration from the University of Brawijaya, Malang (1988).

Education/Training

Attended the following education and training: 2nd Annual EFMA Asia Retail Banking Summit in Singapore; Service Excellent Delivery Training, in Jakarta; Development Program Value Driven Marketing Strategy, in Jakarta.

Affiliation

He has no affiliation with members of the Board of Commissioners, Shareholders, or fellow members of the Board of Directors of BRI.



10

Susy Liestiowaty
Director of Credit Risk Management

Age 56, Indonesian Citizen, domiciled in Jakarta

History of Work/Position

Appointed as Director of BRI for the first time on March 19, 2015 based on the Notarial Deed of Fathiah Helmi No. 7 dated August 7, 2016 and has passed the fit and proper test by the Financial Services Authority as Director based on the Letter of FSA No. SR-108/D.03/2015 dated June 8, 2015.

Started her banking career at BRI in 1985, and held various managerial positions at BRI, among others, Head of Investment Banking Division Desk (2006-2009), Head of Agribusiness Division (2009-2010), and Head of Credit Risk Analysis Division (2010-2015). Aside of BRI, she once held other managerial positions, namely Commissioner of PT Bank BRI Agroniaga (2011-2015), Chairman of the Cooperative BRI Swakarya (2006 - 2015) and Commissioner of PT Bringin Srikandi Finance (2006-2011).

Organization

- Secretary of HIMBARA
- Member of Assessment and Development of Banking PERBANAS.
- Member of Social and Sport IBI
- Member of the Supervisory Board of ASPI

Dual Position

Currently focusing as the Director of BRI and has no dual position in any other business institution.

History of Education

She earned a Doctorate degree from Bogor Agricultural Institute (2011), an MBA in Management from the University of Case Western Reserve, United States (1993), and a Bachelor Degree in Agronomics from Bogor Agricultural Institute (1983).

Education/Training

Revamping The Capability in Loan Analysis, in Bandung; Bond School Euromoney, in Sydney; International CWM Executive Europe Program in Zurich, Switzerland; Best Indonesia Conference in Singapore and Tokyo, Japan.

Affiliation

She has no affiliation with members of the Board of Commissioners, Shareholders, or fellow members of the Board of Directors of BRI.



11

Zulhelfi Abidin
Director of Operation

Age 54, Indonesian Citizen, domiciled in Jakarta

History of Work/Position

Appointed as Director of BRI for the first time on March 19, 2015 based on the Notarial Deed of Fathiah Helmi No. 7 dated August 7, 2016 and has passed the fit and proper test by the Financial Services Authority as Director based on the Letter of FSA No. SR-138/D.03/2015 dated July 3, 2015.

He began his banking career in Bank Bukopin in 1990 and joined BRI in 2007. Previous managerial positions in BRI held include Division Head of BRI Technology & Information system (2007-2014), and Senior Executive Vice President of BRI Technology & Information System (2014-2015). Aside of BRI, he served in a number of managerial position such as Division Head of Information System Technology in Bukopin (1997-2007), President Commissioner of PT Bringin Gigantara (2006-2012), Commissioner of Bank BRISyariah (2012-2015).

Organization

None

Dual Position

Currently focusing as the Director of BRI and has no dual position in any other business institution.

History of Education

He earned a Master of Science degree from University of Wollongong, Australia (1996) and a Bachelor Degree in Informatics Engineering from Bandung Institute of Technology (1987).

Education/Training

Attended the following education and training:
Executive Overview of Islamic Banking, in Jakarta
Certified Information Systems Auditor (CISA), in Jakarta
SIBOS Conference, in Geneva, Swiss.

Affiliation

He has no affiliation with members of the Board of Commissioners, Shareholders, or fellow members of the Board of Directors of BRI.

Senior Executive Vice President (SEVP) Profiles



01

Irianto
SEVP Change Management

53 years old, Indonesian citizen domiciled in Jakarta.

History of Work/Position

Serving as Senior Executive Vice President in BRI since November 1, 2014 based on SK No. 623-DIR/KPS/10/2015. He started his career at BRI since 1988 and has held various managerial positions including the Head of Strategic Planning & Business Development (2009-2011), Head of Denpasar Regional Office (2011-2014), Head of Change Management Office Desk (March-October 2014).

History of Education

He holds an MBA from Monash University, Melbourne, Australia (1993) and a Bachelor's degree from the Faculty of Geography of Gadjah Mada University, Yogyakarta (1987).

Organization

IGEGAMA (geographers Alumni Association of the University of Gadjah Mada).

Special Expertise

- Strategic Management
- Bank Risk Management
- Project Management Office

Education/Training

Executive International Conference. BARA, Stockholm, Sweden, September 2016.
"Efma Distribution Summit 2016", London, April 2016.



02

Saptono Siwi
SEVP Head of Internal Audit

56 years old, Indonesian citizen domiciled in Jakarta.

History of Work/Position

Serving as Senior Executive Vice President at BRI since August 1, 2015 based on SK No.626-DIR/KPS/10/2015. He started his career at BRI in 1987 and has held various managerial positions including the Deputy of the Head of Medan Regional Office (2009-2010), Deputy of the Head of Surabaya Regional Office (2010-2011), Head of Special Branch (2011-2012), Inspector at Malang (2012-2014), and the Head of Credit Administration Division, Inspector Jakarta 1 (2014-2015).

History of Education

He holds a Masters in Business Law from the University of Gadjah Mada, Yogyakarta (2006) and a Bachelor degree in Economics and Accounting from Padjadjaran University, Bandung (1986).

Organization

Association of Bank Internal Auditors

Special Expertise

Examiner/Fraud Investigation
Best Audit Risk

Education/Training

National Seminar on Internal Audit 2016: Internal Audit Profession The Most Necessary to Protect Organization Enhance and Value by YPIA; Education and Certification Exam by CFE Certified Fraud Examiner



03

Hexana Tri Sasongko
SEVP IT Strategy &
Satellite

52 years old, Indonesian citizen domiciled in Jakarta

History of Work/Position

Serving as Senior Executive Vice President in BRI since October 21, 2015 based on SK No.630-DIR/KPS/10/2015. He started his career at BRI in 1988 and has held various managerial positions including the Head of Global Market (1999-2007), Head of Strategic Planning & Business Development of BRI/Corporate Division Development & Strategy (2011-2015).

In 2013 appointed as BRIsat Project Manager as well as Satellite Mission Director at the launch BRIsat in June 2016.

Has participated in various satellite-linked activities such as member of the Indonesian delegation to the satellite coordination, Chairman of the BRI team for satellite coordination between operators, attending the Asia Pacific Satellite Conference. Become a member of Indonesian Telematics Society and Satellite Association.

History of Education

He holds an MBA in International Business from Monash Mt. Eliza Business School, Monash University, Melbourne, Australia (1996) and a law degree from the University of Airlangga, Surabaya (1986).

Organization

Indonesian Satellite Association, Telematics society, CWMA, Economist Association Jakarta

Special Expertise

Strategic Management, Treasury Management, Project Management, Satellite Regulation

Education/Training

Banking Risk Management



04

Supari
SEVP Directorate of SME &
Consumer Business

50 years old, Indonesian citizen domiciled in Jakarta.

History of Work/ Position

Serving as Senior Executive Vice President in BRI since May 1, 2016 based on SK No. 459-DIR/KPS/05/2016. He started his career at BRI since 1990 and throughout his career has been leading BRI's operational units at various levels. As Deputy Chief of Business Officer of Jakarta Regional Office 1 (June 2012 -February 2014), Head of Padang Regional Office (March 2014 - March 2015), and Head of Makassar Regional Office (April 2015 - April 2016).

History of Education

He holds a Master of Agribusiness from the University of Gadjah Mada, Yogyakarta 2005 and a Bachelor of Arts degree from the Agricultural Technology Universitas Brawijaya, Malang 1989.

Organization

None

Special Expertise

Marketing, Strategy & Business Development for Small and Micro Segment.

Education/Training in 2016

ASEAN Banking Conference & 46th ASEAN Banking Council Meeting



05

Agus Noorsanto
SEVP Directorate of
Networks & Service

52 years old, Indonesian citizen domiciled in Jakarta.

History of Work/ Position

Serving as Senior Executive Vice President in BRI since January 1, 2016 based on SK No. 458-DIR/KPS/05/2016. He started his career at BRI since 1989 and has held various managerial positions including the Head of Institution Relations Division 2, Head Office (March 2012 - December 2014), Head of Institution Relations Division 1 Head Office (January 2015 - April 2015) and Head of Jakarta Regional office 2 (April 2015- December 2015).

History of Education

He holds a Master of Agribusiness from Bogor Agricultural Institute (1990).

Organization

Certified Wealth Management Association, Cooperation and Strategic Alliances

Special Expertise

Corporate Banking, Wealth Management, Marketing

Education/Training

Provide training in the Training Programme: "Introducing Small Enterprise Business in Indonesia" TrustTech events in Cannes, France with the theme of World of Payment, current trends and upcoming trends

Senior Executives

Head Office

Gatut Dwi Prihartoyo

53 years old. Head of IT Planning & Development Division. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained MBA degree in EDP Auditing from California State Polytechnic, USA.

Nurullah Akhsan

54 years old. Head of IT Operation Division. Appointed since 1 July 2015 based on SK No. 969-DIR/KPS/12/2015. Obtained MBA degree in EDP Auditing from California State Polytechnic University - USA.

Anna Maria Ciadarma

55 years old. Head of Investment Service Division. Appointed since 1 December 2014 based on SK No. 809-DIR/KPS/12/2014. Obtained Magister Management degree in International Finance from Universitas Gadjah Mada, Yogyakarta.

Fahmi Subandi

55 years old. Head of Risk Management Division. Appointed since 1 August 2016 based on SK No. 77.e-DIR/KPS/08/2016. Obtained Magister Management degree in Agribusiness from Institut Pertanian Bogor, Bogor.

Retno Wahyuni Wijayanti

51 years old. Head of Corporate Development & Strategy Division. Appointed since 1 December 2015 based on SK No. 985-DIR/KPS/12/2015. Obtained MBA degree in HRM from Drexel University - USA.

Ira Wirayanti

51 years old. Head of Outsourcing Management Division. Appointed since 1 July 2015 based on SK No. 970-DIR/KPS/12/2015. Obtained Magister Management degree in HR Management/Information System from STM PPM Jakarta.

Dany Cahya Rukmana

52 years old. Head of International Business Division. Appointed since 1 July 2015 based on SK No. 969-DIR/KPS/12/2015. Obtained MBA degree in General Management from Macquarie University, Australia.

Bakri

53 years old. Head of Micro Business Development 2. Appointed since 1 June 2015 based on SK No. 963-DIR/KPS/12/2015. Obtained Master degree from Universitas Gadjah Mada, Yogyakarta.

Sony Harsono WS.

52 years old. Head of Micro Business Policy & Strategy Division. Appointed since 1 June 2015 based on SK No. 856-DIR/KPS/12/2015. Obtained Master degree from Institut Pertanian Bogor, Bogor.

Yosriadi

52 years old. Head of Fixed Assets Management Property. Appointed since 1 March 2016 based on SK No. 229-DIR/KPS/03/2016. Obtained Civil Law degree from Universitas Indonesia, Jakarta.

Lina Sari

51 years old. Head of Credit Risk & Analysis Division. Appointed since 1 March 2016 based on SK No. 229-DIR/KPS/03/2016. Obtained Master degree from Universitas Indonesia, Jakarta.

Anik Hidayati

50 years old. Head of Mass Banking Division. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained Magister Management degree in Financial Management from Universitas Airlangga, Surabaya.

I Made Suka

52 years old. Head of SOE Business 1 Division. Appointed since 1 March 2016 based on SK No. 228-DIR/KPS/03/2016. Obtained Bachelor degree in Economic from Universitas Udayana, Denpasar.

Edi Masrianto

52 years old. Head of Treasury Division. Appointed since 1 April 2015 based on SK No. 956-DIR/KPS/12/2015. Obtained Magister Management degree in Agribusiness from Universitas Gadjah Mada, Yogyakarta.

Gunawan Sulisty

52 years old. Head of Procurement Division. Appointed since 1 March 2016 based on SK No. 228-DIR/KPS/03/2016. Obtained Magister Management degree in Financial Management from Universitas Gadjah Mada, Yogyakarta.

Ahmad Solichin Lutfiyanto

46 years old. Head of Transaction Banking Division. Appointed since 1 October 2016 based on SK No. 129.e-DIR/KPS/10/2016. Obtained Magister Management degree in Marketing Management/Information System from Universitas Gadjah Mada, Yogyakarta & Agder College University, Norway.

Kokok Alun Akbar

50 years old. Head of SOE Business 2 Division. Appointed since 1 May 2016 based on SK No. 52.e-DIR/KPS/05/2016. Obtained Bachelor degree in Protection from UPN Veteran, Surabaya.

Ernawan

53 years old. Head of Finance & Accounting Management Division. Appointed since 1 August 2016 based on SK No. 78.e-DIR/KPS/08/2016. Obtained Magister Management degree in Agribusiness from Institut Pertanian Bogor, Bogor.

Argabudhy Sasrawiguna

46 years old. Head of Digital Banking Operation Division. Appointed since 1 July 2015 based on SK No. 970-DIR/KPS/12/2015. Obtained Master degree in MT, Information Technology from Universitas Indonesia, Jakarta.

Sigit Murtiyoso

51 years old. Head of Institutional Banking 2 Division. Appointed since 1 April 2015 based on SK No. 957-DIR/KPS/12/2015. Obtained Civil Law degree from Universitas Sebelas Maret, Solo.

Supardi Santoso

53 years old. Head of Loan Program & Partnership Division. Appointed since 1 October 2016 based on SK No. 129.e-DIR/KPS/10/2016. Obtained Magister Management degree in Marketing Management from Universitas Sriwijaya, Palembang, Post-graduate Program.

Kuswardono

55 years old. Head of General Business Division. Appointed since 1 August 2016 based on SK No. 77.e-DIR/KPS/08/2016. Obtained Magister Management degree in Agribusiness from Universitas Gadjah Mada, Yogyakarta.

Bambang Krisminarno

49 years old. Head of Agribusiness Division. Appointed since 1 August 2016 based on SK No. 77.e-DIR/KPS/08/2016. Obtained Civil Law degree from Universitas Brawijaya, Malang.

Sutadi

50 years old. Head of Consumer Loan Division. Appointed since 1 January 2016 based on SK No. 52-DIR/KPS/01/2016. Obtained Magister Management degree in Agribusiness from Institut Pertanian Bogor, Bogor.

Sutardjo

55 years old. Head of SME & Medium Business Division. Appointed since 1 January 2016 based on SK No. 51-DIR/KPS/01/2016. Obtained Doctorate degree from Institut Pertanian Bogor, Bogor.

Eko Wahyudi

53 years old. Head of Institutional Banking 1 Division. Appointed since 1 October 2015 based on SK No. 975-DIR/KPS/12/2015. Obtained Master degree in Agribusiness from Universitas Gadjah Mada, Yogyakarta.

Muhammad Syafri Rozi

51 years old. Head of Wealth Management Division. Appointed since 1 January 2016 based on SK No. 52-DIR/KPS/01/2016. Magister Management in Marketing Management from MM – Universitas Airlangga, Surabaya.

Busrul Iman

52 years old. Head of Restructuring & Recovery Credit Division. Appointed since 1 April 2015 based on SK No. 568-DIR/KPS/10/2015. Obtained Magister Management degree in Strategic Management from Universitas Diponegoro, Semarang.

Ari Setyo Wibowo

54 years old. Head of Human Capital Services Division. Appointed since 1 July 2015 based on SK No. 969-DIR/KPS/12/2015. Obtained MBA degree in Banking & Finance from Monash University, Australia.

Hepman Damanik

54 years old. Head of Operation Center Division. Appointed since 1 November 2016 based on SK No. 134.e-DIR/KPS/10/2016. Obtained Bachelor degree in Economic from Universitas Sumatera Utara, Medan.

Hari Siaga Amijarso

51 years old. Head of Corporate Secretary Division. Appointed since 1 October 2015 based on SK No. 887-DIR/KPS/12/2015. Obtained Bachelor degree in Administration from Universitas Brawijaya, Malang.

Mohamad Helmi

54 years old. Head of Credit Card Division. Appointed since 16 January 2007 based on SK No. B.25B-DIR/SDM/01/2007. Obtained Bachelor degree in Accounting from Universitas Diponegoro, Semarang.

Joice Farida Rosandi

52 years old. Head of Service & Contact Center Division. Appointed since 1 January 2016 based on SK No. 51-DIR/KPS/01/2016. Obtained MBA degree from Monash Mt. Elliza University, Melbourne.

A. Firman Taufick

57 years old. Staff equivalent to Head of Marketing Communication Division. Appointed since 19 February 2007 based on SK No. B.193-DIR/SDM/04/2007.

Meiditomo Sutyarjoko

52 years old. Head of Satellite & Terrestrial Division. Appointed since 1 April 2016 based on SK No. 372-DIR/KPS/04/2016. Obtained Doctorate degree from Universitas Indonesia, Jakarta.

Abing Rabani

56 years old. Chief Learning Officer of BRI Corporate University. Appointed since 1 December 2014 based on SK No. 810-DIR/KPS/12/2014. Obtained Master degree from Institut Pertanian Bogor, Bogor.

Eko Bambang Suharno

56 years old. Head of Human Capital Policy & Development Division. Appointed since 18 August 2015 based on SK No. 971-DIR/KPS/12/2015. Obtained MBA degree in Marketing from Virginia Commonwealth.

Heru Setyati

56 years old. Head of Networks Division. Appointed since 1 June 2016 based on SK No. 144.e-DIR/KPS/09/2016. Obtained Magister Management degree in Agribusiness from Institut Pertanian Bogor, Bogor.

Regional Offices

Widodo Januarso

53 years old. Head of Jakarta 3 Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained MBA degree in Business Management from Saint Louis University, USA

Budi Satria

53 years old. Head of Jakarta 1 Regional Office. Appointed since 1 October 2015 based on SK No. 975-DIR/KPS/12/2015. Obtained Magister Management degree in International Management from Universitas Indonesia, Jakarta.

Rachmad Guntur Kristianto

54 years old. Head of Malang Regional Office. Appointed since 1 July 2015 based on SK No. 969-DIR/KPS/12/2015. Obtained Magister Management degree in Agribusiness from Institut Pertanian Bogor, Bogor.

Yoshua Palti

52 years old. Head of Bandar Lampung Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained MBA degree in Finance from University of Illinois at Urbana, USA.

Edy Priyono

55 years old. Head of Palembang Regional Office. Appointed since 1 March 2016 based on SK No. 226-DIR/KPS/03/2016. Obtained Magister Management degree in Agribusiness from Institut Pertanian Bogor, Bogor.

Ebeneser Girsang

51 years old. Head of Surabaya Regional Office. Appointed since 1 July 2015 based on SK No. 490-DIR/KPS/09/2015. Obtained Magister Management degree in International Business from Universitas Gadjah Mada, Yogyakarta.

Erizal

51 years old. Head of Pekanbaru Regional Office. Appointed since 1 November 2016 based on SK No. 134.e-DIR/KPS/10/2016. Obtained Master degree from Universitas Gadjah Mada, Post-graduate, Yogyakarta.

Osbal Saragi Rumahorbo

51 years old. Head of Jakarta 2 Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained Magister Management degree in Accounting from Universitas Sumatera Utara, Medan.

Presley Hutabarat

51 years old. Head of Jayapura Regional Office. Appointed since 1 July 2015 based on SK No. 970-DIR/KPS/12/2015. Obtained Magister Management degree in Marketing Management from Universitas Lampung, Bandar Lampung.

Agus Suprihanto

51 years old. Head of Aceh Regional Office. Appointed since 1 January 2016 based on SK No. 51-DIR/KPS/01/2016. Obtained Magister Management degree in Management from Universitas Padjadjaran, Bandung.

Yana Soeprianan

53 years old. Head of Semarang Regional Office. Appointed since 1 May 2016 based on SK No. 50.e-DIR/KPS/05/2016. Obtained Master degree in Economic Law from Universitas Indonesia, Jakarta.

F.Y. Hari Sistiayasta

54 years old. Head of Medan Regional Office. Appointed since 1 July 2015 based on SK No. 969-DIR/KPS/12/2015. Obtained Magister Management degree in Marketing Management from Universitas Gadjah Mada, Yogyakarta.

Andik Eko Putro

53 years old. Head of Yogyakarta Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained Magister Management degree in Agribusiness from Institut Pertanian Bogor, Bogor.

Dedi Sunardi

52 years old. Head of Denpasar Regional Office. Appointed since 1 October 2016 based on SK No. 129.e-DIR/KPS/10/2016. Obtained Magister Management degree in International Business from Universitas Gadjah Mada, Yogyakarta.

Sutadi

55 years old. Head of Padang Regional Office. Appointed since 1 May 2016 based on SK No. 52.e-DIR/KPS/05/2016. Obtained Magister Management degree in Agribusiness from Universitas Gadjah Mada, Yogyakarta.

D.P. Oka Maharjana

52 years old. Head of Manado Regional Office. Appointed since 1 October 2016 based on SK No. 129.e-DIR/KPS/10/2016. Obtained Bachelor degree in Agriculture from Universitas Gadjah Mada, Yogyakarta.

M. Fankar Umran

53 years old. Head of Bandung Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained MBA degree in Business Administration from Universitas Gadjah Mada, Yogyakarta.

Fidri Arnaldy

50 years old. Head of Banjarmasin Regional Office. Appointed since 1 May 2016 based on SK No. 51.e-DIR/KPS/05/2016. Obtained Bachelor degree in Agriculture Technology from Universitas Andalas, Padang.

Ngatari

51 years old. Head of Makassar Regional Office. Appointed since 1 May 2016 based on SK No. 50.e-DIR/KPS/05/2016. Obtained Bachelor degree in Agriculture Technology from Universitas Brawijaya, Malang.

Inspection Offices

R. Denny Soelistyo Adji

55 years old. Inspector of Malang Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained MBA degree in Economic from St. Louis University, USA.

Tinodungan

55 years old. Inspector of Bandar Lampung Regional Office. Appointed since 1 August 2016 based on SK No. 79.e-DIR/KPS/08/2016. Obtained Magister Management degree from Universitas Gadjah Mada, Yogyakarta.

Herry Prayudi

54 years old. Inspector of Palembang Regional Office. Appointed since 1 April 2016 based on SK No. 231-DIR/KPS/03/2016. Obtained Magister Management degree in Financial Management from Universitas Atmajaya, Jakarta.

Irwan Junaedy

52 years old. Inspector of Surabaya Regional Office. Appointed since 1 August 2016 based on SK No. 77.e-DIR/KPS/08/2016. Obtained MBA degree in Finance from University of Illinois, USA.

Sumihar Manullang

54 years old. Inspector of Manado Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained Magister Management degree in Financial Management from Universitas Katolik Atmajaya, Jakarta.

Edy Utomo

52 years old. Regional Audit of KP, KCK, UKLN & PA Regional Office. Appointed since 1 November 2016 based on SK No. 134.e-DIR/KPS/10/2016. Obtained Magister Management degree in Agribusiness from Institut Pertanian Bogor, Bogor.

Handayani Wibowo

53 years old. Inspector of Aceh Regional Office. Appointed since 1 October 2016 based on SK No. 129.e-DIR/KPS/10/2016. Obtained MBA degree in Finance from Rensselaer Polytechnic Institute – USA.

Sutanto

53 years old. Inspector of Semarang Regional Office. Appointed since 1 August 2016 based on SK No. 77.e-DIR/KPS/08/2016. Obtained Bachelor degree in Administration from Universitas Diponegoro, Semarang.

Muhamad Sidik Heruwibowo

50 years old. Inspector of Medan Regional Office. Appointed since 1 March 2016 based on SK No. 229-DIR/KPS/03/2016. Obtained Magister Management degree in Agribusiness from Institut Pertanian Bogor, Bogor.

Farid Hanafi

50 years old. Inspector of Pekanbaru Regional Office. Appointed since 1 August 2016 based on SK No. 79.e-DIR/KPS/08/2016. Obtained Bachelor degree in Administration from Universitas Brawijaya, Malang.

Bambang Irianto

53 years old. Inspector of Makassar Regional Office. Appointed since 1 March 2016 based on SK No. 229-DIR/KPS/03/2016. Obtained Bachelor degree in Agriculture Technology from Universitas Gadjah Mada, Yogyakarta.

Slamet Sugiarto

53 years old. Inspector of Yogyakarta Regional Office. Appointed since 1 August 2016 based on SK No. 77.e-DIR/KPS/08/2016. Obtained MBA degree in General Management from MM Universitas Gadjah Mada, Yogyakarta.

Dicky Rozano

52 years old. Inspector of Denpasar Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained Bachelor degree in Economic from Universitas Jayabaya, Jakarta.

Tri Wintarto

54 years old. Inspector of Jakarta 3 Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained Master degree in Management from Universitas Lampung, Bandar Lampung.

D. Irwandi Wijaya

54 years old. Inspector of Jakarta 2 Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained Bachelor degree in Social Economic Agriculture from Universitas Padjadjaran, Bandung.

A.Y. Soepadmo

53 years old. Inspector of Banjarmasin Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained Magister Management degree in Strategic Management from Universitas Gadjah Mada, Yogyakarta.

Khairullah

54 years old. Inspector of Bandung Regional Office. Appointed since 1 October 2016 based on SK No. 131.e-DIR/KPS/10/2016. Obtained Magister Management degree in International Management from Universitas Indonesia, Jakarta.

Eria Desomsoni

53 years old. Inspector of Padang Regional Office. Appointed since 1 January 2016 based on SK No. 51-DIR/KPS/01/2016. Obtained MBA degree in Finance from St. Louis University, USA.

Special Branch Office

Wahyu Widodo

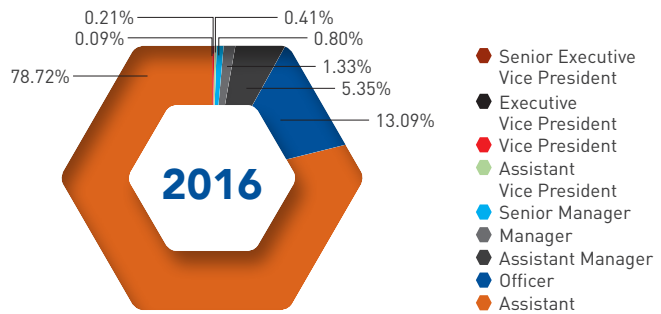
55 years old. Head of Special Branch Office. Appointed since 1 July 2015 based on SK No. 969-DIR/KPS/12/2015. Obtained Law degree from Universitas Kristen Indonesia, Jakarta.

Employee Composition and Competence Development

Number of Employee based on Organization Level

Organization Level	2014	2015	2016
Senior Executive Vice President	-	4	4
Executive Vice President	64	50	86
Vice President	166	198	193
Assistant Vice President	440	395	380
Senior Manager	685	738	747
Manager	652	731	1,248
Assistant Manager	3,770	4,331	4,992
Officer	12,212	11,837	12,214
Assistant	73,375	74,290	73,469
Total	91,364	92,574	93,333

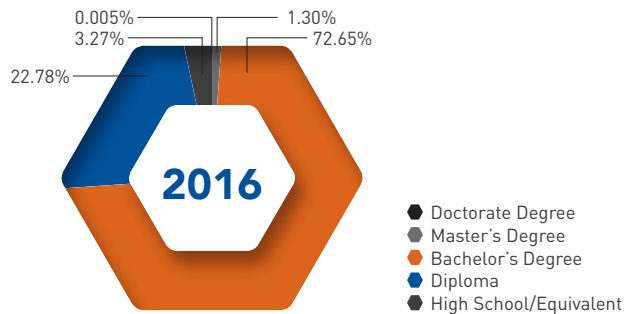
* excluding outsourcing employee



Number of Employee based on Education Level

Education Level	2014	2015	2016
Doctorate Degree	10	7	5
Master's Degree	1,165	1,195	1,212
Bachelor's Degree	57,393	67,953	67,805
Diploma	28,327	19,769	21,261
High School/Equivalent	4,469	3,650	3,050
Total	91,364	92,574	93,333

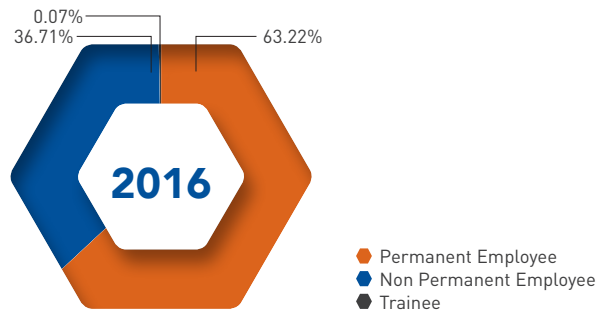
* excluding outsourcing employee



Number of Employee based on Employment Status

Status	2014	2015	2016
Permanent Employee	48,814	54,859	59,007
Non Permanent Employee	41,739	37,451	34,262
Trainee	811	264	64
Total	91,364	92,574	93,333

* excluding outsourcing employee



EMPLOYEES' COMPETENCY BUILDING AND EQUAL OPPORTUNITIES PROVIDED AT EACH ORGANIZATIONAL LEVEL

The purpose of competency building is to nurture human capital with learning capacity, the willingness to change, innovative, and creative for the advancement of the company. To that end, BRI implements training programs that focus on three aspects of competency building: applied, technical, and analytical skills as well as managerial capacity.

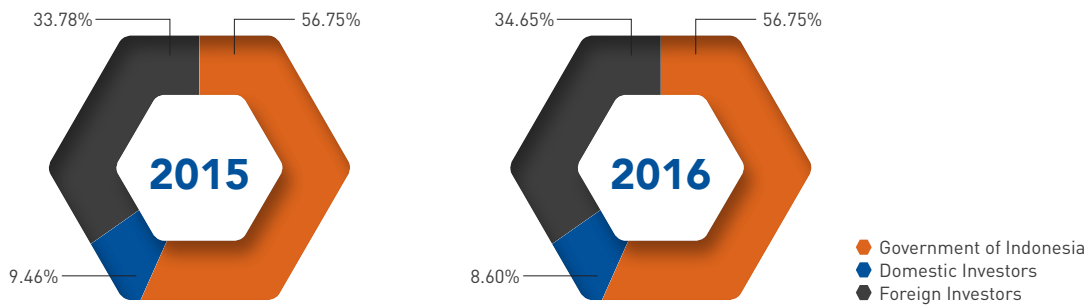
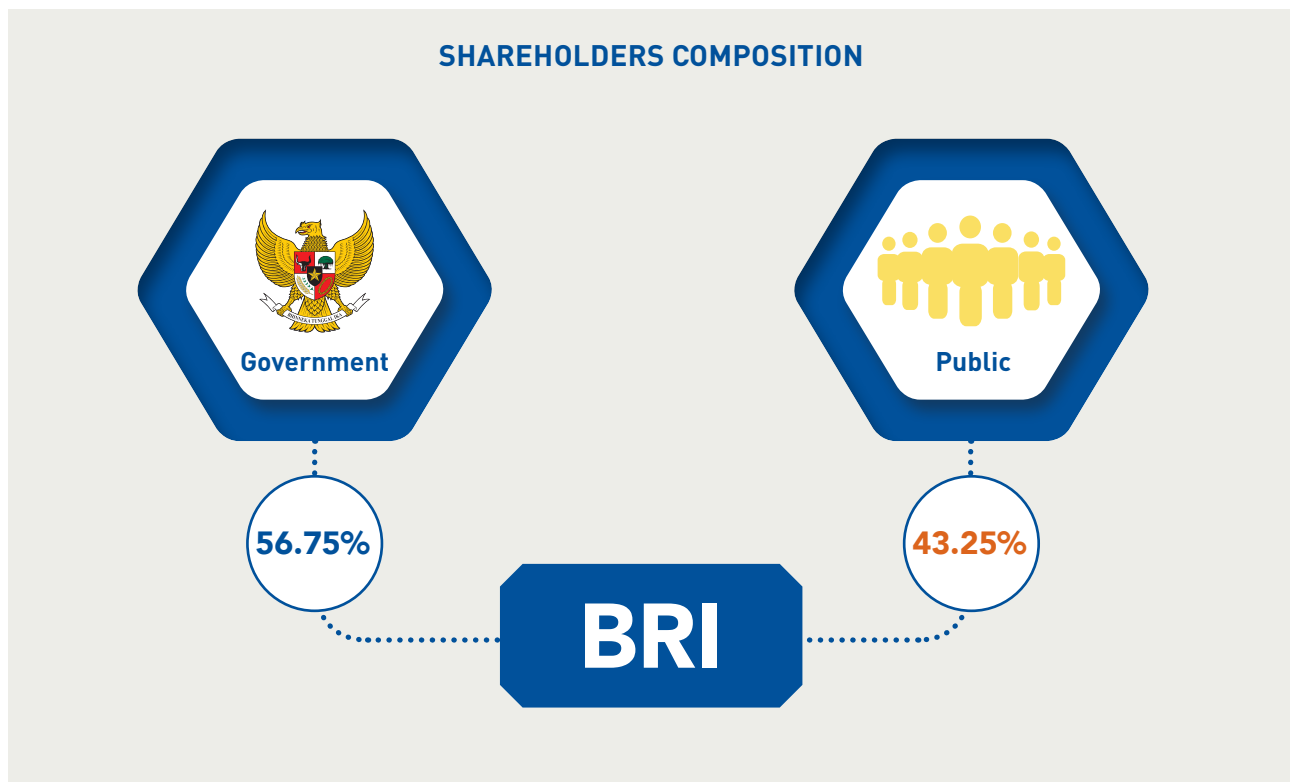
No	Type of Education	Budget (Rp) 2016	Budget Realization (Rp) 2016	Achievement %	Number of Participants	Rp/ Participant
1	Briefing	114,295,620,000	87,197,943,387	76.29%	12,717	6,856,801
2	Application	388,006,650,000	253,852,345,908	65.42%	1,198,412	211,824
3	Development	59,607,400,000	694,068,500	1.16%	2	347,034,250
4	Socialization	13,072,680,000	5,628,742,403	43.06%	149,114	37,748
5	Formal Education	89,233,710,000	43,333,920,622	48.56%	50	866,678,412
6	Certification	13,808,000,000	5,245,314,207	37.99%	807	6,499,770
7	Supporting Education	6,452,500,000	3,955,428,989	61.30%	-	-
8	Public Course	108,080,000,000	38,660,714,582	35.77%	3,158	12,242,152
9	FPK - FGD	153,361,000,000	138,102,950,518	90.05%	128,163	1,077,557
	Backup Development	13,156,838,500	-	-	-	-
	Backup Enhancement	61,404,601,500	-	-	-	-
	Literacy Education	2,500,000,000	423,600,226	16.94%	-	-
	Total	1,022,979,000,000	577,095,029,343	56.41%	1,492,423	386,683

EMPLOYEES COMPETENCY BUILDING BUDGET

In 2016, BRI expended Rp577,09 billion or 56.41% of its total Human Capital competency building budget allocation amounted to Rp1.02 trillion. The cost per person for BRI was Rp386,683.

Shareholders Composition

As at year-end 2016, BRI has 17,774 shareholders, consisting of 15,782 domestic investors and 1,991 foreign investors. The Government of the Republic of Indonesia remains BRI's majority shareholder with 56.75%. Public shareholders owned 43.25% of shares and there is no public share ownership that exceeded 5% of the total shares as registered in the Shares Registrar. Foreign investors owned 34.65% and the remaining 8.6% is owned by domestic investors.



SHAREHOLDERS

Category	Number of Shareholders		Number of Shares		Composition	
	2015	2016	2015	2016	2015	2016
Government of Indonesia	1	1	14,000,000,000	14,000,000,000	56.75%	56.75%
Public	18,266	17,773	10,669,162,000	10,669,162,000	43.25%	43.25%
Domestic Investors	16,533	15,782	2,334,914,037	2,121,255,976	9.46%	8.60%
Individuals	13,188	13,255	179,103,878	225,925,648	0.73%	0.92%
Employee	2,714	1,937	76,349,100	43,584,600	0.31%	0.18%
Local Government	1	1	318,000	318,000	0.00%	0.00%
Bank	1	1	210,118,600	221,718,000	0.85%	0.90%
Cooperatives	5	4	1,234,900	425,600	0.01%	0.00%
Foundations	28	26	25,773,600	23,687,200	0.10%	0.10%
Pension Funds	181	146	151,652,400	138,291,600	0.61%	0.56%
Insurance	72	78	469,484,300	507,464,900	1.90%	2.06%
Limited Liability Companies	113	87	588,697,314	483,220,134	2.39%	1.96%
Mutual Funds	230	247	632,181,945	476,620,294	2.56%	1.93%
Foreign Investors	1,733	1,991	8,334,247,963	8,547,906,024	33.78%	34.65%
Individuals	87	102	2,945,000	8,904,300	0.01%	0.04%
Foreign Corporations	1,646	1,889	8,331,302,963	8,539,001,724	33.77%	34.61%
Total	18,267	17,774	24,669,162,000	24,669,162,000	100.00%	100.00%

20 LARGEST BRI SHAREHOLDERS (AS OF DECEMBER 2016)

Details of the 20 largest BRI shareholders, after the Government of Indonesia, are as follows:

No	Name	Total	% Ownership
1	BPJS Ketenagakerjaan JHT	398,439,000	1.6151299
2	Saudi Arabian Monetary	243,316,935	0.9863202
3	Franklin Templeton	231,550,000	0.9386213
4	Government of Singapore	196,875,975	0.7980651
5	PT Prudential Life Assurance	172,855,600	0.7006951
6	The Vanguard	168,400,600	0.6826361
7	JP Morgans AM	158,663,200	0.6431641
8	Employees Provident Fund	153,732,500	0.6231768
9	Vanguard Total International	124,817,537	0.5059659
10	Cantillon Fund	104,001,060	0.4215833
11	Fidelity Investment	86,297,100	0.3498177
12	Fidelity Investment Trust	82,918,400	0.3361217
13	Nordea Bank	80,101,900	0.3247046
14	Morgan Stanley	75,933,714	0.3078082
15	Blackrock	73,103,622	0.2963361
16	Generation IM Fund	72,681,300	0.2946241
17	Citibank NA	69,880,640	0.2832712
18	Schroder Indonesia	64,461,700	0.2613048
19	Harding Loevner Funds, Inc	63,305,600	0.2566184
20	PT Taspen (Persero)	60,286,500	0.2443800

Shareholders Composition

BRI BOARD OF COMMISSIONERS AND DIRECTORS SHARE OWNERSHIP

There are no share-ownership by the Board of Commissioners and Board of Directors that exceed 5% of the total shares outstanding as recorded at the Share Registrar.

Board of Commissioners

Name	Position	31 December 2015				31 December 2016			
		Direct		Indirect		Direct		Indirect	
		Shares	%	Shares	%	Shares	%	Shares	%
Mustafa Abubakar	President Commissioner/ Independent Commissioner	-	-	-	-	-	-	-	-
Gatot Trihargo	Vice President Commissioner	-	-	-	-	-	-	-	-
Ahmad Fuad	Independent Commissioner	-	-	-	-	-	-	-	-
Adhyaksa Dault	Independent Commissioner	-	-	-	-	-	-	-	-
Fuad Rahmany	Independent Commissioner	-	-	-	-	-	-	-	-
Sony Keraf	Independent Commissioner	-	-	-	-	-	-	-	-
Vincentius Sony Loho	Commissioner	-	-	-	-	-	-	-	-
Jeffry W. Wurangian	Commissioner	-	-	-	-	-	-	-	-
Mahmud	Commissioner	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-

Board of Directors

Name	Position	31 December 2015				31 December 2016			
		Direct		Indirect		Direct		Indirect	
		Shares	%	Shares	%	Shares	%	Shares	%
Asmawi Syam	President Director	-	-	-	-	-	-	-	-
Sunarso	Vice President Director	-	-	-	-	-	-	-	-
Randi Anto	Director	661,000	0.0026795	-	-	661,000	0.0026795	-	-
Susy Liestiowaty	Director	580,000	0.0023511	-	-	580,000	0.0023511	-	-
Zulhelfi Abidin	Director	-	-	-	-	-	-	-	-
Donsuwan Simatupang	Director	29,500	0.0001196	-	-	28,500	0.0001155	-	-
Haru Koesmahargyo	Director	-	-	-	-	-	-	-	-
Mohammad Irfan	Director	34,000	0.0001378	-	-	34,000	0.0001378	-	-
Kuswiyoto	Director	-	-	-	-	-	-	-	-
Sis Apik Wijayanto	Director	140,000	0.0005675	-	-	140,000	0.0005675	-	-
Priyastomo	Director	-	-	-	-	-	-	-	-
Total		1,444,500	0.0058555	-	-	1,443,500	0.0058514	-	-

Subsidiaries

Name of Company	Line of Business	Date of BRI Investment	Percentage of BRI Ownership (%)	Date of Operations Commencement	Address
PT Bank BRISyariah (BRI Syariah)	Sharia commercial bank	19 December 2007	99.99%	16 October 2008 In operation	Jl. Abdul Muis No. 2-4, Jakarta
PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)	National private commercial bank	3 March 2011	87.23%	8 February 1990 In operation	Gedung BRI Agro Jl. Warung Jati Barat No. 139 Jakarta 12740 Tel. : (021) 79199980 Fax. : (021) 79199950
BRI Remittance Company Ltd (BRI Remittance)	Remittance company	16 December 2011	100%	7 April 2005 In operation	Room 1115, 11/F, Lippo Center, Tower II, 89 Queensway, Admiralty, Hong Kong
PT Asuransi Bringin Jiwa Sejahtera (BRI Life)	Life insurance company	14 December 2015	91%	28 October 1987 In operation	Graha Irama Lt.2,5,7,11 & 15, Jl. H.R. Rasuna Said Blok X-1 Kav. 1 & 2, Jakarta 12950, Indonesia
PT BRI Multifinance Indonesia (BRI Finance)	Financing	1 August 1983	99%	1 August 1983 In operation	Wisma 46 Lantai 10-Kota BNI, Jl. Jenderal Sudirman Kav. 1 Jakarta

Corporate Group Structure



Share Listing Chronology

BRI exercised Initial Public Offering on 31 October 2003 with a total of 3,811,765,000 Registered Ordinary Shares Series B to domestic and foreign investors. The amount derived from divestment of 2,047,060,000 shares of the Republic of Indonesia and 1,764,705,000 shares issued from the portfolio. The initial public offering was in accordance with the effective registration statement issued by Bapepam-currently OJK (Letter of Bapepam Chairman No. S-2646/ PM/2003) dated 31 October 2003. The shares were offered at nominal value of Rp500.00 per share, traded on 10 November 2003 and registered in Jakarta Stock Exchange (now Indonesia Stock Exchange).

Following the initial public offering, BRI issued two types of shares: Series A Dwiwarna Shares and Ordinary Shares Series B. Series A Dwiwarna Shares are issued and owned by the Republic of Indonesia and are not transferable to any parties. Holders of Series A Dwiwarna Shares have the following privileges to:

- Nominate members of the Board of Directors and Board of Commissioners.
- Approve the appointment and termination of members of Board of Directors and or Board of Commissioners
- Approve amendment to Articles of Association including change of capital
- Approve consolidation, merger, acquisition, and divestment of the Company; filing for bankruptcy, Company dissolution, and or
- Request report and explanation on certain matters to the Board of Directors and Board of Commissioners in accordance with prevailing laws and regulations especially in the Capital Market.

On 10 November 2003 BRI exercised over-subscription option of 381,176,000 Ordinary Shares Series B of the Republic of Indonesia (divestment) and over-allotment option of 571,764,000 Ordinary Shares Series B of the Republic of Indonesia (divestment) on 3 December 2003. Subsequent to BRI IPO, over-subscription option, and over allotment option, the Republic of Indonesia owned 59.50% BRI shares.

Utilization of IPO Proceeds

BRI conducted an Initial Public Offering (IPO) on November 10, 2003. As explained in the IPO Prospectus, the details of utilization of the IPO proceeds of Rp1.47 trillion is as follows:

No.	Use of Proceed (Rp billion)	Plan	2004	2005	2006	2007	2008	2009	Achievement
1	Core banking Upgrade and IT System	883.27	196.24	564.35	646.96	698.87	723.36	883.27	100%
2	Network Expansion	441.63	213.68	419.34	441.63	441.63	441.63	441.63	100%
3	Research and Product Development	147.21	147.21	147.21	147.21	147.21	147.21	147.21	100%
Total Proceed		1,472.11	557.13	1,130.90	1,235.80	1,287.71	1,312.20	1,472.11	100%

Management Stock Option Plan (MSOP)

EXERCISE OF SHARE OPTION/ESOP/MSOP

Based on the resolution of the Extraordinary General Meeting of Shareholders on October 3, 2003, the shareholders of BRI approved the exercise of the Management Stock Option Plan (MSOP). The number of shares issued in the MSOP is 588,235,250 shares. The MSOP exercise is conducted in three stages, with the exercise period of Phase I and Phase II have ended on November 9, 2008, and November 9, 2009, respectively, with the MSOP Phase III ended on November 9, 2010.

The number of MSOP shares exercised by the end of all stages of the MSOP amounted to 569,876,000 shares. Up to the end of the exercise period, there are 4.3 million shares in MSOP Phase I, 5.2 million shares in MSOP Phase II and 8.8 million shares in MSOP

Phase III, which are not exercised. The three stages of the MSOP refers to Bapepam-LK Regulation No.IX.D.4 and BEI Regulation No.1-A Attachment Decree of the Directors of BEJ No.Kep.305/BEJ/07-2004 on Share Listing.

MSOP Phase	Number of MSOP Shares (Share)	Starting Date for MSOP	Ending Date for MSOP	Price	Exercise Share
Phase I	235,294,100	10 Nov 2003	9-Nov-08	Rp962.50	230,999,000
Phase II	235,294,100	10 Nov 2004	9-Nov-09	Rp1,750.00	230,047,000
Phase III	117,647,050	10 Nov 2005	9-Nov-10	Rp2,907 s/d Rp8,649 *)	108,830,000
Total	588,235,250				569,876,000

*) MSOP Phase III was executed in eight execution periods in accordance with Bapepam-LK and BEI Regulations

The share options allocated in MSOP Phase I - Phase III totalled 588,235,250 shares, whereby up to the end of the exercise period, there were 569,876,000 shares being exercised. The option exercise resulted in additional equity for the Bank of Rp1,366,089,110,750.

(Million Rupiah)

	Phase I	Phase II	Phase III	Total
Paid-in Capital	115,500	115,024	54,415	284,938
Treasury Stock	106,837	287,559	474,490	686,886
Other Equity (Number of shares x value of option)	27,117	80,889	10,259	212,265
Total	249,454	483,471	633,164	1,366,089

At the end of the MSOP exercise period in 2010, the shareholding by the Government of Indonesia was 56.75%.

In 2016, BRI does not have an ongoing ESOP/MSOP program.

Year	Shareholders				Value (Rp)	Total Paid-Up Shares at the End of the Period	Value of Paid-Up Capital at the End of the Period	Corporate Actions
	Government		Public					
	Total	%	Total	%				
2003	7,000,000,000	59.50%	4,764,705,000	40.50%	500	11,764,705,000	5,882,353	IPO on 10 November 2003, Total shares after IPO 11,764,705,000 (registered with BEJ)
2004	7,000,000,000	59.07%	4,850,090,500	40.93%	500	11,850,090,500	5,925,045	Exercise MSOP 85,385,500
2005	7,000,000,000	58.16%	5,035,700,500	41.84%	500	12,035,700,500	6,017,850	Exercise MSOP 185,610,000
2006	7,000,000,000	56.97%	5,286,421,500	43.03%	500	12,286,421,500	6,143,211	Exercise MSOP 250,721,000
2007	7,000,000,000	56.83%	5,317,800,500	43.17%	500	12,317,800,500	6,158,900	Exercise MSOP 31,379,000
2008	7,000,000,000	56.79%	5,325,299,500	43.21%	500	12,325,299,500	6,162,650	Exercise MSOP 7,499,000
2009	7,000,000,000	56.77%	5,329,852,500	43.23%	500	12,329,852,500	6,164,926	Exercise MSOP 4,553,000
2010	7,000,000,000	56.75%	5,334,581,000	43.25%	500	12,334,581,000	6,167,291	Exercise MSOP 4,728,500
2011	14,000,000,000	56.75%	10,669,162,000	43.25%	250	24,669,162,000	6,167,291	Stock split 1:2 dated 11 January 2011
2012	14,000,000,000	56.75%	10,669,162,000	43.25%	250	24,669,162,000	6,167,291	
2013	14,000,000,000	56.75%	10,669,162,000	43.25%	250	24,669,162,000	6,167,291	
2014	14,000,000,000	56.75%	10,669,162,000	43.25%	250	24,669,162,000	6,167,291	
2015	14,000,000,000	56.75%	10,669,162,000	43.25%	250	24,669,162,000	6,167,291	
2016	14,000,000,000	56.75%	10,669,162,000	43.25%	250	24,669,162,000	6,167,291	

Stock Split

BRI conducted a 1:2 Stock Split on January 11, 2011, resulting in the change of the par value of its share from Rp500 per share to Rp250 per share. The chronology of share listing related to this corporate action are as follow:

Description	Shareholder (Number of Shares Outstanding)					Number of Shares Outstanding
	Government		Public		Nominal	
	Total	%	Total	%	(Rp)	
Before Stock Split	7,000,000,000	56.75%	5,334,581,000	43.25%	500	12,334,581,000
After Stock Split	14,000,000,000	56.75%	10,669,162,000	43.25%	250	24,669,162,000

Share Buy Back

RULES ON SHARE BUY BACK

The Bank has obtained permission from the OJK to conduct a share buy back of BRI stock (BBRI). The share buy back is exercised in the period between October 12, 2015, to January 12, 2016. In the conduct of a share or bond buy back, the Bank complies with the relevant external regulations, including:

1. Law No. 40 Year 2007 on Limited Liability Company;
2. OJK Regulation (POJK) No.2/POJK.04/2013 on the Buy Back of Shares Issued by Issuers or Listed Company in a Market Condition of Significant Fluctuation;
3. OJK Circular Letter (SEOJK) No. 22/SEOJK.04/2013 on Other Condition as Market Condition of Significant Fluctuation in the Implementation of Buy Back of Shares Issued by Issuers or Listed Company;
4. Bank Indonesia Regulation (PBI) No. 15/12/PBI/2013 on Procedures for the Auction of Government Securities in the Primary Market and Administration of Government Securities.

SHARE BUYBACK IMPLEMENTATION IN 2015-2016

Number of Shares	Average Purchase Price	Gain per Share
210,118,600 shares	Rp10,881/share	Rp8.8/share

BRI conducted the buy back in the 3-month period between October 12, 2015 to January 12, 2016, with a total of 221,718 million shares being purchased. The average share purchase price was Rp10,881 and the total funds allocated, not including transaction expenses, was Rp2.419 trillion.

The initial target for the share buyback was Rp2.5 trillion, with the number of buyback shares not exceeding 20% of the paid-in capital and at least 7.5% of the paid-in capital. The funds for the share buyback was from internally-generated cashflows, and it is believed that the allocation of such funds will not affect the Bank's financial condition and its ability to fund its activities.

The last transaction occurred on January 7, 2016, and reported to the OJK on January 13, 2016. The bought-back shares are intended to be used in the Management Stock Option/Employee Stock Option (MSOP/ESOP) program.

EXERCISE OF BONDS BUY BACK

As of December 31, 2016, the Bank has not conducted any exercise in Bonds Buy Back.

Capital Market Supporting Institutions

STOCK EXCHANGE

PT Bursa Efek Indonesia

Gedung Bursa Efek Indonesia, Tower I
Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190 –
Indonesia
Tel. (62-21) 5150515
Fax. (62-21) 5150330
E-mail: callcenter@idx.co.id

Services Provided:

- Organizer and provider of securities trading systems and facilities
- Provider of dissemination of information
- Supervisor of fair trade transactions

Fee: Rp160,875,000 (for 2016)

Assignment Period: since 2003

CUSTODIAN

PT Kustodian Sentral Efek Indonesia (KSEI)

Indonesia Stock Exchange
Building Tower I, 5th Floor
Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190
Tel. (62-21) 5299 1003
Fax. (62-21) 5299 1129

Services Provided:

- Securities deposit in electronic form services
- Settlement of securities transactions services
- Securities administration services
- Distribution of corporate action services

Fee: Rp424,277,235 (for 2016)

Assignment Period: 2016

SHARES REGISTRAR

PT Datindo Entrycom

Jl. Jend. Sudirman Kav. 34-35, Jakarta 10220
Tel. (62-21) 570 9009

Services Provided:

- Securities Administration Services
- Organizer of AGM Services
- Dividend Payment Services

Fee: Rp413,959,700 (for 2016)

Assignment Period: 2016

RATING AGENCY

PT Pemeringkat Efek Indonesia (Pefindo)

Panin Tower Senayan City, 17th FL.
Jl. Asia Afrika Kav. 19
Jakarta

PT Fitch Rating Indonesia

Prudential Tower 20th FL.
Jl. Jend Sudirman Kav. 79
Jakarta 12190
Tel. (62-21) 5795 7755
Fax. (62-21) 5795 7750

Moody's Singapore Pte. Ltd.

50th Raffles Place #23-06
Singapore Land Tower
Singapore 048623

Standard & Poors

30 Cecil Street
#17-01/08 Prudential Tower
Singapore 049712
Tel. (65) 6438 2881
Fax. (65) 6438 2321

PUBLIC ACCOUNTANT

Purwanto, Sungkoro, & Surja (Ernst & Young)

Indonesian Stock Exchange
Building Tower 2, 7th FL.
Jl. Jend. Sudirman Kav. 52-53
Jakarta 12190
Tel. (62-21) 5289 5000
Fax. (62-21) 5289 4100

Services Provided:

- Financial Statement Audit Services
- Limited Audit Review Services

Fee: Rp13,545,000,000 (for 2016)

Assignment Period: 2016

2016 Rating

BRI Rating	
FITCH	
Long Term Foreign Currency IDR	BBB-, Stable Outlook
Short Term Foreign Currency IDR	F3
Support Rating Floor	BBB-
Support Rating	2
Viability Rating	bb+
National Long-Term Rating	AAA (idn), Stable Outlook
Rupiah Subordinated Debt	A+ (idn)
Senior Unsecured Notes	BBB-
Standard and Poor's	
Outlook	Stable
Long Term Foreign Issuer Credit	BB+
Long Term Local Issuer Credit	BB+
Short Term Foreign Issuer Credit	B
Short Term Local Issuer Credit	B
MOODY'S	
Outlook	Stable
Bank Deposit	Baa3/P-3
Bank Financial Strength	D+
Baseline Credit Assessment	Baa3
Adjusted Baseline Credit Assessment	Baa3
Senior Unsecured Notes	Baa3
PEFINDO	
National Rating	id AAA, Stable Outlook
Sovereign Rating	
Standard and Poor's	BB+, Positive Outlook
Fitch	BBB-, Stable Outlook
Moody's	Baa3, Stable Outlook
Japan Credit Rating Agency	BBB-, Stable Outlook

Corporate Website



Bank BRI provides all stakeholders with convenience in accessing information through its official websites, namely www.bri.co.id. Bank BRI's website covers all mandatory information according to the Regulation of FSA No. 8/POJK.04/2015, namely:

1. General information of the Issuer or Public Company;
2. Information for Investors;
3. Information of Corporate Governance; and
4. Information of Corporate Social Responsibility.

By referring to the FSA Regulation and in line with the principle of transparency and information disclosure, BRI website in general contains:

- Corporate website;
- Career;
- Investor Relation;
- Subsidiaries;
- GCG; and
- CSR of BRI.

Information in corporate site contains:

- General information of BRI, comprising: BRI History, Vision and Mission, General Information of Issuer, Management and Information for Investor.
- Information on saving products, comprising: Saving Account, Deposit and Current Account.
- Information on loan product, consisting of: Micro Loan, Commercial Retail Loan, and Medium Loan, BRIGuna.
- Information on international product, such as: BRI Trade Finance & Services, BRIFast Remittance, Financial Institution, BRI Money Changer, Overseas Unit.
- Information on the bank services, comprising: Business Services, Financial Services, Institutional Services, E-Banking, Treasury.

- Information on Consumer products, such as: Credit Card, Mortgage Loan, Vehicle Loan, Outlet SKK.
- Information on Banking Investment, such as: DPLK, ORI & SR, Trustee Services, Custody Services.
- Information on Priority Services, such as: Service & Privileges Products, Mutual Funds, BRI Priority Cards, Outlet, Customer Criteria.
- Information about Auction, which consists of: Asset Auction, Procurement Auction.

In the Career section, BRI opened career opportunities for people who want to join BRI as employees through BRI e-recruitment menu.

While the Investor Relations section explains the overview, Financial Information, GCG, Services for Shareholders, Events, and News.

Furthermore, the subsidiaries section provides general information on the subsidiaries linked to the websites of each subsidiary.

In addition to above, BRI Website contains Structure of the Group's Companies, Board of Commissioners and Board of Directors, as well as information for shareholders.

BRI website also contains information about the fulfilment of USA Patriot Act, set by the US government to prevent money laundering and financing for terrorism through the correspondent accounts of foreign banks that have correspondent accounts in the US.

Overall, BRI's website has reflected BRI's commitment to upholding the principles of openness and transparency.

With consistent efforts to strengthen its leadership position in the Micro, Small and Medium Enterprise sectors, BRI ended the year 2016 by posting increases in Loans and Customer Deposits of 14.16% and 12.78%, respectively.



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Banking and Macroeconomic Review

Global Economy

Global economic growth is estimated to reach 3.1% GDP growth YoY from 3.2% YoY previously.

Uncertainties in the global macroeconomic condition were heightened post Brexit referendum and election of Donald Trump's administration. The US economy showed an improvement, as reflected on GDP growth, unemployment rate and inflation, which was then followed by the hike in Fed Fund Rate (FFR) by 25bps in December 2016 to 0.75%. People's expectation about the inflation and unemployment rates is expected to trigger another FFR hike during 2017 and 2018.

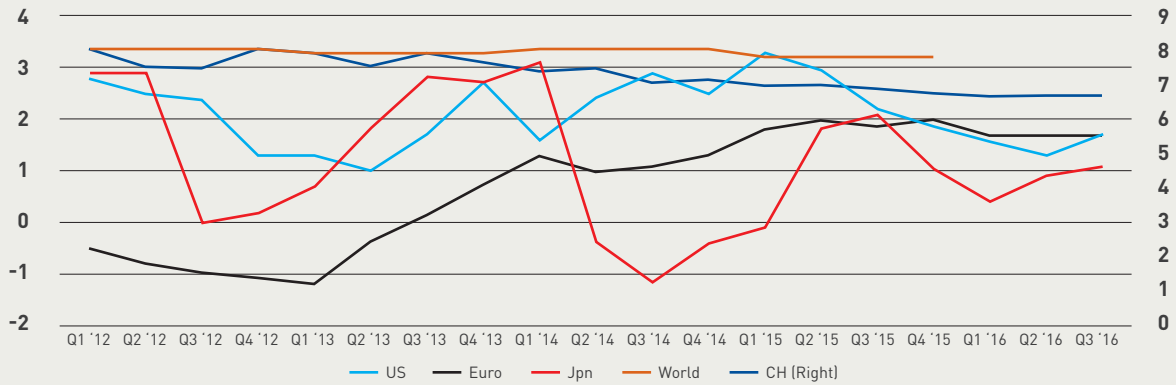
Meanwhile, the European Central Bank (ECB) still continued its Quantitative Easing program and maintained low interest rates to support the economic growth of European Union countries.

In Asia, Japan's economic growth was recorded at 1.0% YoY in 2016, a decrease from 1.1% YoY in 2015. In order to support the economic growth, the Bank of Japan (BoJ) maintained its negative interest rate policy. In addition, the government of Japan had also agreed on the fiscal stimulus package amounting to Y13.5 trillion (+/- USD132 billion). It is estimated that such fiscal stimulus can boost Japan's economic growth to 1.3% YoY.

China's economic growth was reported at 6.7% YoY in 2016, decreasing from the previous year. The economic growth was still under pressure as the country continued with a rebalancing of its economy.



GDP Growth of Global Economies



Source: Bloomberg

For commodities, prices of energy and agriculture products may likely increase during 2017. The crude oil price is estimated to be traded in a range of USD45-55 per barrel. In November 2016, OPEC agreed to cut global oil production by 2%, hence crude oil prices are expected to remain stable during 2017. On the other hand, coal prices will likely remain

volatile. At the beginning of November, coal prices reached their highest during 2016 due to an early heavy winter; however, such prices are expected to decline and hover in the range of USD70 per metric ton. Differing from the volatility of crude oil and coal prices, CPO and rubber prices are on the upward trend.

Indicator	Unit	2012	2013	2014	2015	2016
GDP Growth	%	6.03	5.56	5.02	4.79	5.02
GDP Nominal	Billion USD	917.87	912.52	890.49	861.94	932.61
GDP/Capita	USD	3,701	3,632	3,500	3,346	3,605
Export	Billion USD	190.03	182.55	175.98	150.37	144.43
Import	Billion USD	191.69	186.63	178.18	142.69	135.65
Trade Balance	Billion USD	-1.66	-4.08	-2.2	7.68	8.78
Foreign Exchange Reserve	Billion USD	112.78	99.34	111.86	105.93	116.36
Benchmark Interest Rate	%	5.75	7.5	7.75	7.5	4.75 (7 day repo rate)
Inflation	%	4.3	8.38	8.36	3.35	3.02
Jakarta Composite Index		4410	4258	5243	4593	5297

Source: BPS, BI, Bloomberg

Indonesian Economy

In 2016, the Indonesian economy grew by a 5.02% GDP growth YoY, an improvement from the 4.79% GDP growth YoY in 2015.

Such economic growth was supported by relatively stable private consumption, which grew by 5.01% YoY. Meanwhile, government spending contracted by 0.15% YoY. Foreign and domestic investment realization reached Rp612.8 trillion in 2016, up 9.6% YoY from Rp545.4 trillion in 2015.

Indonesian inflation was maintained at a low level during the year of 3.02% YoY. Such inflation was much lower than the historical average inflation for the past 5 years of 5.74% YoY. Meanwhile, core inflation was recorded at 3.07% YoY in December 2016.

Some industrial sectors posted a stronger growth this year compared with the previous year. The manufacturing sector, which contributed 20% to economic growth, had stable growth of 4.29% YoY in 2016, compared with 4.33% YoY in 2015.

The trading sector, which contributed 13% to the GDP, recorded a growth of 3.93% YoY in 2016, higher than the 2.59% YoY growth in 2015.

Total Indonesian exports reached USD 144.43 billion in 2016, declining by 3.95% YoY compared with that in 2015. Meanwhile, imports reached USD 135.65 billion in 2016, declining by 4.94% YoY compared with that in 2015, with the net result a slightly improved positive trade balance.

Meanwhile, the Indonesian Rupiah strengthened against the US Dollar in 2016, moving from from Rp13,700 to its highest level of Rp12,948/USD. Until December 2016, the Indonesian Rupiah appreciated by 2.29%, the strongest currency as compared with the neighbouring countries like Malaysia (-4.4%), China (-6.8%), Singapore (-2.48%) and Thailand (0.53%).

Foreign exchange reserves were in an increasing trend and reached its highest level of USD116.36 billion at the end of 2016. The increase in foreign exchange reserves in December 2016 was attributed to the issuance of global bonds, disbursement of public offshore debt and tax revenue as well as oil and gas revenue.

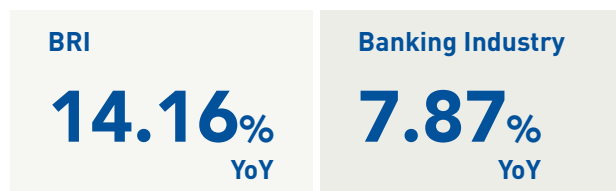
Indonesian Banking Sector

The market condition during 2016 was more favourable compared with that in 2015. BI rates were cut 6 times during the year. BI rates fell from 7.5% to 6.0%.

Amid uncertainties in the global economic condition, Indonesian banks remained sound as reflected by stronger capital and a better liquidity position. Bank Indonesia through various macro prudential policies maintained financial system stability.

Loan Growth

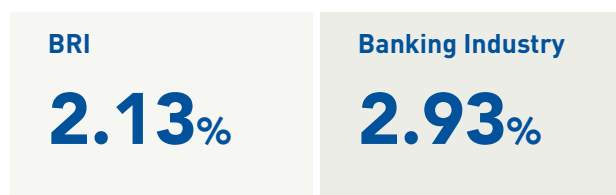
Banks loan growth was reported at 7.87% YoY in 2016, lower than the previous year of 10.44% YoY.



Total customer deposits grew by 9.60% YoY in 2016, higher than 7.26% YoY in 2015. Such growth was particularly supported by stronger growth in Rupiah current accounts.

Loan Quality

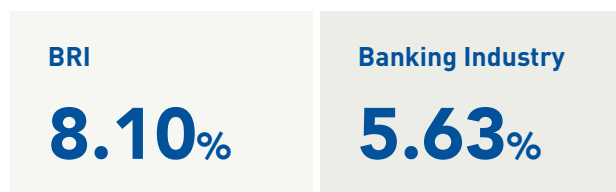
The Non Performing Loan (NPL) ratio was recorded at 2.93% at year-end 2016, higher compared with the level at year-end 2015 at 2.49%, but nevertheless was on a downward trend after reaching a peak at 3.18% in July 2016.



As a result of lower loan growth compared with deposit growth, LDR was recorded at 90.50% at year-end 2016, declining from 92.11% a year previously.

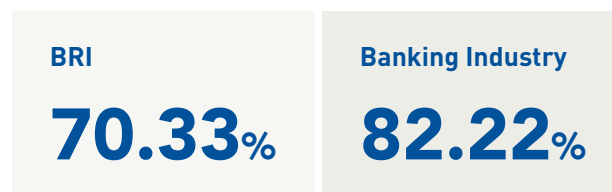
Net Interest Income Margin (%)

The consistent focus of loan disbursement to the MSME sectors contributed to a stable loan composition at BRI. Loans in the Micro Business segment comprise the bulk of BRI's total loan portfolio, resulting in Net Interest Income Margin above industry average, at 8.10%.



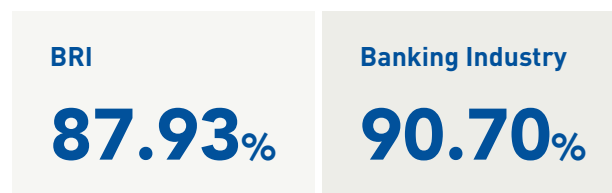
BOPO

With asset productivity coming under pressure from increasing credit risk, efficiency has become even more important in order to maintain profitability. The vast service network contributed significantly to business growth and increased efficiency. This is reflected in BRI's ratio of Operating Expenses to Operating Revenues (BOPO), which is lower as compared with industry average.



Loan to Deposit Ratio (%)

BRI strives to fulfill its financial intermediary function and increase its loan disbursement in support of economic growth. In 2016, BRI managed to disburse 87.93% of total deposits as loans. The Loan to Deposit Ratio in the banking industry meanwhile was recorded at 90.70%.



2017 Outlook

The projected improvement in the US economy may not be able to compensate for a slowdown in China's economy. Meanwhile, Indonesian economic growth is expected to improve to 5.0%-5.2% YoY in 2017. Domestic sectors, consisting of private consumption and government spending are still expected to be the main drivers for Indonesian economic growth.

Even though inflation in 2017 is projected to be higher, it will still be manageable. Inflation is estimated to be in the range of 4% ± 1%. Some factors driving such higher inflation are the increase in electricity tariff, 3kg LPG and fuel prices.

The BI benchmark interest rate is projected to remain stable or increase as a result of domestic pressure, i.e inflation or external pressures, i.e FFR hike.

Business Review

Business Segment

01 | Micro & Program Business

1. Micro Business
2. BRILink
3. Program Business

Micro Business is aimed at individual customers and micro entrepreneurs, while Program Business is aimed at state development programs for community empowerment.



02 | Retail Business

1. Retail Commercial and Medium Loans
2. Consumer Retail Loans
3. Retail Deposits Business
4. Retail Banking Services

Retail Business is aimed at the small and medium entrepreneurs, as well as consumer financing services.



BRI divides its market into three business segments in line with its vision and mission, namely Micro, Retail, and Corporate. Based on its business activities, BRI further divides its business segments into: Micro and Program Business, Retail Business, Corporate Business, International Business, Treasury and Capital Market Support Business, and Subsidiaries in sharia, agribusiness, life insurance, multifinance and remittance businesses.

03 | Corporate Business

1. State-Owned Enterprises (SOEs)
2. Private Corporations Business
3. Institutional Fund Business
4. International Business
5. Capital Market Supporting Business
6. Treasury Business

Corporate Business is aimed at the State-Owned Enterprises and Private Corporations that provides trickle-down business to the MSMEs, while Treasury is aimed at optimizing international business products, as well as treasury services and capital market support services for customers.



04 | Subsidiaries

1. PT Bank BRISyariah (BRI Syariah)
2. PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)
3. BRI Remittance Company Ltd (BRI Remittance)
4. PT Asuransi Jiwa Bringin Jiwa Sejahtera (BRI Life)
5. PT BRI Multifinance Indonesia (BRI Finance)

The business activities of the Bank's subsidiaries includes conventional and sharia banking services, remittance services, life insurance and multifinance.





Micro & Program Business

The Micro & Program Business segment comprises Micro Business, BRILink and Program Business.

Micro & Program Business Segment Profitability

The Micro & Program Business segment made a profit of Rp15.07 trillion in 2016, a slight decrease of 1.69% YoY from Rp15.33 trillion in 2015. The decrease is mainly due to a Rp50.99 trillion in Kredit Usaha Rakyat (KUR) disbursement. Meanwhile, non-interest income amounted to Rp6.52 trillion, which was mostly derived from Rp2.29 trillion in recovery income and administration fees of Simpedes that amounted to Rp2.14 trillion, with the number of accounts totaling more than 50 million accounts.

Micro & Program Loans

↑ **17.71%**

Increased compared to the previous year

Third Party Deposits

↑ **12.09%**

Increased compared to the previous year

Micro Business

The Micro Business segment is a core business of BRI, which contributed 33.29% and 29.45%, respectively, to BRI's total loan portfolio and customer deposits (bank only) in 2016.

BRI consistently focuses on developing its competitiveness in the Micro Business segment in Indonesia. This focus is supported by BRI's office network infrastructure across Indonesia, strong banking information and technology system, professional human resources, tiered monitoring system, large micro customer base and good reputation for its micro business sector services.

BRI's Strategy in the Micro Business Segment in 2016

In 2016, BRI implemented a number of strategies to increase loans, increase low-cost funding, increase non-interest income, maintain operational efficiency, as well as maintain loan quality in the Micro Business segment.

To increase loans, BRI expanded its micro business network by establishing 24 new work units including BRI Unit, Teras BRI, Teras BRI Kapal, mobile outlet and e-channel.

Outlets	2014	2015	2016	YoY
BRI Unit	5,293	5,360	5,380	20
Teras BRI	2,457	2,543	2,545	2
Teras Mobile	610	636	638	2
Total	8,360	8,539	8,563	24

BRI also improved banking access for micro customers by increasing the number of BRILink agents as well as Mantri, or Micro Account Officers, who provide banking transaction services, to as many as 1,489. BRI also developed an Integrated Micro Loan Service System application to make micro loan approval easier and faster. BRI also diversify its micro loans by launching Jaring Nelayan and re-launched the small business loan (KUR) program in 2016.

The effort to increase loans was supported by micro loan marketing and promotion programs, including the establishment of an inter-customer communication platform through the e-pasar application, establishment of a community to simplify group services, as well as implementation of Grebeg Pasar and Grebeg Komunitas programs as promotional platforms in the Micro segment.

In terms of funding, BRI's Micro Business carried out a number of initiatives such as the implementation of a financial literacy program in cooperation with relevant organizations to educate the public, particularly the micro segment, about banking; being proactive in customer acquisition and retention through a pick-up service program; as well as the development of an account registration program through BRILink agents using a referral system.

BRI also develop products to support government programs such as the BRI Simpedes savings account with the Kartu Tani feature, and simplified loan approval system through the Small Micro Business Permit (IUMK) document.

BRI increased its non-interest income by marketing Accident Health and Life Micro Insurance (AMKKM), implementing Coaching Clinics at BRI's regional offices across Indonesia to maximize written-off loan recovery income, as well as accelerating the process of KUR's loss insurance coverage and claim.

BRI maintains its operational efficiency by maximizing the use of mobile technology-based Loan Approval System (LAS) to shorten the Service Level Agreement (SLA) in loan application, as well as utilizing the existence of BRILink agents to provide services in deposit account registration and loan application using a referral system.

To maintain loan quality, Micro Business implemented a number of initiatives including loan restructuring, establishment of an Arrears Control Team, assessment and formulation of concepts related to NPL Mantri's function for BRI Units with NPL above a certain limit, as well as the settlement of payment arrears. BRI also conducted a Coaching Clinic in regional offices throughout Indonesia in

order to maintain asset quality, as well as provide capacity building for credit sales personnel through education and training in prudent lending.

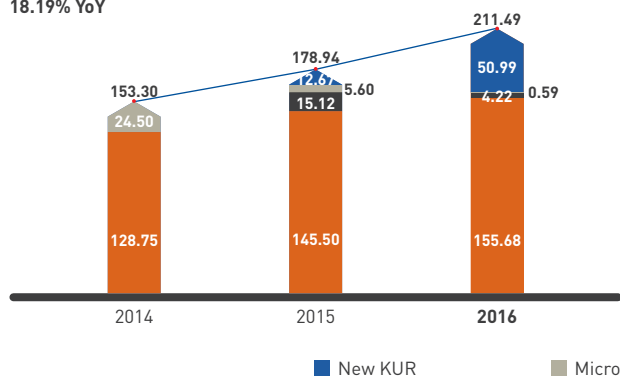
Micro Business Performance in 2016

In 2016, BRI's Micro Business segment managed to increase loan disbursement to Rp211.49 trillion, a 18.19% increase from Rp178.94 trillion the previous year. In addition, the number of customers increased by 13.26% to 8.91 million in 2016 from

7.85 million in 2015. BRI dominated the disbursement of the government-sponsored KUR program loans in 2016, with a market share of 67.5% of the total national KUR quota for Micro KUR, Retail KUR and TKI KUR. Disbursement of Micro KUR in 2016 amounted to Rp61.46 trillion, or 100% of the Rp61.0 trillion assigned to BRI for Micro KUR disbursement, with a total of 4.07 million borrowers.

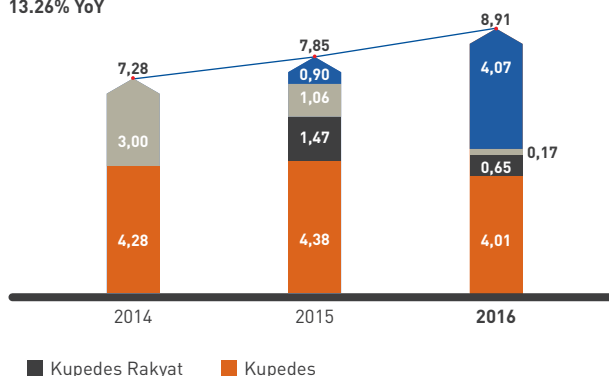
Micro Lending (Rp Trillion)

18.19% YoY



Micro Borrowers (Million)

13.26% YoY



In 2016, third party funds (DPK) increased by 12.09% to Rp213.21 trillion from Rp190.22 trillion in 2015, with BRI's flagship product Tabungan Simpedes becoming the primary contributor of DPK in the Micro segment. CASA (current account savings accounts) dominated the funding portfolio in the Micro segment with as much as 85.77% of the total third party fund, growing by 11.43% YoY.

The abovementioned operational efficiency strategy was implemented successfully as seen in the cost efficiency ratio (CER), which was kept under 40%. The quality of BRI's loans in the Micro Business segment was also maintained and remained below 2%, falling to 0.99% by the end of 2016, a decrease from 1.13% in 2015. This demonstrates BRI's commitment to maintaining loan quality by prioritizing prudent banking as well as risk diversification through a large customer base amid accelerating loan growth.

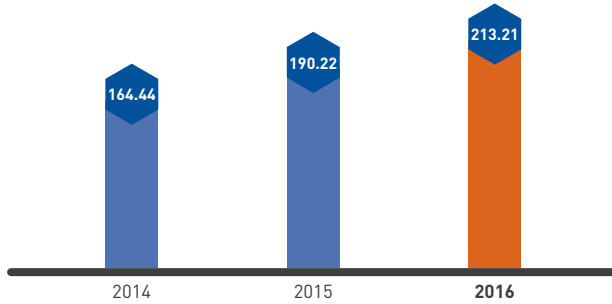


Aan Ruan
Tofu Factory Owner

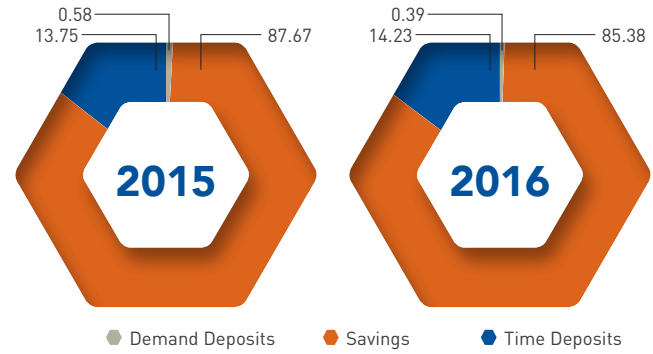
“Previously, I used to buy soybeans for my tofu factory from a distributor at higher prices. After receiving a KUR facility from BRI at a very affordable interest rate, I became a soybean distributor myself, and thus have been able to get lower priced soybeans for my tofu factory. Thank you BRI.”

Third Party Deposit (Rp Trillion)

12.09% YoY



Composition of Third Party Deposit (%)



Composition	2014	2015	2016
CASA	87.49%	88.25%	85.77%

Composition	2014	2015	2016
NPL	1.12%	1.13%	0.99%

Development Strategy of BRI's Micro Business Segment for 2017

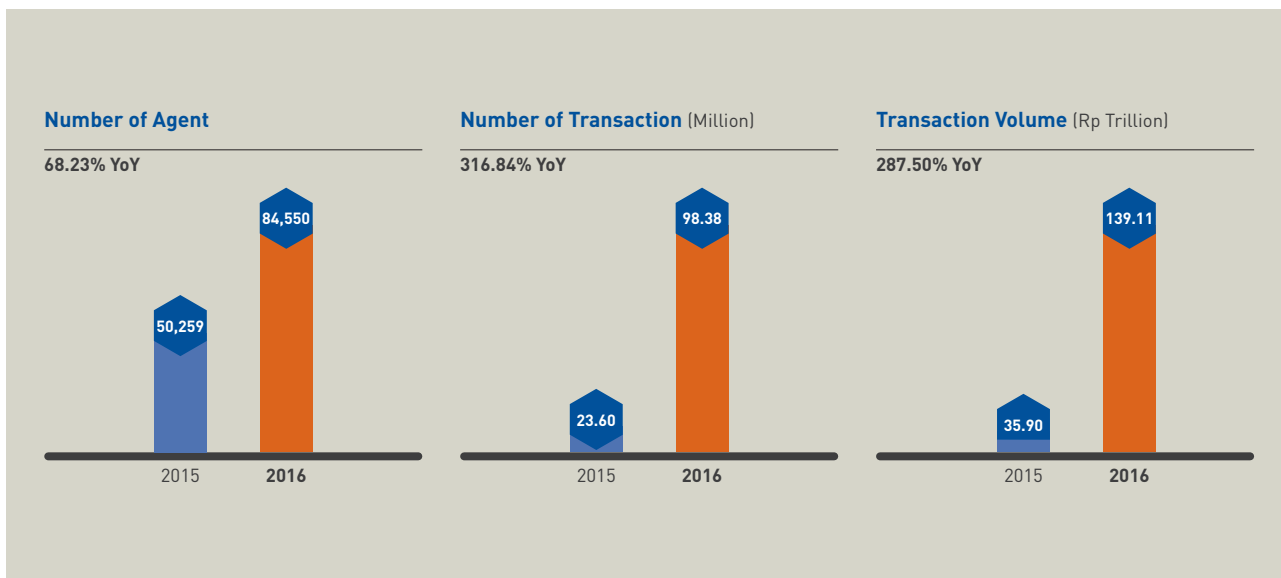
The micro business segment is likely to remain a promising business sector for the banking industry in the future. BRI remains optimistic that it will be able to maintain its position as a market leader supported by its vast service network across Indonesia. Based on the Bank Business Plan, BRI has prepared a number of strategies to support the growth of loans as well as customer deposits in the Micro Business segment in 2017.

The strategy for loan growth consists of developing Work Plan for Marketing Personnel, or Mantri, optimizing the usage of LAS Mobile by Mantri, optimizing trickle down business as well as product cross sales, continuing the Grebek Pasar and Komunitas programs to facilitate services to customer groups, and micro loan restructuring to improve loan quality.

For growth on deposit portfolio, the Micro Business will continue its optimization of the marketing of Tabungan Simpedes through BRILink agents with a referral system, the retention and maintenance of Simpedes customers through the pick up service program, as well as the 'below the line' promotion programs such as Grebeg Pasar or Grebeg Komunitas that are suited to the requirements of the Micro segment.



BRILink



In support of financial inclusion in Indonesia, particularly through the Laku Pandai program launched by the OJK in 2014, BRI developed a branchless banking service called BRILink. BRILink involves BRI’s customers as BRI agents , based on a fee-sharing concept, to serve BRI’s customers as well as non-customers, particularly people who are still classified as unbankable. By using mini-ATM tools or EDC BRI, which is connected in real-time online, BRILink agents are able to perform a variety of banking transactions such as cash deposits and withdrawals, installment repayments of BRI’s loans, inter-bank fund transfers, cellular voucher top-up payments and PLN electricity pre-paid voucher payments.

BRILink Strategy in 2016

In 2016, BRI implemented a strategy to expand the reach of BRILink in order to extend BRI’s delivery channel to reach broader segments of the public, including the unbankable segment. The strategy was implemented by increasing the number of BRILink agents in strategic locations, and supported by promotion programs as well as effective supervision. At the end of 2016, the number of BRILink agents totaled 84,550, a 68.23% increase from the previous year.

BRILink Agent

84,550

persons

Number of BRILink Agent increased by 68.23%

Rp 1.38

Trillion

Customer Deposits through BRILink grew by 165,1%



Performance of BRILink

With the increase in the number of BRILink agents in 2016, the BRILink business segment also showed improved performance with a 316,8% increase in the number of transactions to as many as 98.38 million, while the value of the transactions grew by 287.5% to Rp139.11 trillion. The accumulation of low-cost funds in the form of customer deposits totaled Rp1.38 trillion in 2016, an increase of 165.1% from Rp521.64 billion in 2015. The accumulation of these low-cost funds contributes to a more efficient cost of funds for BRI.

The increase of transactions conducted through BRILink also increased fee based income (FBI) from BRILink agents to Rp70.58 billion – after deduction of BRILink agents’ sharing fee – in 2016. This amount represents a 253% increase from 2015.

BRILink Development Strategy in 2017

In 2017, BRI will continue the strategy of expanding its delivery channel by increasing the number of BRILink agents to as many as 135,000, and improving its services through the addition of new products and features.



Epin Muhlis
BRILink Agent, Bogor

“ There were two advantages when I became an agent of BRILink. Firstly, I became better known in the community, and secondly, my grocery business improved with more people coming to buy from me. ”

Program Business

BRI consistently supports the government's efforts to develop and improve the economy, and especially the people's economy. The Program Business segment is particularly dedicated to handing food security, plantation revitalization, and ensuring the availability of raw bio-energy materials, as well as opening banking access to Micro, Small and Medium-Sized Enterprises (MSME). BRI is one of the distributors of the government's small business loan (KUR) program. In 2016, BRI was assigned a KUR distribution quota of Rp69.5 trillion, which consisted of Micro KUR of Rp61 trillion, Retail KUR of Rp8 trillion and TKI KUR of Rp500 billion. The Program Business segment is responsible for Retail KUR distribution at BRI.

BRI cooperates with several other institutions to improve the people economy, mainly through initiatives such as:

- Kartu Tani
- Jaring Nelayan

Program Business Strategy in 2016

To grow its outstanding loan portfolio, while maintaining loan quality, the Program Business segment in 2016 focused on capacity building of credit sales employees through the provision of training and education sessions on cautious loan disbursement.

Performance of the Program Business in 2016

In 2016, BRI succeeded in distributing a total of Rp10.31 trillion of Retail KUR loans, Food Resiliency Loans and other Government-sponsored loan programs. This represents a growth of 8.75% from Rp9.48 trillion in 2015. Notwithstanding the higher level of KUR disbursement in 2016, BRI succeeded in maintaining the level of non-performing loans at 1.19% for Retail KUR loans and 2.41% for Food Resiliency loans and other program loans.

Program Business Development Strategy in 2017

The development of the Program Business segment in 2017 will rely on a strategy to increase high quality loans through initiatives to develop business support systems for MSME and open the access to productive resources, as well as empowerment of small businesses to improve the income of people who are involved in economic activities.

206,905 Card

Kartu Tani

A multi-functional card, which is useful as both an identity card and a financial services cards.



Rp 6.97 Trillion

Loan Disbursement in Jaring Program

Jaring Program

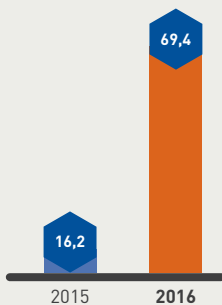
FSA's initiative to support maritime development, which is in line with the Nawa Cita program, by providing access to Financial Service products, particularly financing.



Total Disbursement of Kredit Usaha Rakyat (KUR)

(Rp Trillion)

328.4% YoY



In 2016, BRI was assigned a KUR distribution quota of Rp69.5 trillion, which consisted of Micro KUR of Rp61 trillion, Retail KUR of Rp8 trillion and TKI KUR of Rp500 billion.



Retail Business

BRI's Retail Business segment serves commercial retail customers in the Small and Medium-Sized Enterprise (SME) sector, as well as retail customers, by providing comprehensive loan and deposit products, as well as banking services such as banking transactions and wealth management. The Retail Business segment comprises four main business lines: Consumer Retail Loan Business, Commercial and Medium-Sized Enterprise Retail Loan Business, Retail Deposit Business and Retail Banking Services Business.

Retail Business Segment Profitability

BRI's Retail Business Segment demonstrated a good performance in 2016 with a profit of as much as Rp7.88 trillion.

12.51% YoY

Briguna total portfolio increased to Rp78.23 trillion

Rp

115.42

trillion

Retail Commercial loans grew by 9.93%

11.13% YoY

Retail deposits amounted to Rp285.57 trillion

Rp

608.63

billion

Fee based income from banking grew by 37.17%

Retail Business, both Consumer and Commercial are served through Branch Office, Sub branch Office, and Cash Offices throughout Indonesia.

Outlets	2014	2015	2016	YoY
Branch Office	461	467	467	-
Sub branch Office	584	603	609	6
Cash Office	971	983	984	1
Total	2,016	2,053	2,060	7

Consumer Retail Loan Business

In the Consumer Retail Loan Business, BRI focuses on providing financing products for the consumption needs of customers according to customer segmentation. The leading product in this segment is BRIGuna financing.

Implementation of 2016 Strategy

BRI aggressively expands its consumer retail loan segment in 2016 with various development and marketing strategies to increase loan disbursement and optimize operational efficiency.

The increase in loan disbursement was implemented through a number of initiatives, including optimizing the performance of BRIGuna product by reviewing a number of its terms and conditions, including the delegation of authority on special interest rates for institutional debtors, as well as adding various product features such as Office Ownership Loan, Warehouse Ownership Loan, Sejahtera House Ownership Loan (KPRS), Angkringan (Light Installment for Employees) motor vehicle loan, and Vehicle Ownership Loan (KKB) with mirroring installment mechanisms. BRI also improved its cooperation with third parties such as property developers, motor vehicle dealers, multifinance companies, property agents and existing debtors, in addition to implementing cross selling by utilizing the value chain of other business segments.

For its credit card products, BRI implemented the credit card cross selling program using the primary customer database at branch offices. The program offered integrated product and services packages in line with the commercial loan products at the branch offices, implemented an employee-get-member program, as well as developed non-organic card growth.

To maintain the operational efficiency of BRI's Consumer Retail Loan Business line, BRI implemented a number of initiatives such as simplifying BRIGuna and BRIGuna Mobile forms, expanding consumer loan services at all of BRI's branch offices by changing the work process from monoline to non-monoline, as well as maintaining BRI's excellence in salary-based loan distribution through a thematic marketing program for BRIGuna.

Performance in 2016

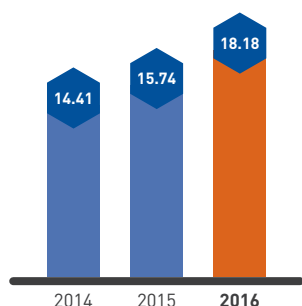
Overall, BRI increased its consumer retail loan portfolio in 2016. BRI's total outstanding KPR increased by 15.47% YoY to Rp18.18 trillion in 2016 from Rp15.74 trillion in 2015, while outstanding KKB also increased by 31.25% YoY to Rp2.16 trillion in 2016. The BRIGuna portfolio increased by 12.51% from 2015 to Rp78.23 trillion in 2016. Meanwhile, BRI's credit card performance increased by 1.83% to Rp1.60 trillion in 2016 from Rp1.57 trillion in 2015.

The growth in loan portfolio was accompanied by cautious consumer loan disbursement, as shown by the decline of NPLs in KKB to 0.60% in 2016 from 1.23% in 2015, and decrease in credit card NPLs to 4.07% in 2016 from 4.69% in 2015. BRIGuna financing was relatively stable with a NPL level of 0.81% in 2016 compared with 0.96% in 2015, while KPR NPL increased slightly to 2.60% in 2016 from 2.49% in 2015.

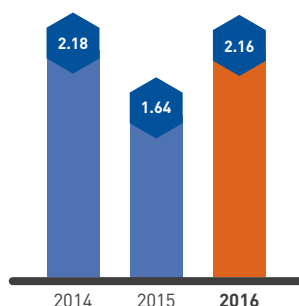
There was an increase in the number of debtors across the product lines. KPR BRI's debtors increased by 9.19% to 68,620, while KKB customers totaled 65,424 in 2016, a 71.50% increase from 2015.

The quality of BRIGuna loan service also improved, as demonstrated by the increase in BRIGuna's outstanding ratio per account officer to Rp185.03 billion in 2016, from Rp149.02 billion in 2015.

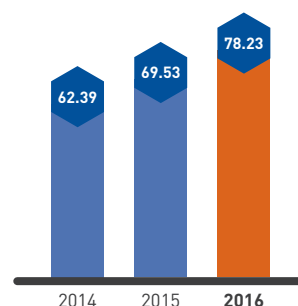
KPR (Rp Trillion)



KKB (Rp Trillion)



Briguna (Rp Trillion)



Development Plan for 2017

In 2017, BRI will continue to maintain its high BRIguna market share, while also improving the performance of other consumer retail products through optimization of product and service digitalization, as well as improving efficiency and productivity.

In 2017, BRI will launch a number of new products and features such as BRI Credit Card Access, a mobile application that makes it easier for customers to submit applications on their mobile devices and to conduct point-based transactions;

the credit card microsite, an online portal at www.kartukredit.bri.co.id, which contains credit card product information and promotion, and a feature that lets customers submit credit card applications online; and BRIsShop Online, an e-commerce portal at www.brishoponline.com, which offers special promotion programs for BRI credit card holders.



Rifky Hidayat
Carpet Seller

“My family business has been handed down from generation to generation, and since 2002 had used working capital loans provided by Bank BRI. In addition, my Account Officer also offered some suggestions that have proven to be beneficial to my business.”

Commercial and Medium-Sized Enterprise Retail Loan Business

In 2016, BRI was able to successfully manage its commercial and medium-sized enterprise retail loan business amid challenging economic conditions and increasing business competition, as demonstrated by a relatively high business growth and healthy asset quality.

Implementation of 2016 Strategies

In line with the Bank Business Plan, the Commercial and Medium-Sized Enterprise Retail Business in 2016 implemented a strategy to maximize the value chain of the corporate segment, particularly state-owned enterprises and its subsidiaries, to support BRI's revenue growth by interest income and fee based income, and improve Commercial and Medium-Sized Enterprise Retail Business value proposition.

In order to achieve its target, a number of strategic initiatives were implemented in 2016, such as the control of retail and medium-sized enterprise retail loan quality by continuing The Lower The Better program, which focused on loan restructuring and settlement of non-performing loans by giving gifts to the winner of the program to participate in an overseas public course/training. BRI also improved its retail and medium-sized enterprise loan services through

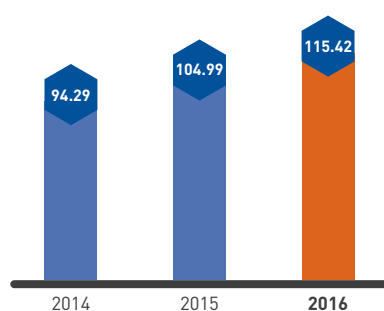
simplifying processes and SLA, as well as arranging loan portfolio guidance and information about the leading sector; maintaining its operational efficiency by expanding selective and quality loan distribution by account officers through a reward and punishment system as well as effective coaching; increasing non-interest income by accelerating recovery of retail and medium-sized enterprise loans; as well as improving the capacity of account officers to market BRI's products to customers including loan and financing products and other bank services.

Performance in 2016

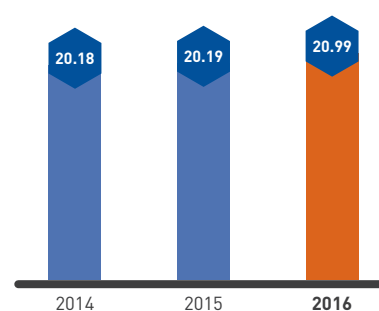
By implementing an appropriate work plan and strategy, in 2016, BRI achieved outstanding results whereby the Commercial Retail loans grew by 9.93% to Rp115.42 trillion, an increase from Rp104.99 trillion in 2015. Meanwhile, Medium-Sized Enterprise Retail loans increased slightly to Rp20.99 trillion in 2016 from Rp20.19 trillion in 2015.

The growth in retail loans was matched by loan quality, as demonstrated by a 2.72% NPL in retail loans and 7.13% NPL in medium-sized enterprise loans.

Retail Commercial (Rp Trillion)



Medium-Sized Enterprise Retail (Rp Trillion)



Development Plan in 2017

BRI has formulated a development strategy for the Commercial and Medium-Sized Enterprise Retail Business segment in 2017, namely to improve loan growth, improve loan quality, and increase the quality of services for retail and medium-sized enterprise customers.

A number of strategic initiatives are planned to increase loan growth, including focused and selective expansion in line with regional potential, formulation of communication materials in line with local wisdom, as well as synchronizing marketing strategies with other divisions. Loan quality improvement will be supported by focusing on areas with low loan quality, and optimizing the performance of the team in charge of the reduction of Special Mention loans and NPLs.

BRI will also implement a number of initiatives to improve the quality of its services, including relaxation of limits and authority placed on the selection of area co-leaders, simplification of loan extension procedures, addition of branch offices that can initiate medium-sized loans, improvements to the digital application process, as well as improvement of marketing productivity through various training sessions, competency profile reviews, performance monitoring, and the implementation of a reward & recognition program.

Retail Deposit Business

Amid the sluggish economic recovery in 2016, which was marked by tightening liquidity, BRI implemented various strategic initiatives to fulfill customers' expectation of a simpler and more secure saving, investment and transaction services.

Strategy Implementation in 2016

The Retail Deposit Business in 2016 focused on increasing the composition of non-corporate time deposits and low-cost funds in savings and current accounts.

To improve the composition of non-corporate deposits, BRI developed a deposit opening and liquidation facility through BRI Internet Banking, enabling customers to easily open and liquidate their time deposit accounts, anywhere and anytime,

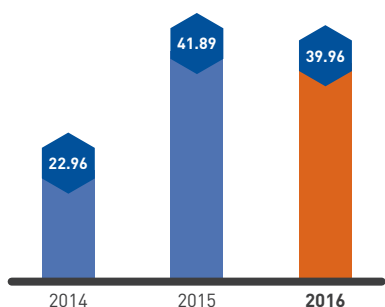
without having to visit a BRI work unit, and monitor their balance and interest rate through the account information menu.

To improve the acquisition of low-cost funds in current accounts and savings accounts, BRI carried out marketing activities at both national and regional levels based on 3 (three) strategic pillars: customer acquisition, retention and maintenance. These initiatives include national-level marketing programs such as Untung Beliung BritAma, BritAmaValas Goes To Europe, BritAma Pilih Sendiri Hadiyahnya and Giro Spektakuler; a cross sales program, particularly for retail, medium-sized enterprise and consumer loan customers; expansion of service outreach by establishing an overseas working unit (UKLN) Timor Leste in 2016; as well as implementation of Point Reward BritAma and Giro program for Tabungan BRI BirtAma and Giro BRI customers with point calculation based on the account balance.

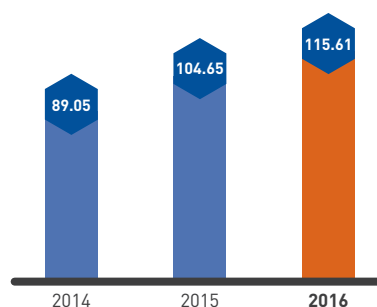
Performance in 2016

By implementing the above strategies and initiatives in 2016, BRI has successfully increased its retail deposits to Rp285.57 trillion, an increase of 11.13% from 2015. Time deposits grew by 17.73% from 2015 to reach Rp130.0 trillion in 2016, while optimization of low-cost funds (CASA) was achieved with savings accounts amounting to Rp115.61 trillion by the end of 2016, a 10.48% increase from 2015.

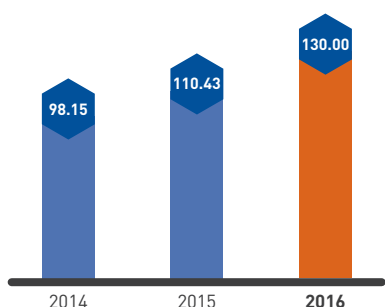
Demand Deposits (Rp Trillion)



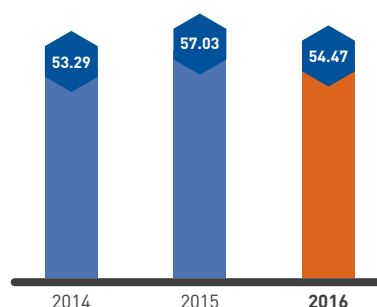
Savings Account (Rp Trillion)



Time Deposits (Rp Trillion)



CASA (%)



Development Strategy in 2017

Continuing the achievements of 2016, BRI will remain focused on low-cost fund accumulation by targeting young and e-commerce segments, aligning product development with the concept of digital savings, as well as focusing marketing activities on acquisition, retention optimization, point reward programs and trickle down businesses.

Retail Banking Services Business

The Retail Banking Services Business is one of BRI's future growth pillars, particularly in terms of accelerating the accumulation of low-cost funds and fee-based income. In the Retail Banking Services Business segment, BRI continues to develop Commercial Transaction Banking and Individual Transaction Banking services through adding e-banking features and products, as well as the Wealth Management service, to fulfill the needs of its customers and transaction convenience.

Implementation of 2016 Strategies

In 2016, BRI sharpened its focus on Transaction Banking to align it with customer needs, and provide accurate financial solutions by dividing retail fund management into two areas: Individual Transaction Banking for retail customers and Commercial Transaction Banking for wholesale/corporate customers. BRI also expanded its Commercial Transaction Banking customer base by initiating mutual cooperation with other entities such as regional development banks, and partnering with its corporate customers through a strategy of integrated banking solutions, which can provide account receivables, cash management and account payables services.

For Individual Transaction Banking, in 2016, BRI improved the productivity of its e-channel, e-banking, and debit card products and services through a number of initiatives. These included a tactical feature program and leading products to improve the wallet share of existing customers; the implementation of a marketing program to increase product usage; reviews of existing products, features, tariffs, marketing programs and cooperation; improvement of business transaction processes; and implementation of retention and user loyalty program for transaction banking.

The Data Service Quality Index 2016 ranked BRI as 5th for its Priority Banking Service. To improve the quality of Priority Banking, BRI carried out product feature development such as its online marketing system for mutual funds through e-channel BRI, online bancassurance premium payment

through e-channel BRI, as well as development of the BRI Prioritas website and launcher as an updated information platform for BRI Prioritas customers. BRI also improved the capacity of Priority Banking marketing employees through various education and certification programs, and increased the outstanding assets under management through cooperation with companies providing terms of travel, lifestyle, education, and concierge service privileges.

Performance in 2016

BRI's Commercial Transaction Banking Service, with the Cash Management System (CMS) as its flagship product, performed well in 2016 in terms of the number of customers, number of transactions, transaction volume and fee based income.

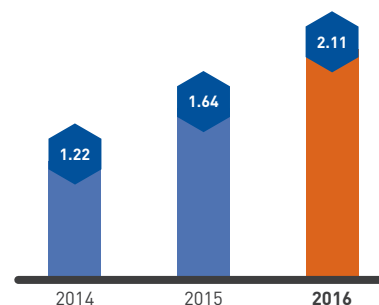
The number of CMS clients at the end of 2016 totaled 11,745, with 8,148 (69%) customers in the retail segment, 2,762 (24%) customers in the medium-sized enterprise segment and 835 (7%) customers in the corporate segment.

Meanwhile, CMS BRI's fee based income in 2016 totaled Rp17.7 billion.

BRI successfully maintained stable e-Banking service performance including BRI ATM transactions, mobile banking and internet banking, in terms of the number of users, number of transactions and value of transactions.

The performance of BRI Wealth Management also improved in 2016, as demonstrated by the number of BRI Prioritas customers, which increased by 25.60% to 40,300 clients from the previous year. Meanwhile, BRI's portfolio under management increased by 37.92% to Rp67.4 trillion, and fee-based income increased by 55.36% to Rp 163.8 billion from 2015.

E-Channel Transaction Services (Rp Trillion)



	2014	2015	2016
Number of Customer	26,092	32,054	40,267
Funds under Management (Rp Million)			
1. Savings Product (Third Party Deposits)	36,864.22	45,014.73	60,882.85
2. Investment Product	1,231.72	2,282.30	2,894.15
3. Bancassurance Product	707.01	1,598.48	3,659.43
Fee Based Income (Rp Million)	52.97	91.20	163.87
Existing Product Offered			
1. Mutual Funds	31	32	41
2. Bancassurance	21	24	27
Total Outlet	16	17	25

Development Plan in 2017

BRI will implement a number of strategic initiatives in 2017 for Commercial Transaction Banking, Individual Transaction Banking and the Wealth Management Service.

Commercial Transaction Banking will prioritize the provision of comprehensive financial solutions for corporate customers by carrying out business need acquisition as well as exploring the value chain of existing and potential customers.

Individual Transaction Banking will implement the I-M-FIX (improve, maintain, focus, increase and expand) strategy by adding cooperation agents to increase debit card transactions, as well as developing various features and services to address the needs of customers.

Meanwhile, the Wealth Management service will diversify its Wealth Management business services based on a long-term strategy outlined in the Wealth Management BRI roadmap.





Corporate Business

In the Corporate Business segment, BRI serves the needs of large corporations and institutions, either State-Owned Enterprises (SOE) or non-SOEs, by providing a complete range of loan and deposit products, as well as banking services that include an international banking service, and treasury and capital market services.

Segment Profitability

In 2016, BRI's Corporate Business segment showed a good performance as demonstrated by credit portfolio and service improvements, as well as Corporate Business segment profit contribution of Rp721 billion, an increase of 462.9% from the previous year.

Corporate Business

Corporate Business Strategy in 2016

In the Corporate Business segment, in 2016, BRI carried out a number of initiatives and strategies aimed at growing its corporate loans, improving the quality of corporate loans, improving funding from institution customers, as well as increasing non-interest income.

The growth of outstanding corporate loans focused on supporting the SOEs as the back bone of Indonesian Economic Development Master Plan (MP3EI) in infrastructure, energy, logistic, and transportation sectors, as well as on supporting general national economic development. BRI also carried out market development and market penetration initiatives in the form of cooperation with other banks through syndicated loan or club deal facilities.

The improvement in the quality of corporate loans has been done through restructuring of distressed loans and the settlement of non-performing loans. In order to improve funding from institution customers, BRI carried out various initiatives such as fund acquisition from government ministries/institutions, local governments, and other institutions by developing one-stop service solutions to enable the institutions to perform actions across the entire BRI network. Meanwhile, the improvement on fee-based income was carried out by developing banking services such as cash management, Host to Host, BRIVA, Payroll, Corporate Card and Cash Card.

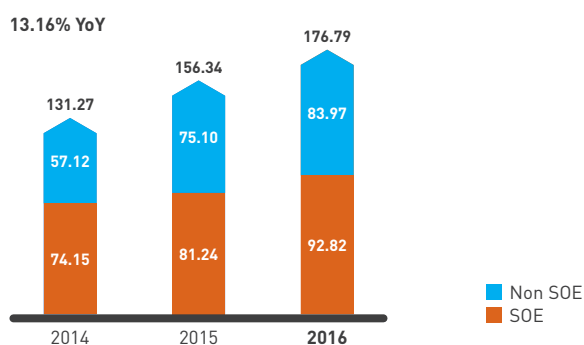
Corporate Business Performance in 2016.

BRI's strategies in 2016 successfully increased its outstanding corporate loans to Rp176.79 trillion, an increase of 13.13% YoY from 2015. The corporate loan portfolio consists of loans to SOEs of Rp92.82 trillion mostly in the food, agriculture, infrastructure and service sectors, and loans to non-SOE of Rp83.97 trillion, mostly in the palm oil, pulp and paper, and property & hotel sectors.

The quality of corporate loans declined, hence NPL in corporate loans was 2.66% in 2016, an increase from 2.3% in 2015. The increase of Non-Performing Loans in the Corporate Business segment was triggered by the decline in the performance of several customers in the sugar and property industries.

Total funding in the corporate segment in 2016 amounted to Rp225.06 trillion, an increase of 15.07% from 2015. Meanwhile, the contribution of non-interest income from the corporate segment in 2016 was Rp972 billion, an increase of 293.54% from 2015.

Corporate Loans (Rp Trillion)



Plans in 2017

BRI's Corporate Business development strategy in 2017 will rely on a number of initiatives. These include product innovation in line with customers' needs such as the development of a competitive cash management feature, improvement of the quality of IT to supervise internal performance such as the development of a dashboard for financing portfolio, CASA and customer profitability analysis, as well as improvement of service quality through cooperation with institutions, as well as ensuring the availability of a complaint handling reconciliation system and the early warning system.

International Business

BRI's International Business serves the needs of customers in trade finance, financial institution business, remittance and money changing. This business line is supported by BRI's overseas business units in Singapore, Hong Kong, New York, and Cayman Island, as well as one BRI Remittance Company (BRC) in Hong Kong, and a number of remittance representatives in Malaysia, UAE, Saudi Arabia and South Korea.

BRI's ability to provide reliable remittance services is outstanding as the Company cooperates with over 50 remittance counterparts and more than 1,300 partner banks worldwide, with nostro accounts in 14 different currencies, which are supported by over 11,000 work units spread across Indonesia, and connected through a real time online system.

International Business Strategy in 2016

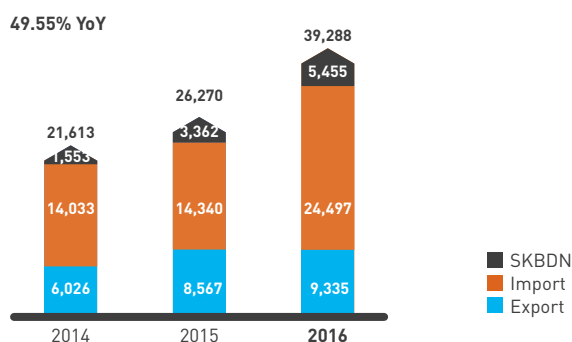
BRI's International Business in 2016 focused on increasing non-interest income and improving service quality. To increase the growth of non-interest income, BRI upgraded the status of its Hong Kong branch; conducted a marketing program for annual reward Mudik Bareng BRIfast Remittance; expanded its cooperation with national regional and overseas banks, association of hajj and umrah bureau, travel agents, Indonesian association of hotel and restaurant, and foreign exchange traders (PVA) in order to improve BRI's money changing service; and conducted discussion forums and customer gatherings in BRI's regional offices throughout Indonesia with existing as well as potential customers.

Meanwhile, in terms of improving the quality of its International Business services, BRI obtained an ISO 9001:2015 certification on Quality Management Systems from Lloyd Register Quality Assurance for the work processes at BRI's Trade Processing Center (TPC) facilities.

International Business Performance in 2016

The trade finance transaction volume in 2016 totaled USD39.29 billion, an increase of 49.55% YoY from 2015, while fee income from trade finance totaled Rp848.3 billion in 2016, a significant increase of 54.8% from 2015.

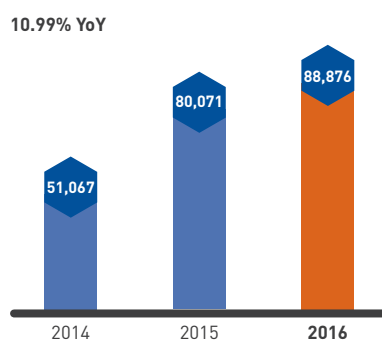
Export-Import Transaction Volume (USD Million)



(Rp Million)

	2014	2015	2016
Trade Finance Services Income	381,093	548,116	848,265

Fee Based Income Money Changer (Rp Million)



In the remittance business, the number of BRI's transactions increased significantly to 5.46 million in 2016 from 4.64 million in 2015. The value of the transactions increased by 18.0% YoY to Rp785.06 trillion in 2016 from Rp635.49 trillion in 2015. This was dominated by a 49.6% growth in outgoing remittance as a result of BRI's efforts to increase its services, and expand its cooperation with partner banks, remittance banks and non-bank counterparts.

The performance of BRI's money changing business also showed an improvement with fee based income of Rp88.9 billion, an increase of 11% from 2015.

Plans in 2017

In the International Business segment, in 2017, BRI will carry out a number of work programs, including upgrading BRI Hong Kong work unit's license status to a full branch status; implementing full automatization of international business transactions; digitalizing trade finance transaction processes in the Trade Processing Center (TPC); implementing the BRIfast Remittance version 2 system to improve service quality; expanding cooperation with national and international partner banks; as well as improving market penetration for trade finance transactions, particularly non-debtor, and the penetration of the domestic bank notes market.

Treasury Business

In addition to managing the banking and trading book, the Treasury Business also provides treasury services for customers, particularly in the corporate and institution segments.

Treasury Business Strategy in 2016

In 2016, Treasury Business implemented a number of initiatives to optimize investment yield in the banking book, develop a repurchase agreement (repo) market in Indonesia, as well as reduce liquidity risk and interest expenses.

BRI optimized its investment yield in the banking book by placing excess liquidity in liquid instruments such as Bank Indonesia Term Deposits, Bank Indonesia Certificate, Bank Indonesia repo, Government Treasury Bills (SBN), and Negotiable Certificate of Deposit. BRI also participated in the development of the repo market in Indonesia by signing 57 Global Master Repo Agreements (GMRA) with domestic counterparts.

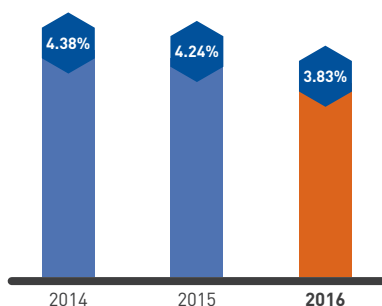
To reduce its liquidity risk, BRI issued Rp13.6 trillion worth of continuous shelf bonds and Rp1.9 trillion worth of Medium Term Notes (MTN). This was a part of its funding diversification related liquidity risk management, optimizing non-third party funding sources to mitigate mismatch, repricing risk and maturity gap in the funding of long-term loans, as well as maintaining liquidity ratios such as Mandatory Minimum Reserves, Net Open Position, Loan to Deposit Ratio and Cash Ratio, according to BI and OJK regulations as well as internal provisions including BRI's treasury policy.

Meanwhile, the initiatives to reduce interest expenses included monitoring of the composition of core customer funds and negotiated time deposits, and the implementation of a maximum cap for negotiated time deposits.

Treasury Business Performance in 2016

The average yield from BRI's non-loan assets was recorded at 6.12% in 2016, an increased of 125 bps from 2015, and was dominated by banking book instruments which amounted to 98% of the treasury business' total assets. Meanwhile, outstanding repo and reverse repo amounted to Rp8.9 trillion in 2016. BRI was also successful in reducing the cost of fund (COF) of time deposits to 6.09% in 2016, a decrease from 7.06% in 2015. BRI was able to maintain stable liquidity, and reduce the Bank's funding costs, by offering competitive interest rates as demonstrated by BRI's cost of fund (COF) which totaled 3.83% in 2016, down by 41 bps from 2015.

Cost of Fund (COF)



Plans in 2017

In the Treasury Business, BRI has formulated a number of strategies for 2017 including the balanced pricing strategy, funding mix strategy, and optimal assets allocation strategy.

The balanced pricing strategy aims to manage a healthy balance sheet with effective and efficient payment of liabilities to spur qualified asset growth and maximize net interest income.

The funding mix strategy is used to fulfill short-term funding needs by utilizing third party funds, prioritizing low cost funds and time deposits with an effective and efficient pricing level, while the need for long term funding is sourced from non-customer deposits. Funding from non-customer deposits may be implemented through issuance of debt notes in accordance with business needs.

Optimal asset allocation strategy will be implemented to manage optimum yield through the management of non-loan earning assets portfolio to financial instruments which yielded higher return while prioritizing prudential principle; joint marketing with related business lines to market ORI and Retail Sukuk products as well as conduct trading for arbitrage, market making and proprietary purposes while implementing prudent banking principle and discipline in trading limits.

In 2017, BRI will develop and sell call spread, bond, repo and reverse repo products, as well as develop a structured product of call spread option for customers' hedging activities in order to reduce the risk of movement in foreign currency exchange rates, as well as expand the marketing of treasury products through BRI's business network and e-channel.

Capital Market Support Business

BRI manages the Capital Market Support Business to provide trustee, custodian, and DPLK services for corporations and institution customers.

Capital Market Support Business Strategy in 2016

In the Capital Market Support Business line, in 2016, BRI developed a one stop service for the investment help desk service, custodian, pension fund for financial institutions (DPLK), trustee services, trust and corporate services, as well as the marketing of custodian services for global bonds.

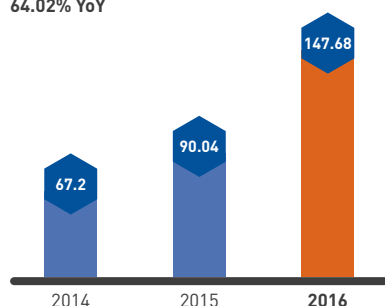
Performance of the Capital Market Support Business

The total fee based income generated by the Capital Market Support Business amounted to Rp147.68 billion in 2016, a 64.02% annual increase from 2015. Total bonds issuance managed by BRI as a trustee amounted to Rp66.10 trillion in 2016, a 11.75% annually increase from 2015. Assets of projects under management by BRI Trust increased by 51.15% to Rp37.52 trillion in 2016.

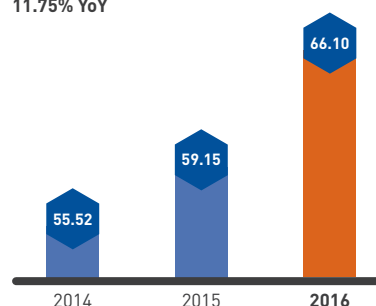
BRI also successfully increase its custodian asset management to Rp320.28 trillion in 2016, a significant 75.78% increase from 2015. DPLK was also well managed by BRI with an increase in DPLK's assets managed by BRI to Rp5.8 trillion in 2016, representing an increase of 24.09% from 2015, with a yield from financial market DPLK of 8.41%, fixed income DPLK of 9.57%, and equity DPLK of 11.12%.

Fee Based Income Capital Market Support Business (Rp Billion)

64.02% YoY

**Trustee Assets** (Rp Trillion)

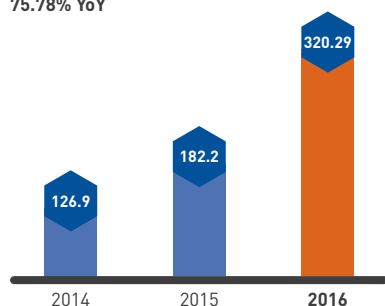
11.75% YoY



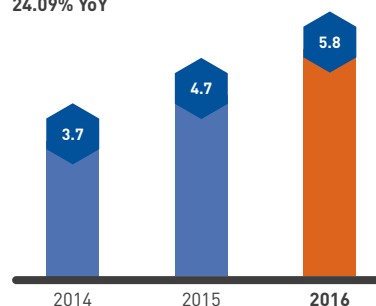
In the Syndicated Agent business, BRI participated in a number of syndication projects with a total value of Rp141.67 trillion in 2016, an increase of 49,00% from Rp95.08 trillion in 2015.

Custodian Assets (Rp Trillion)

75.78% YoY

**DPLK's Assets** (Rp Trillion)

24.09% YoY

**Plans in 2017**

In 2017, BRI will continue to develop the Capital Market Support Business through several initiatives, including:

- Marketing of BRI custodian services through customer acquisition in joint marketing with business divisions or work units with corporate customers; retention of existing customers of BRI Custodian; and improvement of brand awareness through marketing communication programs on BRI's social media accounts.
- Product innovation and DPLK service in line with public demand; service quality improvement through additional features on DPLK BRI's microsite; as well as an education program to improve market penetration in Indonesia particularly for DPLK products.
- Marketing of trust and non-trust products through the improvement of cooperation with overseas work units (UKLN) and exploiting BRI's business network throughout Indonesia, including working hand in hand with corporate and individual customers.
- Marketing of trust agents through the Capital Market Support Institute to complement direct marketing to the issuers.
- Optimizing the business performance of syndication agents focusing as Arranger on projects with new customers through synergy with the Corporate Business unit, as well as marketing syndication financing to corporate business group customers.

Subsidiary Business

BRI is a holding company of a group of financial service companies including: PT Bank BRISyariah (BRI Syariah), PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro), BRI Remittance Company Ltd (BRI Remittance), PT Asuransi Jiwa Bringin Jiwa Sejahtera (BRI Life) and PT BRI Multifinance Indonesia (BRI Finance). These subsidiaries include conventional and sharia banking, remittance service, life insurance and financing service.

In 2016, BRI's subsidiaries were more focused on providing the best possible financial services, as demonstrated by the change in the subsidiaries' logo into one design.

Profitability of Subsidiary Business Segment

In 2016, BRI's subsidiaries contributed a profit of Rp474.53 billion.





PT Bank BRISyariah (BRI Syariah)

Corporate Profile

PT Bank BRISyariah (BRI Syariah) is a subsidiary that focuses on the sharia banking sector. BRI owns 99.99% of BRI Syariah's shares.

BRI Syariah was established in 1969, under the name PT Bank Jasa Arta, and in accordance with the Deed of Establishment No. 4 dated 3 April, 1969. In line with Indonesia's economic development and the sharia banking industry, BRI realized the high market potential of sharia business banking, and decided to strengthen the positioning of its Sharia Business Unit.

Therefore, on 19 December, 2007, PT Bank Jasa Arta was acquired by PT Bank Rakyat Indonesia (Persero) Tbk. In 2008, PT Bank Jasa Arta changed its name to PT Bank Syariah BRI. PT Bank Syariah BRI acquired its sharia banking business permit in accordance with the Decision of the Governor Bank

Indonesia No. 16/67/KEP/GBI/DpG/2008 dated 16 October, 2008. Shortly after, BRI spun off the Sharia Business Unit with the Deed of Management Separation dated 19 December, 2008, and merged BRI's Sharia Business Unit with PT Bank Syariah BRI on 1 January, 2009. By focusing on the middle to low retail segment, BRI Syariah's vision is to become a leading modern retail bank, which offers products and banking services based of sharia principals.

BRI Syariah offers a comprehensive series of sharia banking products and services including financing (for micro, small and medium-sized commercial as well as consumer segments) and savings products (savings accounts, hajj savings accounts, time deposits and demand deposit). BRI Syariah is also one of the first sharia banks in Indonesia to offer the Laku Pandai financial inclusion service through Brissmart.

BRI Syariah Management

Board of Commissioners

Name	Position
Indra Kesuma	President Commissioner
Hermanto Siregar	Independent Commissioner
Komaruddin Hidayat	Independent Commissioner
Anggito Abimanyu	Commissioner
Eko Bambang Suharno	Commissioner

Board of Directors

Name	Position
Mochammad Hadi Santoso	President Director
Indra Praseno	Director
Wildan	Director
Agus Katon Eko Sedyono	Director
Erdianto Sigit Cahyono	Director

Syariah Supervisory Board

Name	Position
Didin Hafidhuddin	Chairman of Syariah Supervisory Board
M. Gunawan Yasni	Member of Syariah Supervisory Board

Development Milestones In 2016

In 2016, BRI Syariah began to penetrate the capital market by issuing Subordinated Mudharabah Sukuk I Bank BRI Syariah 2016 amounting to Rp1 trillion with a 7 (seven) year maturity. The funds from the Subordinated Mudharabah Sukuk will be

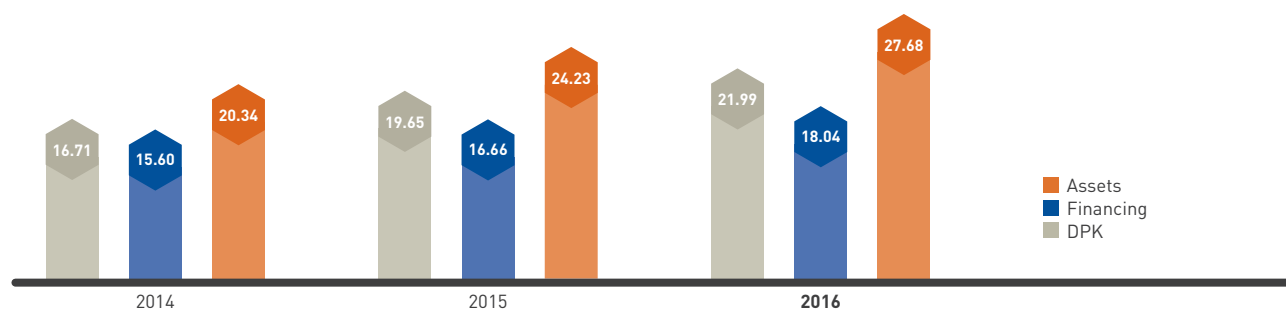
used by the Company to strengthen its capital structure and support business development activities such as financing distribution, as supplementary capital (Tier 2), and improve the composition of long-term fund accumulation structure.

The BRI Syariah's network continues to grow. By the end of 2016, BRI Syariah had 54 Branch Offices, 206 Sub-Branch Offices and 11 Cash Offices. BRI Syariah also operates the Sharia Service Offices (KLS) within Bank BRI's office network of 1,044 KLS.

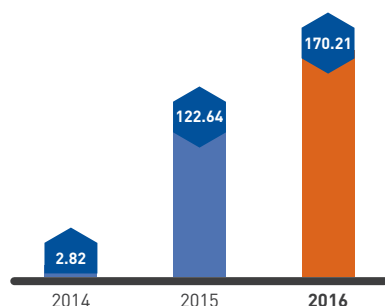
Financial Review

In 2016, BRI Syariah booked a net profit of Rp170.21 billion, a 38.79%, or Rp47.57 billion, increase from Rp122.64 billion in 2015. Assets increased by 14.24% to Rp27.68 trillion in 2016 from Rp24.23 trillion in 2015. Third party fund (DPK) successfully grew by 11.91% to Rp21.99 trillion in 2016 from Rp19.65 trillion in 2015. Financing increased by 8.28% to Rp18.04 trillion in 2016 from Rp16.66 trillion in 2015. Capital Adequacy Ratio (CAR) of BRI Syariah was 20.63% in 2016, an increase of 6.68% from 13.94% in 2015. One of the factors that contributed to the increase in CAR was the issuance of Mudharabah Sukuk to the value of Rp1 trillion to strengthen BRI's capital structure. The Gross Non-Performing Financing (NPF-Gross) in 2016 was 4.57%, a decrease of 0.29% from 4.86% in 2015. While the Net Non-Performing Financing (NPF-Net) was 3.19% in 2016, a 0.71% decrease from 3.89% in 2015.

Performance (Rp Trillion)



Net Profit (Rp Billion)



BRI Syariah Development Strategies In 2017

1. Funding Strategy

- **FUND ACCUMULATION STRATEGIES IN 2017:**
 1. Developing cooperation with the Ministry of Religion regarding Hajj Fund Management.
 2. Developing cooperation with educational institutions under:
 - a. The Ministry of Education (elementary, middle and high school as well as higher education institutions that have an Islam Business Economy Department)
 - b. The Ministry of Religion (Madrasah and Islamic Universities)
 - c. Muhammadiyah Foundation
 3. Operational fund accumulation from institutions such as BAZNAS, PLN, Rumah Zakat, local government, and SOE (including Pertamina and Pegadaian Syariah) in accordance with BRI SYariah's status of an Operational Bank 2 (BO 2).
 4. Cooperating with Mastercard to simplify transactions abroad.
 5. Expanding the KLS management by optimizing savings account registration, particularly Hajj Savings account.

- **Hajj And Umrah Business Strategies In 2017:**

1. Focusing on selling regular and specialized hajj products by:
 - a. Cooperating with the Hajj Coaching Group (KBIH) and travel agencies through the provision of bank guarantee and working capital financing
 - b. Promotion through print and electronic media
 - c. Simplifying the hajj savings account application process
2. Focusing on Umrah financing products
3. Increasing fee based income by:
 - a. Cooperating with Branch Offices related to sales of Saudi Arabia Riyal (SAR) during the hajj season as well as the need of SAR for hajj living cost.
 - b. Developing and optimizing the Cash Management System (CMS), and cooperating with the Hajj and Umrah Organizer (PHU).
4. Focusing on the allocation of halal financing products and the creative industry.
5. Exploring the possibility of establishing a partner Correspondent bank in Saudi Arabia
6. Cooperating with Bank BRI to manage the Living Cost fund
7. Strengthening penetration of the Muhammadiyah Business Unit in areas such as education and health (Muhammadiyah Hospital).

2. Financing Strategies

- **Commercial Financing Strategies In 2017:**
 1. Prioritizing financing related to SOE, infrastructure-related industries, energy, agro industry and land transportation funded by state/local budget (developing value chain with SOE).
 2. Developing the portfolios of existing customers.
 3. Financial cooperation with the holding company (BRI) through a sell down mechanism for commercial financing to finance BRI's portfolio which has good performance.

- **Retail Linkage Financing Strategies In 2017:**
 1. Optimizing Existing Line Facilities that are not maximally utilized, particularly Koperasi Karyawan (Kopkar)/Koperasi Syariah (Kopsyah) by using a channeling scheme to optimizing ATMR and financing insurance.
 2. Topping Up the facility ceiling of existing customers with good performance
 3. Selective financing of multifinance companies with good performance.
- **Retail –SME Financing Strategies In 2017:**
 1. Prioritizing financing for micro customers who have the potential of becoming SME customers.
 2. Creating financing schemes for particular businesses in order to support financing growth in branch offices.
- **Retail-Consumer Financing Strategies In 2017:**
 1. Increasing KPM and KPR sales through the Employee Benefit Program (EMBP) in cooperation with institutions and organizations in line with BRI Syariah status as Operational Bank 2 (BO 2).
 2. Focusing on prioritizing particular products such as KPR Faedah Program, KPR FLPP and KMG/KM.
- **Retail-Micro Financing Strategies In 2017:**
 1. Focusing on Kredit Usaha Rakyat (KUR) Mikro Syariah distribution by Serbu Pasar Mikro to attract more customers.
 2. Optimizing funding by direct penetration such as Open Table with or without a mobile ATM unit.
 3. Adding new networks with the potential of becoming a micro outlet.



PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)

Corporate Profile

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) is an entity that focuses on banking activities. As of December, 2016, BRI Agro has been a subsidiary of BRI, with BRI, as the majority shareholder, holding 87.23% of BRI Agro. Of the remaining shares, 7.08% is owned by the Plantation Pension Fund and 5.69% by the public.

PT Bank Agroniaga (Bank Agro) was established on 27 September, 1989. The founder of the company was Pantation Pension Fund (DAPENBUN) with an ownership of 66.23%, while Astek owned 10.31% of the company and Sarana Wana Jaya Foundation (Forestry Department) 15.46%. The company was established as a commercial bank focusing on the agribusiness sector. These business activities aim to support plantation companies under the Agriculture Department.

In 2003, Bank Agro listed its shares on the Surabaya Stock Exchange and transformed into PT Bank Agroniaga Tbk with the ticker code AGRO .

During the same year, the company increased its capital through a limited public offering (PUT) I process/Rights Issue of 305,967,338 shares. As a result, the total number of shares listed and traded on the stock market following PUT 1 was 1,835,205,028. In 2005, the Company increased its capital through PUT II of 513,857,128 shares, increasing the total number of shares outstanding to 2,349,061,156 shares or Rp 234,906,115,600 at face value. In line with the rising capital, the Company's activities also developed. In 2006, the Company successfully increased its status to a foreign exchange bank.

To fulfilling the capital adequacy requirement, in March 2009, the Company increased its capital through a rights issue without pre-emptive right of 64,000,000 shares and through PUT III on November 2009 of 1,005,144,172 shares accompanied by Warrant Series I of as many as 199,980,250 shares, increasing the total number of shares to 3,618,095,578 shares. Although the issuance of Warrant Series I shares was not executed fully by the shareholders, the Company's capital structure fell within the required provision enacted by the monetary authority (Bank Indonesia), with a CAR of 16.39%.

In 2011, Bank Agro entered a new era. On 3 March, 2011, PT Bank Rakyat Indonesia (Persero) Tbk acquired an 88.65% share of PT Bank Agroniaga Tbk, becoming its controlling shareholder. As controlling shareholder, Bank BRI started being involved in the Company's management. In 2012, the Company changed its name to PT Bank Rakyat Indonesia Agroniaga Tbk, with the commercial name Bank BRI Agro.

To strengthen the Company's capital, in 2013, the Company increased its capital through PUT IV (3,82,685,599 shares) and PUT V in 2015 (4,028,934,521 shares). Since 2015, with the capital amount more than Rp1 trillion, or 11,479,715,698 shares, BRI Agro has fallen within the category of BUKU II banks.

As of 2016, BRI Agro operates 16 branch offices and 19 sub-branch offices in Jabodetabek, Surabaya, Medan, Pekanbaru, Bandar Lampung, Jambi, Bandung, Semarang, Rantau Prapat, Makassar, Balikpapan, Pontianak, Palembang, and Bogor; as well as 4 cash offices. BRI Agro is also supported by 444 employees with various backgrounds relevant to the Company's activities.

Management Composition

Board of Commissioners

Name	Position
Bambang Soepeno	President Commissioner & Independent Commissioner
Achmad Fachmi	Independent Commissioner
Roswita Nilakurnia	Commissioner
Saptono Siwi	Commissioner

Board of Directors

Name	Position
I Komang Sudiarsa	President Director
Mustari Damopoli	Director
Zuhri Anwar	Director
Sahala Manalu	Director
Zainuddin Mappa	Director

Development Milestones in 2016

In April, 2016, the Company conducted the Annual Shareholder General Meeting (ASGM), which changed BRI Agro's managerial structure as follow:

Prior			
Commissioner		Director	
Name	Position	Name	Position
Bambang Soepeno	President Commissioner (Independent)	Heru Sukanto	President Director
Achmad Fachmi	Independent Commissioner	Mustari Damopolii	Director of Compliance
Roswita Nilakurnia	Commissioner	Zuhri Anwar	Director
Zainuddin Mappa	Commissioner	Sahala Manalu	Director
		Sudarmin Sjamsoe	Director

Current			
Commissioner		Director	
Name	Position	Name	Position
Bambang Soepeno	President Commissioner (Independent)	I Komang Sudiarsa	President Director
Achmad Fachmi	Independent Commissioner	Mustari Damopolii	Director of Compliance
Roswita Nilakurnia	Commissioner	Zuhri Anwar	Director
Saptono Siwi	Commissioner	Sahala Manalu	Director
		Zainuddin Mappa	Director

In 2016, in order to strengthen its capital and business expansion, the Company increased its capital by issuing 3,854,996,122 new shares, which will be issued from the authorized capital stock portfolio. At the same time, the Company also issued as many as 616,908,103 Warrant Series II shares which represent 5.37% from the issued and fully paid capital prior to the rights issue.

Financial Review

BRI Agro drove its asset growth to Rp11.40 trillion by the end of 2016, through third party fund (DPK) optimization and loan distribution with tighter controls on NPL. This represented an increase of 36.36% from Rp8.36 trillion in 2015. Loans distributed by BRI Agro increased by 35.43% to Rp 8.18 trillion. This growth was supported by the successful accumulation of third-party fund (DPK), which grew by 34.40% to Rp9.22 trillion in 2016. Therefore, BRI Agro was able to book a net profit after tax of Rp103.0 billion, a 27.97% increase from 2015.

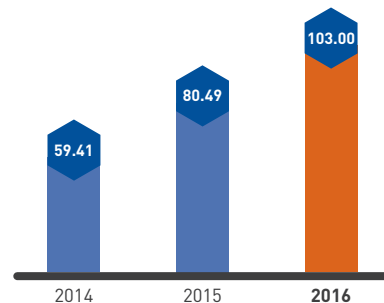
With an increase in profits, BRI Agro was able to achieve ROA of 1.5% and ROE of 7.3%. In terms of capital adequacy ratio, BRI Agro was able to meet the required provisions with a CAR of 23.3% and LDR at the level of 88.2%.

In 2017, BRI Agro’s management will focus on improving loan quality to achieve a healthy asset growth.

BRI Agro Development Strategy in 2017

In 2017, the Company’s main focus will be on third party fund mobilization and strengthening CASA through an office network expansion strategy, electronic network development, product and e-channel features development, and third party cooperation sales program (awareness, acquisition, retention).

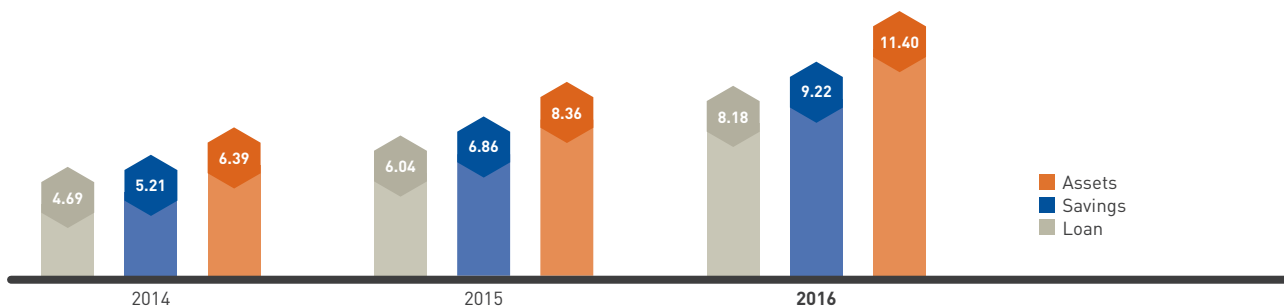
Net Profit (Rp Billion)



The Company is committed to distributing healthy and selective loans particularly in the retail segment through plasma financing, as well as improving loan quality.

The Company is supported by strong information technology infrastructure including BRI satellite, which supports reliable information systems, as well as the increasing quantity and quality of sales offices.

Performance (Rp Trillion)





BRI Remittance Company Ltd (BRI Remittance)

Corporate Profile

BRI Remittance Company Ltd (BRI Remittance) is a subsidiary focusing on remittance services. BRI holds a 100% ownership of BRI Remittance.

BRI Remittance was established on 7 April, 2005, by PT BRIngin Jiwa Sejahtera (BJS), a subsidiary of Dana Pensiun BRI. On 16 December, 2011, BRI became the majority shareholder of BRI Remittance with 100% ownership after signing Instrument of Transfer and Bought & Sold Notes.

BRI Remittance currently focuses on serving Indonesian migrant workers (TKI) in Hong Kong through a number of outlets located in Causeway Bay, Mong Kok, Tsuen Wan and Yuen Long. BRI Remittance has implemented the BRIFAST online system, which connects over 10,000 BRI business unit so that the Company can serve the customers in fast, flexible, accurate and safe manner.

Management Composition

Board of Directors

Name	Position
Gigieh Perkasa	Executive Director
Roby Firmansjah Sastraatmadja	Non-Executive Director

Development Milestones in 2016

In 2016, BRI Remittance focused on improving direct services such as free balance checking, transfer/transfer within BRI accounts, ATM card provision for customers who open the BritAma Savings account through BRI Remittance Hong Kong, as well as offering competitive counter exchange rates.

In 2016, BRI Remittance relocated its Hong Kong outlet from Sugar Street to the MongKok area, due to a significant increase in rent.

At the end of 2016, BRI Remittance expanded its business to Taiwan, and expects that the transactions made by its Taiwan counterpart will contribute to an increase in remittance transactions.

Financial Review

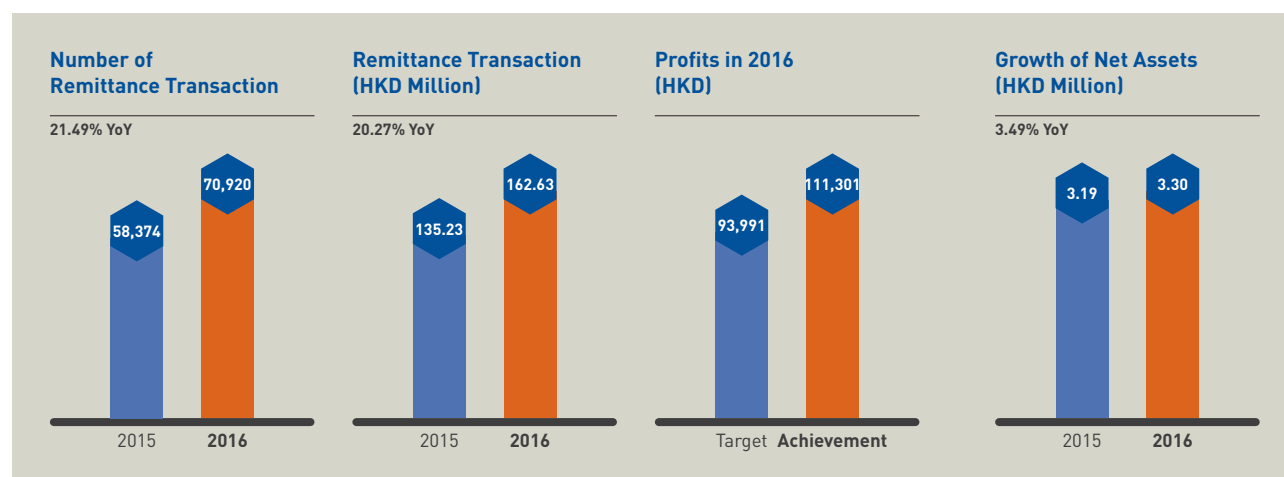
The number of remittance transactions until the fourth quarter 2016 totaled 70,920, a 21.49% increase from 58,374 transactions in 2015. Transaction growth is expected to increase further in 2017 due to the planned business expansion through the addition of new counterparts. Remittance transaction in 2016 totaled HKD162,634,053, a 20.27% increase from HKD135,226,440 in 2015.

BRI Remittance's profit in 2016 totaled HKD111,301, 118.4% of the profit target of HKD93,991. In 2016, BRI Remittance's Net Assets totaled HKD3,298,090, an increase of 3.49% from HKD3,186,789 in 2015.

BRI Remittance Business Development Strategies in 2017

In 2017, BRI Remittance management will conduct vital service improvements, one being the update of the operating system. The updated operating system will make it is easier to integrate the BRIfast system, BRI Remittance Mobile application and other applications. It is expected to make back office processes more efficient and flexible in order to support business development.

In order to develop its business, BRI Remittance plans to increase its transaction service coverage by increasing the number of its counterparts, particularly in Macau and Taiwan. The Company also plans to focus on subsidiary product cross selling, particularly DPLK and BRI Syariah products. One of the service innovations that will be conducted in 2017 is the cash pick up service through BRLink agents across Indonesia, making it easier for customers to access cash transfers to Indonesia. The marketing strategy will be conducted by the establishment of more assisted communities, conducting various community-based marketing events and professional exploration of the marketing potential of social media.





PT Asuransi Jiwa Bringin Jiwa Sejahtera (BRI Life)

Corporate Profile

PT Asuransi Jiwa Bringin Jiwa Sejahtera (BRI Life) was established by Dana Pensiun Bank Rakyat Indonesia on 28 October, 1987, with a business permit issued by the Finance Minister in line with the Decision Letter of the Finance Minister dated 10 October, 1988, and the Note of Establishment of Notary Poerbaningsih Adi Warsito No. 116. On 29 December, 2015, BRI acquired PT Asuransi Jiwa Bringin Jiwa Sejahtera from Dana Pensiun BRI. At the time of the acquisition, BRI changed the brand to BRI Life and the shareholder structure to:

- PT Bank Rakyat Indonesia (Persero) Tbk with share ownership of 2,002,022 (two million two hundred thousand and twenty two) shares or 91.001% (ninety nine point zero zero one percent) of all shares;
- Kesejahteraan Pekerja BRI Foundation (YKP BRI) with share ownership of 197,978 (one hundred ninety seven thousand nine hundred seventy eight) shares or 8.999% (eight point nine nine nine percent) of all shares.

The share acquisition had been approved by the Ministry of Law and Human Rights in Indonesia No. AHU-AH.01.03-0000524 on 6 January, 2016.

BRI Life was initially established to meet the demands of customers by complementing the Company's list of services, particularly for small loan customers through Asuransi Jiwa Kredit (AJK) protection. After detecting insurance-related business opportunities such as life insurance, health, pension fund program, accident, annuity and pension welfare, BRI Life began to expand its services and increase its market outside BRI by offering individual and group insurance services to the public.

In 1993, BRI Life opened its first sales offices to serve customers in Jakarta and Surabaya. Since that time, in line with the rapid growth of its business, BRI Life has expanded its service coverage to several other major cities in Indonesia.

In 1995, in line with the Finance Minister Decision No. KEP-184/LM.17/1995, BRI Life established Dana Pensiun Lembaga Keuangan (DPLK) to meet the increasing demand for pension insurance.

BRI continued to expand its services by establishing the Asuransi Syariah business unit in line the Finance Minister Decision No. KEP-007/KM.06/2003 dated 21 January, 2003. The establishment was accompanied by the opening of several sharia sales offices in various major cities across Indonesia.

In June, 2013, BRI Life developed Bancassurance through its cooperation with PT BRI (PERsero) Tbk, and placed Bancassurance Relationship Officers (BRO) at BRI offices in Jakarta, Bandung, Yogyakarta, Semarang, Surabaya, Malang, Denpasar, Palembang, Banda Aceh, Medan, Padang, Pekanbaru, Lampung, Makassar, Manado, Banjarmasin and Jayapura to reach BRI's customers wishing to purchase optimal insurance protection.

After 29 years, BRI Life is known as one of the leading National Life and Health Insurance providers in Indonesia. BRI Life is supported by 827 employees. BRI Life's insurance products include: AJK, Individual, Corporation, DPLK, Sharia, Bancassurance, and Micro.

Management Composition

Board of Commissioners

Name	Position
Gatot Mardiwastito Trisnadi	President Commissioner
Mahmuddin Yasin	Vice President Commissioner Independent Commissioner
Mulabasa Hutabarat	Independent Commissioner
M. Ridwan Rizqi R. Nasution	Independent Commissioner
Siswarin Dwi Hendarsapti	Commissioner

Board of Directors

Name	Position
Rianto Ahmadi	President Director
Sugeng Sudibjo	Director
Fabiola Noralita Sondakh	Director
Ansar Arifin	Director
M. Sodo Harisetyanto	Director
Khairi Setiawan	Director

Development Milestones in 2016

In 2016, BRI Life continued to distinguish itself by having The Biggest Number of Policy Holders and by being The Biggest Micro Insurance Provider in Indonesia. This was done through the implementation of the strategies that focuses on increasing brand awareness and developing channel distribution, particularly for bancassurance. The Company's competitiveness was also improved through product innovation based on information technology, which was supported by professional human resources, as well as the cautious implementation of operational processes. BRI Life was ranked third for "Best Financial Performance" for its life insurance with total assets between Rp 2 trillion and Rp 6 trillion by the Warta Ekonomi magazine in September, 2016, and achieved The Best Life Insurance 2016 Award from the Investor magazine in June, 2016, as well as the "Very Good" award for its financial performance in 2015 from the Infobank magazine in June, 2016.

In 2016, the number of sales offices reached 34 conventional sales offices and 11 sharia sales offices spread through several areas in Indonesia, including: Jakarta, Bekasi, Bogor, Bandung, Tasikmalaya, Cirebon, Tegal, Purwokerto, Semarang, Surakarta, Yogyakarta, Surabaya, Kediri, Jember, Sidoarjo, Malang, Denpasar, Gianyar, Lampung, Medan, Pekanbaru, Jambi, Palembang, Batam, Makassar, Kendari, Manado, Palu, Balikpapan and Banjarmasin. In addition, there are six service offices (SCO) in Jakarta, Bandung, Semarang, Yogyakarta, Surabaya and Malang. BRI Life also cooperates with PT BRI (Persero) Tbk to develop the Bancassurance business channel by placing Bancassurance Relationship Officers (BRO) in BRI's offices across 19 areas and 583 branch offices.

Financial Review

BRI life booked a net profit of Rp211.87 billion in 2016, with Rp2.46 trillion in premium income and Rp480.03 billion in profits from investment, a 6.57% YoY and 93.65% YoY increase respectively from Rp2.31 trillion and Rp247.88 billion in 2015.

BRI Life's assets increased by 25.15% YoY from Rp4.93 trillion in 2015 to Rp6.17 trillion in 2016. This asset growth was supported by an increase in total investments by 28.98% YoY from Rp 4.24 trillion in 2015 to Rp5.46 trillion in 2016.

BRI Life's liability and equity also increased to Rp4.51 trillion and Rp1.66 trillion respectively in 2016 or by 25.04% YoY and 25.46% YoY respectively from Rp3.61 trillion and Rp1.33 trillion in 2015.

BRI Life Development Strategies in 2017

As the new shareholder of BRI Life, Bank BRI is optimistic that BRI Life will have The Biggest Number of Policy Holder in Indonesia and become The Biggest Micro Insurance Provider in Indonesia within the next 3 years. To achieve these goals, BRI Life will implement several strategies focusing on the following:

1. Improving brand awareness and developing channel distribution, particularly for bancassurance.
2. Improving the Company's competitiveness through product innovation and information technology, supported by professional human resources and cautiously executed operational process.



PT BRI Multifinance Indonesia (BRI Finance)

Corporate Profile

Established in 1983 as a joint company of The Sanwa Bank Ltd, Japan and PT Bank Rakyat Indonesia (Persero), under the name of PT Sari Usaha Leasing, BRI Finance became one of the pioneers of Indonesia's financing industry after it secured a business permit from the Finance Ministry through Decision Letter No. KEP-465/KM.11/1983. The same year, the Company changed its name to PT Sanwa – BRI Leasing.

In 1991, in line with the change in the operation permit to conduct multi-financing, BRI renamed the company PT Sanwa – BRI Finance. Several changes were made to the Company's business permit, with the latest business permit made pursuant to the Finance Minister Decision No. KEP-045/KM.102/2008 dated 18 March, 2008.

In line with the merger conducted by The Sanwa Bank Ltd, when Japan become The UFJ Bank Ltd, Japan, the Company's name was changed to PT UFJ – BRI Finance in 2002. The new name gave the Company an opportunity for fast development due to bigger business and financial support

from shareholders. Another merger was conducted when the UFJ Bank Ltd, Japan become the Bank of Tokyo-Mitsubishi UFJ, Ltd Japan, changing the Company's name to PT BTMU – BRI Finance in 2008.

On 30 September, 2016, PT Bank Rakyat Indonesia (Persero) Tbk and Yayasan Kesejahteraan Pekerja Bank Rakyat Indonesia acquired a share in BRI Finance from The Bank of Tokyo-Mitsubishi UFJ Ltd, Japan. PT Bank Rakyat Indonesia (Persero) currently owns 99% of the total shares and Yayasan Kesejahteraan Pekerja Bank Rakyat Indonesia owns 1%. In line with the share transfer, the Company's name was changed from PT BTMU-BRI Finance to PT BRI Multifinance Indonesia, with the brand BRI Finance forming a part of integrated financial services and the biggest financial network in Indonesia.

BRI Finance focuses on investment financing with a leasing agreement scheme. BRI Finance conducts the business comprehensively across the entire country regardless of the brand, area type or industry.

Management Composition

Board of Commissioners

Name	Position
Edi Masrianto	President Commissioner
Nandi Hendrian Hamaki	Commissioner
Boyke Budiono	Commissioner

Board of Directors

Name	Position
Kurnia Chaerudin	President Director
Hendrickus	Director
Achmad Chairul Ganie	Director
Hadi Susanto	Director

Development Milestones in 2016

In September, 2016, BRI increased its share ownership in PT BTMU-BRI Finance from 45% to 99% by buying shares owned by PT Bank of Tokyo – Mitsubishi UFJ Ltd Japan. In the future, as the majority shareholder, Bank BRI will be able to provide the necessary support to boost BRI Finance's performance and its contribution as a part of BRI's financial conglomerate. With the change of the controlling shareholder, the composition of the Board of Directors and Board of Commissioners also changed, in terms of position nomenclature as well as personnel assignment, as follow:

Prior		Current		Description
Akihiko Hasegawa	Vice President Commissioner	Nandi Hendrian Hamaki	Commissioner	Change of personnel and position
Hideki Nakamura	President Director	Kurnia Chaerudin	President Director	Change of personnel
Hendrickus	Vice President Director	Hendrickus	Director	Change of position
Toshio Nabeyama	Director	Achmad Chairul Ganie	Director	Change of personnel

Currently, BRI Finance's business activities are supported by 4 main offices in Jakarta, 4 branch offices in Surabaya, Bandung, Samarinda and Medan, as well as 3 new sales offices in West Jakarta, Bekasi and Balikpapan.

In 2016, BRI Finance had 137 permanent employees and 50 external employees with various backgrounds relevant to BRI Finance's line of business.

BRI Finance provides investment financing facilities through a leasing agreement, in which the ownership of capital goods (the leased goods for business purposes) will be transferred to the customers at the end of the leasing period. Investment financing transactions with a leasing agreement are generally divided into:

- Finance Lease
- Sale and Leaseback

Review of Financial Performance

In 2016, BRI Finance booked a net income after tax of Rp57.47 billion, a 84.24% increase from 2015, with total assets of Rp2.40 trillion, a 1.18% increase from 2015, amid economic turbulence and low performance of the financing industry in Indonesia. This achievement was supported by the Return on Assets (ROA) and Return on Equity (ROE) of 3.3% and 9.6% respectively.

BRI Finance Development Strategies in 2017

BRI Finance will continue to collaborate with BRI Group to develop its business in a mutually supportive manner.



Marketing Aspect

Marketing Communication Strategy in 2016

As the largest and most wide-ranging banking network in Indonesia, both in terms of the number of business units and customer base, BRI requires a communication system capable of supporting its marketing activities and business growth. Bank BRI continuously strives to improve its marketing strategy by increasing product awareness, ease of product activation, services, e-channels, as well as other BRI programs for existing customers (improve loyalty) and future customers (increase purchase intention). By implementing an effective and integrated marketing communication strategy, BRI expects to achieve outstanding brand value for BRI as a corporate entity.

Bank BRI's marketing communication activities throughout 2016 were affected by a number of external factors such as the shift in the lifestyle of Indonesia's middle class, which is dominated by millennials in touch with digital marketing, and increasingly more connected, borderless and realtime. Bank BRI needs to target millennials – who are its future – though specifically customized products that fit their mobile and demanding lifestyles.

To address these challenges, Bank BRI launched a number of initiatives in 2016, including the Britamax savings account, and the optimization of the digital media communication system, in order to optimize its connection with millennials.

In the SME sector, in order to achieve BRI's goal of becoming "Indonesia MSME's Bank with Full Banking Services" by the end of 2016, BRI's communication strategies focused on financial inclusion services in the SME segment. One such strategy was to improve cooperation with Bank Indonesia and the Financial Service Authority's (OJK) programs Laku Pandai and Digital Financial Service. Bank BRI actively participated in these activities both through above the line communication and roadshow events in several cities in Indonesia. These activities are in line with Bank BRI's goal to empower more SMEs, through its agents, by improving BRI's services and the number of completed transactions, retrenching operational costs, as well as strengthening CASA structure.

In terms of retail funding, in addition to the above, BRI also focused on the implementation of other national programs, considering its strategic role to guarantee financial stability and price competitiveness. Several strategies utilized by the bank included Untung Beliung Britama, Dagang Untung Belanja Untung and BRI-ITC Shopping festival. In addition, BRI's communication strategy for the Business to Business (B2B) segment will be customized to capture any opportunities from the market value chain.

BRI's marketing communication should begin with an understanding of Integrated Marketing Communication (IMC) at all its employee levels so that the preparation and implementation of the Company's strategies can be carried out in a planned manner that addresses business development, and more fierce and dynamic competition. The preparation and implementation of communication marketing strategies should be supported by optimizing the usage of internal database (CIF) for the transformation to CRM (Customer Relation Management), in order to create a strategic and comprehensive communication network that maximizes the engagement of over 56 million of BRI's customers.

Marketing Communication Program in 2016

In 2016, BRI carried out several marketing campaigns and programs to maintain existing customer loyalty and attract new customers, including:

1. Untung Beliung Britama
2. BRIsat Campaigns and Strategic Plans
3. Dagang Untung Belanja Untung
4. ITC Shopping Festival
5. Program BritAmax
6. Indocomtech
7. Indonesia Open
8. Embracing Booming E-commerce
9. Launch of Teras BRI Digital
10. Launch of E-Pasar
11. Basket JRBL
12. BRI Digital Challenge

Market Share Performance

With increasing competition in the banking sector, Bank BRI continued to try to dominate Indonesia's banking sector in terms of market share. In order to expand its market share, Bank BRI actively promoted its products to its SOE partners, carried out cross selling, and made the most of the trickle down business from its corporate customers, both SOE and non-SOE.

Indicator	2014	2015	2016
Assets	13.86%	13.80%	14.32%
Loan	13.35%	13.65%	14.51%
Third Party Deposit	14.59%	14.57%	14.97%
Net Income	21.57%	24.09%	24,17%

Marketing Communication Strategy in 2017

BRI realizes that its marketing communication in 2017 will have to address the challenges associated with the era of digital marketing and an increasing number of young customers. As such, BRI's communication strategy for 2017 includes:

- Integrating online and offline media (integrated communication)
- Developing new products to increase market penetration
- Creating new programs to increase acquisitions and transactions
- Creating a national-scale program to accelerate the performance of FBI and CASA
- Improving user experience to increase the daily transactions of customer

KESERUAN MAXIMAL
UNTUK MILLENNIALS

BritAmaX

HADIAH SERU MENANTIMU



Buat para Millennials, ayo segera ikuti program **BritAmaX** dan dapatkan kartu debit edisi anak muda.

- Gratis hadiah langsung kuota internet s.d. 2GB dan hadiah undian VW Scirocco, serta hadiah undian menarik lainnya.
- Rasakan Digital Experience di eform.bri.co.id, BRI Digital, dan Hybrid Lounge BRI.

Banyak Saldo, Banyak Transaksi, Banyak Poin, dan Menangkan Hadiahnya!

Info lebih lanjut kunjungi: www.promo.bri.co.id

Periode program: 17 Oktober 2016 s.d 17 Februari 2017

*Syarat dan ketentuan berlaku

Tabungan BRI
BritAma

Financial Review

In this chapter of the 2016 Annual Report, BRI provides a financial review and discussion which refer to the Audited Financial Statements of BRI by Public Accountant Office Purwantono, Sungkoro and Surja (PSS-EY) in accordance with Independent Auditor Report No. RPC-2879/PSS/2017 dated January 20, 2017 which stipulates that BRI's consolidated financial statements have been presented fairly in all material aspects. This opinion complies with the Indonesian Statement of Financial Accounting Standards and Accounting and Reporting Guidelines for the Indonesian Banking Industry.

Balance Sheets

ASSETS

In 2016, assets increase by 14.25%, much higher than the 2015 increase of 9.53%. The increase was driven by credit growth of 14.17%, which was higher than last year's 13.78%. The credit to total asset ratio showed a slight decline due to the asset revaluation this year which raised the fixed asset composition from 0.92% in 2015 to 2.44% in 2016.

Total Assets

(Rp Million)

Summary of Balance Sheet	2014		2015		2016		Growth (%)	
	Nominal	Composition (%)	Nominal	Composition (%)	Nominal	Composition (%)	2014-2015	2015-2016
Cash	22,469,167	2.80	28,771,635	3.28	25,212,024	2.51	28.05	(12.37)
Current Account with Bank Indonesia	51,184,429	6.38	61,717,798	7.03	55,635,946	5.54	20.58	(9.85)
Current Account and Placements with Other Banks - Net	72,615,882	9.05	58,570,756	6.67	89,165,469	8.88	(19.34)	52.24
Marketable Securities - Net	133,700,040	16.67	133,016,543	15.14	142,385,408	14.19	(0.51)	7.04
Government Recapitalization Bonds	4,303,596	0.54	3,815,958	0.43	3,318,434	0.33	(11.33)	(13.04)
Loans	510,696,841	63.68	581,094,544	66.15	663,420,218	66.10	13.78	14.17
Allowance for Impairment Losses -/-	(16,162,795)	(2.02)	(17,514,435)	(1.99)	(22,806,452)	(2.27)	8.36	30.22
Investments - Net	251,573	0.03	269,130	0.03	2,439	0.00	6.98	(99.09)
Fixed Assets - Net	5,917,470	0.74	8,039,280	0.92	24,515,059	2.44	35.86	204.94
Derivative Receivables - Net	536	0.00	-	0.00	91,657	0.01	(100.00)	100.00
Acceptance Receivables - Net	6,525,688	0.81	5,163,471	0.59	5,692,583	0.57	(20.87)	10.25
Deferred Tax	1,688,872	0.21	1,983,774	0.23	2,520,930	0.25	17.46	27.08
Other Assets	8,792,891	1.10	13,497,858	1.54	14,490,711	1.44	53.51	7.36
Total Assets	801,984,190	100.00	878,426,312	100.00	1,003,644,426	100.00	9.53	14.25

Cash and Current Account with BI

Cash decreased by 12.37% to Rp25.21 trillion compared to 2015 which was recorded at Rp28 trillion. BRI maintained a ratio of cash to third party deposits at 3.03% in 2016, down from 4.30% in 2015. This was done to optimize returns by directing cash to

productive assets such as securities and credit. Nevertheless, the ratio of cash to third party deposits was maintained above 3% to anticipate cash withdrawals by third party depositors. The current account with BI in 2016 fell to Rp55.63 trillion from Rp61.72 trillion in 2015 due to a change in Bank Indonesia regulation which lowered the mandatory reserve requirement (GWM) from 7.5% in December 2015 to 6.5% in March 2016. The reduction of GWM by 100 bps was expected to increase banks' intermediary function. BRI's primary GWM in December 2016 for Rupiah amounted to 6.94% and for foreign exchange was 8.03%, in compliance with Bank Indonesia regulation.

Current Accounts with Other Banks, Placements in BI And Other Banks

Current accounts with other banks, placements in BI and other banks rose 52.24% in 2016, compared to 2015 which was recorded as a decline of 19.34%. The increase in current accounts with other banks, placements in BI and other banks was due to an increase in BRI's third party deposits of 12.78% -higher than the 7.50% increase in 2015. BRI's third-party deposits in 2016 rose to Rp754.53 trillion, higher than 2015 which was Rp668.99 trillion. Third-party deposits coming at the very end of 2016 from government institution funds were placed in BI and other banks. Later this will be relocated to higher yield portfolios.

Securities

Outstanding securities rose by 7.04% compared to last year, in the amount of Rp9.37 trillion, mostly because of an increase of Bank Indonesia Certificates by Rp6.79 trillion as BRI had placed December funds into Bank Indonesia Certificates before they will be relocated to higher return credit assets in the following year.

Government Recapitalization Bonds

Government recapitalization bonds in 2016 decreased by 13.04% to Rp3.32 trillion due to matured bonds in the amount of Rp500 billion. Ninety three percent of recap bonds will be held until maturity with the rest as available for trade bonds.

Government Recapitalization Bonds

(Rp Million)

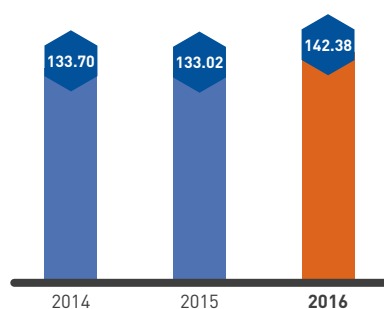
Category	Tenor	2014	2015	2016
Available for sale	2018-2020	703,596	715,958	718,434
Held to maturity	2018-2020	3,600,000	3,100,000	2,600,000
Total		4,303,596	3,815,958	3,318,434

Loans

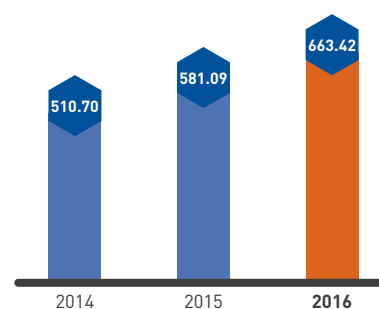
In 2016, BRI recorded an increase of outstanding loans of 14.17%, rising from Rp581.10 trillion to Rp663.42 trillion. This growth was contributed by growth of micro credit, which reached 17.71% and growth of loans to State-Owned Enterprises of 14.29%. The high growth of micro credit was driven by KUR disbursements in 2016 which had been booked at Rp64.07 trillion. KUR with 9% interest rate creates incentives for bank customers to borrow and use it as working capital. The high loan growth rate was also seen on the SOE segment with many government infrastructure projects, particularly in the electricity sector.

The KUR program helped BRI in increasing its market dominance in MSME loans, and in 2016, the MSME loans proportion of BRI total loans was 72.53%, up from 72.32% in the previous year.

Securities - Net (Rp Trillion)



Loans (Rp Trillion)



Loan by Currency

(Rp Million)

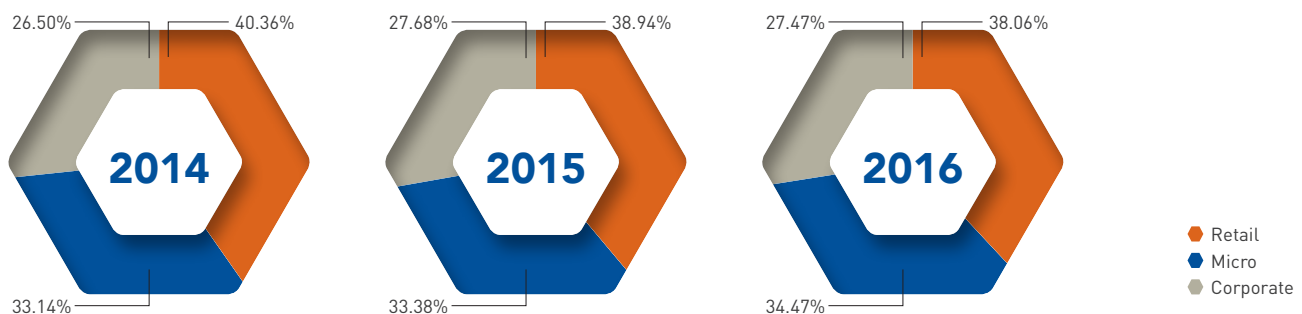
Segment	Loans			Growth (%)	
	2014	2015	2016	2014-2015	2015-2016
Micro	164,054,180	188,428,179	221,802,205	14.86	17.71
Rupiah	164,054,180	188,428,179	221,802,205	14.86	17.71
Foreign Currency	-	-	-	-	-
Retail	199,828,590	219,785,772	244,880,936	9.99	11.42
Rupiah	190,408,020	212,380,275	235,956,203	11.54	11.10
Foreign Currency	9,420,570	7,405,497	8,924,733	-21.39	20.51
Corporate	131,214,518	156,266,587	176,787,834	19.09	13.13
Rupiah	85,636,668	105,359,977	127,418,845	23.03	20.94
Foreign Currency	45,577,850	50,906,610	49,368,989	11.69	-3.02
Total Loans Non-Sharia Financing and Receivables	495,097,288	564,480,538	643,470,975	14.01	13.99
Rupiah	440,098,868	506,168,431	585,177,253	15.01	15.61
Foreign Currency	54,998,420	58,312,107	58,293,722	6.03	-0.03
Sharia Financing and Receivables	15,599,553	16,614,006	17,748,943	6.50	6.83
Lease Receivables	-	-	2,200,300	0.00	100.00
Total Loans	510,696,841	581,094,544	663,420,218	13.78	14.17

Loan by Segment

(Rp Million)

Segment	Loans			Growth (%)	
	2014	2015	2016	2014-2015	2015-2016
Retail	199,828,590	219,785,772	244,880,936	9.99	11.42
Micro	164,054,180	188,428,179	221,802,205	14.86	17.71
Corporate	131,214,518	156,266,587	176,787,834	19.09	13.13
Total Loans	495,097,288	564,480,538	643,470,975	14.01	13.99
Allowance for Impairment Losses	(15,886,145)	(17,162,183)	(22,184,296)	8.03	29.26
Total Loans less Allowance for Impairment Losses	479,211,143	547,318,355	621,286,679	14.21	13.51

Loan Composition – by Segment (%)

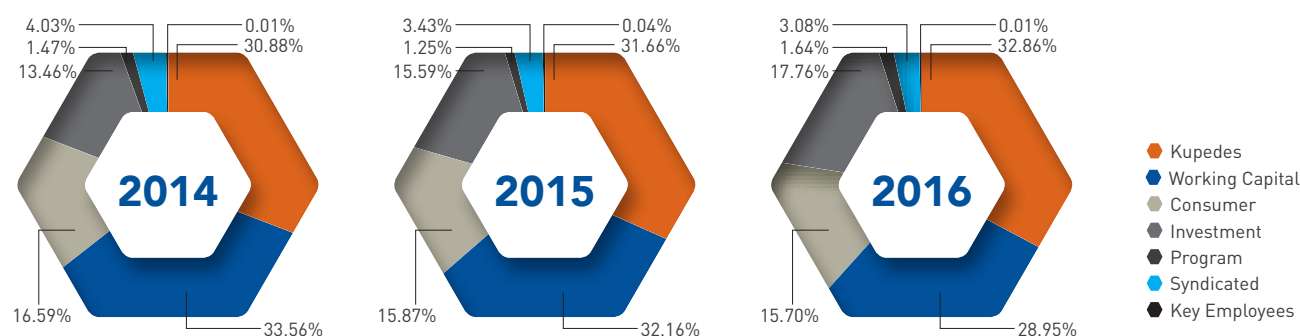


Loans by Type

(Rp Million)

Type	Loans			Growth (%)	
	2014	2015	2016	2014-2015	2015-2016
Kupedes	152,905,930	178,759,239	211,417,693	16.91	18.27
Working Capital	166,174,398	181,546,071	186,324,358	9.25	2.63
Consumer	82,118,614	89,621,859	101,031,288	9.14	12.73
Investment	66,629,483	88,058,790	114,261,862	32.16	29.76
Program	7,259,617	7,064,037	10,547,008	-2.69	49.31
Syndicated	19,958,889	19,384,044	19,845,592	-2.88	2.38
Key Employees	50,357	46,498	43,174	-7.66	-7.15
Total Loans	495,097,288	564,480,538	643,470,975	14.01	13.99
Allowance for Impairment Losses	(15,886,145)	(17,162,183)	(22,184,296)	8.03	29.26
Total Loans less Allowance for Impairment Losses	479,211,143	547,318,355	621,286,679	14.21	13.51

Loan Composition – by Type (%)



Allowance for Impairment Losses

Allowance for impairment losses is calculated using individual and collective impairment approaches. Individual impairment loans are defined as loans that individually have significant value (over Rp 5 billion), have objective evidence of impairment and/or are restructured individual loans. Meanwhile collective impairment loans include loans that individually have significant value (above Rp 5 billion) but without objective evidence of impairment, loans that individually have no significant value, and restructured loans that individually have no significant value.

Loans would be defined as impaired assets when they are overdue more than 90 (ninety) days, for principal and/or interest payments. In addition, impaired loans can also occur when there is an adverse event after the loan agreement affecting estimated future cash flows. Objective evidence is the result of observations on events which BRI considers can affect debtors' ability to pay in the future and can harm BRI credit calculation. Allowance for Impairment Losses is intended to cover losses due to declining value of credit.

Allowance for Impairment Losses (CKPN)

(Rp Million)

Description	Loans			Growth (%)	
	2014	2015	2016	2014-2015	2015-2016
Beginning balance	15,413,912	16,162,795	17,642,435	4.86	9.15
CKPN provisioning	5,722,754	8,891,305	13,715,915	55.37	54.26
Write off during the year	(5,652,844)	(7,945,727)	(8,592,459)	40.56	8.14
Exchange rate difference	678,973	406,062	40,561	(40.19)	(90.01)
Ending balance	16,162,795	17,514,435	22,806,452	8.36	30.22

As loans at BRI grew 14.17%, the Allowance for Impairment Losses increased by 30.22%, or Rp5.29 trillion in order to provide enough allowance to cover deterioration of credit quality. In 2016, BRI Non Performing Loans were 2.04% with NPL Coverage Ratio of 169.12%, higher than the 150.80% in 2015. When syariah financing was included in the calculation, NPLs were 2.13% with NPL Coverage Ratio of 161.16% in 2016, higher than the 143.75% in 2015. This showed that BRI has become more conservative in anticipating declining credit value in the future due to the global economic slowdown that has adversely affected Indonesia's economic condition.

In addition to allocating enough Allowance for Impairment Losses, BRI also mitigates credit risk by reviewing collateral, warranties, guarantees and credit insurance. BRI has procedures to ensure execution of collateral, guarantees or credit insurance be carried out within a reasonable time frame. In establishing collateral value, BRI chooses the lower binding value of collateral between fair value and market value. Revaluation of fair and market value of collateral is conducted regularly.

The methodology to calculate Allowance for Impairment Losses due to declining value is further discussed in the Risk Management Chapter.

Loan Write-Offs and Recovery (Recovery Income)

In 2016, BRI exercised loan write-offs in the amount of Rp8.47 trillion, up 8.42% compared to 2015. Approximately 94.03% of the write-offs in 2016 came from Micro, Small and Medium Enterprises loans, at 72.53% of total BRI loans. The write-offs for micro loans segment were carried out automatically when the loans were overdue for 270 days for efficiency purposes. Micro loan write-offs in the amount of Rp4.74 trillion, or 2.24% of total loan outstanding, has resulted in having Micro NPLs at 0.99%. The recovery rate for MSM loans reached 55.11% showing that from loan write-offs, BRI still made loan collection efforts and recovered some. Further discussion on recovery income will be done on Profit-Loss/Income Statement.

In addition to the micro segment, write-offs were exercised when loans still could not be collected after restructuring and/or other efforts were carried out due to worsening economic conditions.

Investment

In 2016, BRI investments reached Rp2.44 billion, down 99.10% from Rp269.13 billion in 2015. The drop was due to BRI's increased equity ownership in PT BTMU BRI Finance from 45% to 99%, therefore, BTMU BRI Finance had become a BRI subsidiary and was not listed as a BRI investment anymore. The carrying value of BTMU BRI Finance transferred from investment was Rp262.90 billion, reflecting the 45% share ownership. BRI increased its ownership stake to 99% with purchase price of Rp378.55 billion. BTMU BRI Finance changed into BRI's subsidiary under the name PT BRI Multifinance Indonesia on 15 September 2016 with assets valued of Rp2.40 trillion in December 2016.

Details of investments per 31 December 2016 is as follows:

Investments

(Rp Million)

Name of Company	Line of Business	Ownership Percentage 2016 (%)	Carrying Value		
			2014	2015	2016
PT Kustodian Sentral Efek Indonesia	Securities Settlement Institution	3.00	900	900	900
PT Sarana Bersama Pembiayaan Indonesia	Investment Services	8.00	536	536	536
PT Jakarta Kyoei Medical Center	Healthcare	1.68	-	220	220
PT Pemeringkatan Efek Indonesia	Securities Rating	0.21	210	210	210
PT Menara Proteksi Indonesia	Land Management Support Facilities	2.00	-	200	200
BPR Toeloengredjo Dasa Nusantara	Banking	1.50	77	77	77
BPR Tjoekir Dasa Nusantara	Banking	3.00	77	77	77
BPR Toelangan Dasa Nusantara	Banking	1.50	66	66	66
PT Merapi Gelanggang Wisata	Tourism Support Facilities	0.50	-	50	50
BPR Cinta Manis Agroloka	Banking	1.75	35	35	35
PT Sukapraja Estetika Padang Golf	Sport Facilities Development	0.50	-	25	25
BPR Bungamayang Agroloka	Banking	2.25	23	23	23
PT Aplikanusa Lintasarta	Non-Bank	0.03	20	20	20
PT BTMU BRI Finance	Financing	45.00	249,629	262,891	-
PT Kelola Jasa Artha	Remittance	14.22	-	2,560	-
PT Bringin Gigantara	Procurement of Goods and Services and IT	5.14	-	1,240	-
Total			251,573	269,130	2,439

Assessment of the impairment of investment was carried out individually by reviewing objective evidence of impairment, and on 31 December 2016, 2015 and 2014, all investments are classified as "Current" with assurance that all investments would be recovered; therefore, there was no need to set aside allowance for impairment losses.

In 2016 and 2015, BRI received cash dividends in the respective amounts of Rp170 million and Rp391 million from PT Sarana Bersama Pembiayaan Indonesia. Dividends received from PT Pemeringkat Efek Indonesia, were Rp11 million and Rp3 million in 2016 and 2015 respectively.

Fixed Assets

During 2016, BRI purchased office buildings in the amount of Rp455 billion as part of efforts to increase its network dominance in Indonesia. There was an increase of Rp16.48

trillion in fixed assets from 2015, which included a satellite with nominal value of Rp2.32 trillion to Rp3.28 trillion in 2016, or an increase of Rp959.04 billion. This significant increase in fixed assets was due to revaluation of land which had taken place in June 2016 and increased value of land by Rp14.3 trillion.

The BRI satellite (BRI_{sat}) was launched on June 19, 2016, and posted at 96% of the total value of the contract. It is expected that BRI_{sat} will meet the needs of BRI to have a communications network for all units and at the same time, improve the communication quality of BRI working units.

Other Assets

Other Assets increased by 7.36% from Rp13.51 trillion in 2015 to Rp14.50 trillion in 2016. This increase was due to increases in claims related to ATM and credit card transactions, fixed assets that have not been distributed, and claims on government related to disbursement of second generation KUR.

LIABILITIES

Liabilities

(Rp Million)

Summary of Balance Sheet	2014		2015		2016		Growth (%)	
	Nominal	Composition (%)	Nominal	Composition (%)	Nominal	Composition (%)	2014-2015	2015-2016
Third Party Funds	622,321,846	88.36	668,995,379	87.42	754,526,374	88.06	7.50	12.78
Demand Deposits	90,052,180	12.79	114,367,088	14.94	142,546,863	16.64	27.00	24.64
Savings	236,394,994	33.57	272,470,992	35.60	303,270,288	35.39	15.26	11.30
Time Deposits	295,874,672	42.01	282,157,299	36.87	308,709,223	36.03	(4.64)	9.41
Liabilities Due Immediately	7,043,772	1.00	5,138,562	0.67	5,410,313	0.63	(27.05)	5.29
Deposits from other Banks	8,655,392	1.23	11,165,073	1.46	2,229,538	0.26	29.00	(80.03)
Securities Sold with Repurchases Agreements	15,456,701	2.19	11,377,958	1.49	7,302,398	0.85	(26.39)	(35.82)
Borrowings	24,986,862	3.55	35,480,358	4.64	35,008,170	4.09	42.00	(1.33)
Subordinates Loans	8,257,990	1.17	10,521,103	1.37	24,800,781	2.89	27.41	135.72
Other Liabilities	17,555,793	2.49	22,620,700	2.96	27,554,262	3.22	28.85	21.81
Total Liabilities	704,278,356	100.00	765,299,133	100.00	856,831,836	100.00	8.66	11.96

In 2016, liabilities increased by 11.96%, from Rp765.30 trillion in 2015 to Rp856.83 trillion in 2016. Third party deposits dominated at 87.42% out of total liabilities in 2015 and 88.06% in 2016.

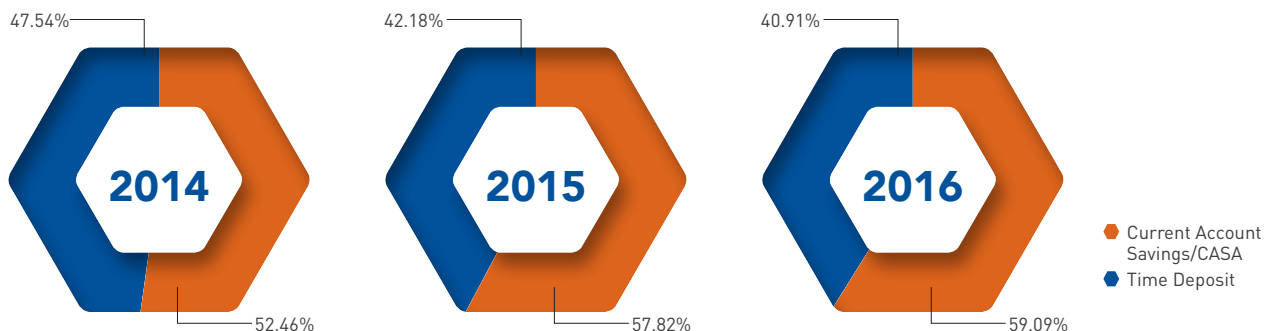
Third Party Deposits

Third Party Deposits

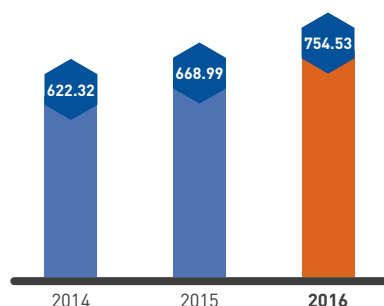
(Rp Million)

Customer Deposits	2014	2015	2016	Growth (%)	
				2014-2015	2015-2016
Demand Deposits	89,430,267	113,429,343	141,419,020	26.84	24.68
Wadiah Demand Deposits	621,913	937,745	1,127,843	50.78	20.27
Savings	232,722,519	268,058,865	298,110,406	15.18	11.21
Wadiah Savings	3,298,659	3,715,929	4,176,761	12.65	12.40
Mudharabah Savings	373,816	696,198	983,121	86.24	41.21
Time Deposits	283,457,544	267,884,404	293,029,378	-5.49	9.39
Mudharabah Time Deposits	12,417,128	14,272,895	15,679,845	14.95	9.86
Total Customer Deposits	622,321,846	668,995,379	754,526,374	7.50	12.78
CASA	52.46%	57.82%	59.09%	10.23	2.18
Time Deposits Composition	47.54%	42.18%	40.91%	-11.29	-2.99

Customer Deposit Composition (%)



Third Party Funds (Rp Trillion)



In 2016, the Bank managed to raise third party funds of Rp754.53 trillion, up 12.78% from Rp668.99 trillion in 2015. This increase was primarily driven by an increase of demand deposits by 24.68% and of savings which grew 11.21%, while time deposits rose only by 9.39%. Since growth of demand and saving deposits was higher than that of time deposit funds, the low-cost funds composition at BRI rose from 57.82% in 2015 to 59.09% in 2016.

The increase of low-cost funds in 2016 was in line with BRI strategy to maintain its profitability while keeping quality asset growth and more efficient cost of funds. The success has been measured by a decrease in the cost of funds (bank only) from 4.32% in 2015 to 3.70% in 2016.

In 2016, BRI has 10,643 branch offices in the network across Indonesia. This is BRI's comparative advantage among other major banks in the country in raising low-cost funds more easily. In addition, there were 84,550 BRILink agents who give easier access to BRI customers to do banking transactions via BRILink agents' accounts. It was expected that this access could increase savings balances at BRI. In December 2016, the amount of savings balance that BRILink agents accounted for was Rp1.38 trillion.

Liabilities Due Immediately

Liabilities due immediately are BRI's liabilities which must be paid immediately as instructed by terms and conditions in agreements previously set out. In December 2016, most liabilities due immediately were comprised of advance payments for deposits, ATM and credit card deposits and tax payments. Liabilities due immediately in 2016 rose by 5.29% to Rp5.41 trillion from 2015; this increase was due to the Rp1.50 trillion increase in Advance Payments.

Deposits from Other Banks and Other Institutions

Deposits from other banks and other institutions consist of demand deposits, savings, time deposits, interbank call money and on call deposits. In 2016, deposits from other banks and other institutions were booked at Rp2.23 trillion, down by 80.03% from Rp11.17 trillion in 2015. Most deposits from other banks in 2015 were call deposits in the amount of Rp4.39 trillion and interbank call money with nominal value of Rp4.33 trillion. This significant drop was due to tight bank liquidity in 2016, causing banks to reduce their funds placement at BRI to maintain their own liquidity.

Borrowings

In 2016, the amount of borrowings received by BRI was Rp35.01 trillion, down Rp472.19 billion from Rp35.48 trillion in 2015. It decreased by 1.33% due to matured borrowings in 2016. Borrowings received in 2015 mainly consisted of:

1. Loan facility from China Development Bank Corporation in the amount of USD1.0 billion for infrastructure and industry financing in Indonesia. The long-term borrowing between Indonesia and China has a 10-year tenor and will be due on 16 September 2025.
2. Club Loan facility in the amount of USD550 million, facilitated by The Hong Kong and Shanghai Banking Corporation Ltd. The Club Loan facility in the amount of USD325 million will be due on March 30, 2019, USD155 million will be due on 30 September 2019 and USD70 million will be due on 30 September 2020. These borrowings are intended to strengthen the long-term financing structure and maturity profile.
3. Club Deal facility from BNP Paribas in the amount of USD370 million with a 36-month tenor and will be due on 12 September 2017.

Securities Issued

Securities issued by BRI in 2016 were recorded at Rp24.80 trillion, up 135.72% from Rp10.52 trillion last year. The increase is due the issuance of BRI Shelf Registered Bond I Phase 2 in the amount of Rp4.65 trillion, Shelf Registered Bond I Phase 3 at Rp4.35 trillion, BRI Medium-Term Notes in the amount of Rp1.93 trillion and BRI Shelf Registered Bond II Phase I at Rp4.6 trillion. The issuance of Bonds and Medium Term Notes are intended to allow for increased lending.

Other Liabilities

In 2016, Other Liabilities in BRI were booked at Rp27.55 trillion, up 21.81% from Rp22.62 trillion in 2015. Other Liabilities mostly consisted of employee benefits in the amount of Rp10.11 trillion and insurance policy benefits worth Rp3.76 trillion.

Equity

Equity

(Rp Million)

Component	2014	2015	2016	Growth [%]	
				2014-2015	2015-2016
Authorized Capital	6,167,291	6,167,291	6,167,291	0.00	0.00
Additional Paid-in Capital- Net	2,773,858	2,773,858	2,773,858	0.00	0.00
Surplus of Fixed Asset Revaluation - Net	-	-	13,824,692	0.00	0.00
Differences Arising from Translation of Foreign Currency Financial Statements	56,468	49,069	23,490	-13.10	-52.13
Unrealized Gains (Loss) on Available for Sale Marketable Securities and Government Recapitalization Bonds - Net	(198,888)	(1,145,471)	75,618	475.94	-106.60
Revaluation of Defined Benefit Program - Net	124,147	541,468	665,870	336.15	22.97
Treasury Stock	-	(2,286,375)	(2,418,948)	100.00	5.80
Total Retained Earnings	88,607,774	106,733,021	125,309,471	20.46	17.40
Total Equity Attributable to Equity Holders of Parent Entity	97,530,650	112,832,861	146,421,342	15.69	29.77
Non-Controlling Interest	175,184	294,318	391,248	68.01	32.93
Total Equity	97,705,834	113,127,179	146,812,590	15.78	29.78

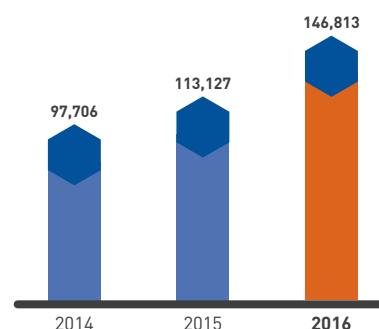
In 2016, BRI's assets rose by 14.25% while liabilities and equity increased by 11.96% and 29.78% respectively. With those increases, the proportion of liabilities and equity was split to 85.37% and 14.63%.

Equity rose by 29.78% in 2016, from Rp113.13 trillion in 2015 to Rp146.81 trillion in 2016. This was largely due to increases in current year earnings in the amount of Rp18.58 trillion, or an increase of 17.40%, coupled with surplus in fixed asset revaluation at Rp13.82 trillion. In accordance to the 2016 Annual General Meeting of Shareholders (AGM) decision, the dividend payout ratio of profits based on the 2015 Financial Statements is 30%.

Treasury Stock increased by Rp132.57 billion due to purchase of treasury stock in 2016. Treasury Stock Program began on October 12, 2015 and ended on January 12, 2016 for a total purchase Rp2.42 trillion for 221,718,000 shares or 100% of the target. BRI has reported the realization of this program

to the OJK on January 13, 2016. The Annual General Meeting of Shareholders (AGM) in 2016 approved the use of Treasury Shares for Share Ownership Program for Management and Employees.

Total Equity (Rp Billion)



Income Statements

For 2016, BRI recorded a net profit of Rp26.23 trillion, up 3.2% compared to 2015. BRI performance was above banking sector average for loan growth and third-party deposit growth, being able to book a high profit in 2016. Loan growth reached 14.17% in 2016 with healthy asset quality. This was reflected at BRI's Non-Performing Loan level which was well under banking industry's NPL. BRI's NPL was 2.13%, including Non-Performing Financing (NPF) for Sharia banking, which was less than banking industry NPL of 2.93%.

BRI continued to achieve the highest profit in the banking industry since 2005 and was still able to accumulate reserves in Allowance for Impairment Losses/CKPN which increased from 150.80% in 2015 to 169.12% in 2016 to anticipate the deterioration of credit quality in the future. Taking into account Syariah NPF, the NPL Coverage Ratio reached 161.16% in 2016, higher than 143.75% in 2015.

(Rp Million)

Component	2014	2015	2016	Growth (%)	
				2014-2015	2015-2016
Interest Income	73,065,777	83,007,745	92,151,312	13.61	11.02
Profit Sharing - Sharia	2,056,436	2,426,292	2,636,677	17.99	8.67
Less: Interest Expenses	(23,679,803)	(27,154,270)	(27,211,975)	14.67	0.21
Interest Income and Profit Sharing - Net	51,442,410	58,279,767	67,576,014	13.29	15.95
Premium Revenue	-	-	2,474,579	0.00	0.00
Claim Expenses	-	-	(2,410,192)	0.00	0.00
Premium Revenue - Net	-	-	64,387	0.00	0.00
Other Operating Income	10,167,624	13,855,484	17,213,112	36.27	24.23
Allowance for Written- Off Impairment Losses on Financial and Non-Financial Assets - Net	(5,721,905)	(8,891,305)	(13,700,241)	55.39	54.09
(Expense) Reversal for Net Estimated Commitment and Contingencies - Net	(175)	(844)	347	382.29	-141.11
Reversal for Net Allowance for Impairment Losses on Non-Financial Assets - Net	2,721	(8,056)	(90,757)	(396.07)	1026.58
Less: Other Operating Expenses	(26,715,275)	(31,275,696)	(37,098,320)	17.07	18.62
Operating Income	29,175,400	31,959,350	33,964,542	9.54	6.27
Non-Operating Income - Net	1,628,712	534,668	9,228	(67.17)	(98.27)
Income Before tax	30,804,112	32,494,018	33,973,770	5.49	4.55
Tax Expenses	(6,577,511)	(7,083,230)	(7,745,779)	7.69	9.35
Net Income Before Extraordinary Items	24,226,601	25,410,788	26,227,991	4.89	3.22
Net Income	24,226,601	25,410,788	26,227,991	4.89	3.22

Net Income

↑ **3.2%**

Increased from the previous year

Loan Growth

↑ **14.17%**

Increased from the previous year

BRI NPL

~ **2.13%**

Relatively the same as in previous year, but lower than banking industry

NPL Coverage

↑ **161.16%**

Increased from the previous year

INTEREST INCOME AND EXPENSE

BRI is a bank with the largest amount of loans in Indonesia. In 2016, loans disbursed by BRI reached Rp663.42 trillion, or 66.10% of total BRI assets. Thus, BRI revenue is mostly generated by interest income from loans at 89.13% of total interest income of Rp94.79 trillion. Besides loan disbursement, BRI also raised public funds in order to carry out its intermediary function. Therefore, the composition of interest expense in its total cost was dominant.

Interest Income

BRI recorded interest income growth by 10.95% in 2016, primarily contributed by interest income from loans which accounted for 86.35% of total interest income of BRI. Loan interest income grew 10.45% from Rp74.11 trillion in 2015 to Rp81.85 trillion in 2016. Income from Shariah's profit-sharing schemes rose by 8.67% from Rp2.43 trillion to Rp2.64 trillion in 2016.

Interest income from securities rose by 25.89% from Rp6.05 trillion in 2015 to Rp7.61 trillion. The increase of interest income from securities occurred because there was increase in the coupon of the securities purchased in 2016.

Interest Income

(Rp Million)

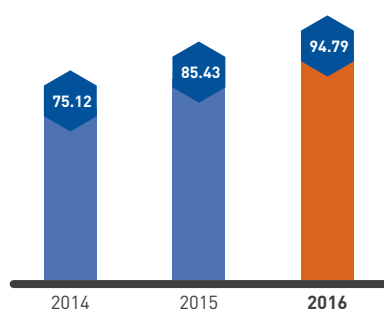
Component	2014		2015		2016		Growth (%)	
	Amount	Composition (%)	Amount	Composition (%)	Amount	Composition (%)	2014-2015	2015-2016
Loans	65,930,652	87.76	74,106,341	86.74	81,850,927	86.35	12.40	10.45
Government Recapitalization Bonds	245,878	0.33	242,511	0.28	201,241	0.21	-1.37	-17.02
Securities	3,458,555	4.60	6,045,007	7.08	7,609,791	8.03	74.78	25.89
Placements with Other Banks and Bank Indonesia	1,372,015	1.83	1,174,692	1.37	982,287	1.04	-14.38	-16.38
Demand Deposits with Bank Indonesia	222,584	0.30	247,729	0.29	158,570	0.17	11.30	-35.99
Others	1,836,093	2.44	1,191,465	1.39	1,348,496	1.42	-35.11	13.18
Sharia	2,056,436	2.74	2,426,292	2.84	2,636,677	2.78	17.99	8.67
Total Interest Income	75,122,213	100.00	85,434,037	100.00	94,787,989	100.00	13.73	10.95

BRI has attempted to obtain optimal interest income by prioritizing loan disbursement to the micro segment, which has proven to be resilient in the economic slowdown. BRI also conducted selective lending to the corporate segment. Growth of these selective loans, while maintaining good quality loans have successfully resulted in optimal interest income for BRI.

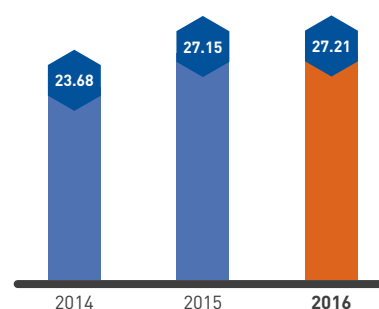
Interest Expense

Interest expense rose by 0.21% YoY from Rp27.15 trillion in 2015 to Rp27.21 trillion in 2016. This increase is much lower than the increase in third party funds, which reached 12.78%. Interest expense was more efficient due to lower interest rates on Rupiah deposits from 8.48% in 2015 to 7.89% in 2016.

Total Interest Income (Rp Trillion)



Total Interest Expense (Rp Trillion)



(Rp Million)

Component	Interest Expenses						Growth (%)	
	2014		2015		2016		2014-2015	2015-2016
	Amount	Composition (%)	Amount	Composition (%)	Amount	Composition (%)		
Time Deposits	16,743,689	70.71	18,929,633	69.71	17,114,973	62.90	13.06	-9.59
Savings	2,612,080	11.03	2,897,531	10.67	2,886,158	10.61	10.93	-0.39
Demand Deposits	1,283,499	5.42	1,260,610	4.64	1,661,252	6.10	-1.78	31.78
Deposits From Other Banks and Other Financial Institutions	460,538	1.94	911,961	3.36	638,251	2.35	98.02	-30.01
Securities Issued	212,714	0.90	558,479	2.06	1,129,485	4.15	162.55	102.24
Securities Sold with Repurchase Agreements	83,881	0.35	239,564	0.88	378,230	1.39	185.60	57.88
Borrowings	123,615	0.52	335,113	1.23	1,091,202	4.01	171.09	225.62
Subordinated Loans	215,292	0.91	3,225	0.01	2,286	0.01	-98.50	-29.12
Others	949,671	4.01	1,004,984	3.70	1,274,636	4.68	5.82	26.83
Sharia Expenses	994,824	4.20	1,013,170	3.73	1,035,502	3.81	1.84	2.20
Total Interest Expenses	23,679,803	100.00	27,154,270	100.00	27,211,975	100.00	14.67	0.21

Net Interest Income

Net interest income in 2016 reached Rp67.58 trillion, up 15.95% compared to Rp58.28 trillion in 2015. The high growth of net interest income was due to the 14.17% increase in loans. At the same time, interest expense growth was only 0.2% due to increase in CASA composition from 57.82% in 2015 to 59.09% in 2016.

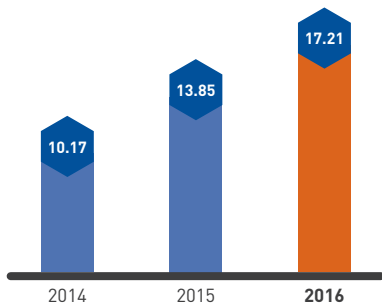
OTHER OPERATING INCOME

(Rp Million)

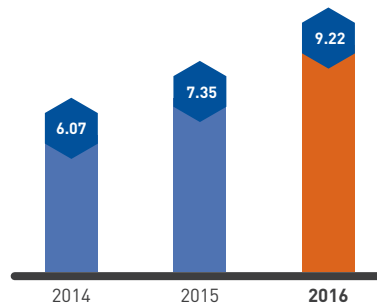
Component	Other Operating Income						Growth (%)	
	2014		2015		2016		2014-2015	2015-2016
	Amount	Composition (%)	Amount	Composition (%)	Amount	Composition (%)		
Fee Based Income	6,072,460	59.72	7,355,973	53.09	9,222,558	53.58	21.14	25.38
Recovery of Written-Off Assets	2,969,160	29.20	3,788,388	27.34	4,496,825	26.12	27.59	18.70
Unrealized Gains of Sales of Marketable Securities and Government Recapitalization Bonds - Net	6,400	0.06	-	0.00	31,025	0.18	(100.00)	100.00
Gains of Sales of Marketable Securities and Government Recapitalization Bonds - Net	121,575	1.20	86,485	0.62	447,580	2.60	-28.86	417.52
Gains from Foreign Exchange Difference - Net	237,304	2.33	467,167	3.37	-	0.00	96.86	(100.00)
Others	760,725	7.48	2,157,471	15.57	3,015,124	17.52	183.61	39.75
Total Other Operating Income	10,167,624	100.00	13,855,484	100.00	17,213,112	100.00	36.27	24.23

Other operating income rose by 24.23%, or an increase of Rp3.35 trillion to Rp17.21 trillion in 2016. Other operating income mostly consisted of fee based income which contributed 53.58% while recovery of written off assets (revenue recovery) made up 26.12% of total other operating income.

Total Other Operating Income (Rp Trillion)



Total Fee Based Income (Rp Trillion)

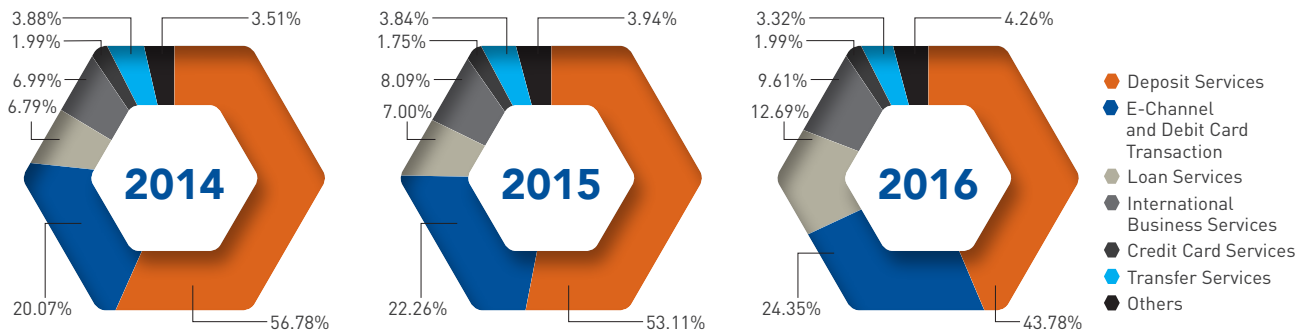


Fee Based Income

(Rp Million)

Components	Fee Based Income						Growth (%)	
	2014		2015		2016		2014-2015	2015-2016
	Amount	Composition (%)	Amount	Composition (%)	Amount	Composition (%)		
Deposit Services	3,448,005	56.78	3,907,092	53.11	4,037,187	43.78	13.31	3.33
E-Channel and Debit Card Transaction Fees	1,218,489	20.07	1,637,396	22.26	2,246,025	24.35	34.38	37.17
Loan Services	412,339	6.79	514,566	7.00	1,170,623	12.69	24.79	127.50
International Business Services	424,432	6.99	595,229	8.09	886,671	9.61	40.24	48.96
Credit Card Services	120,569	1.99	128,748	1.75	183,511	1.99	6.78	42.54
Transfer Services	235,734	3.88	282,806	3.84	306,093	3.32	19.97	8.23
Others (including Subsidiaries)	212,892	3.51	290,136	3.94	392,448	4.26	36.28	35.26
Total	6,072,460	100.00	7,355,973	100.00	9,222,558	100.00	21.14	25.38

Fee Based Income Composition (%)



In 2016, the Bank recorded fee-based Income in the amount of Rp9.22 trillion, up 25.38% compared to the Rp7.36 trillion in 2015. In the composition of fee-based income, the biggest contribution came from deposit administration fees at 43.78% in 2016. It slightly decreased compared to 53.11% in 2015. The decline of deposit administration fees was due to rising e-channel and debit card transaction fees from 22.26% in 2015 to 24.35% in 2016. In addition, there was an increase in loan service fees from 7% in

2015 to 12.69% in 2016. The rising penetration of technology, including the use of smart phones offers potential for BRI to expand its e-banking service, particularly in the retail segment. With its large customer base, BRI can develop its e-banking services to increase fee-based income in the future. Another source of fee-based income was contributions from BRI subsidiaries, expected to increase in the coming years.

Recovery of Written-Off Assets (Recovery Income)

Recovery income rose by 18.70% from Rp3.78 trillion, including recovery income from credit insurance of Rp1.5 trillion, to Rp4.50 trillion in 2016, including recovery income from credit insurance of Rp1 trillion. The increase was in line with the increase in recovery rate from 47.68% in 2015 to 52.33% in 2016.

OTHER OPERATING EXPENSES

In 2016, other operating expenses increased by 18.62%, slightly higher than the growth of other operating expenses in 2015 which reached 17.07%. The increase in other operating expenses was due to increase of labor costs that rose 11.36%, and this reflected cost of living and minimum wage adjustments. In addition, there was also conversion of contract employee into permanent status in 2016. Other than that, the increase in other operating expenses also came from increase in depreciation cost of fixed assets by 11.93%, or Rp130.59 billion, in line with additions of fixed assets during the year 2016.

(Rp Million)

Components	Other Operating Expenses						Growth (%)	
	2014		2015		2016		2014-2015	2015-2016
	Amount	Composition (%)	Amount	Composition (%)	Amount	Composition (%)		
Labor Costs	14,166,422	53.03	16,599,158	53.07	18,485,014	49.83	17.17	11.36
General and Administrative	9,184,155	34.38	10,380,547	33.19	11,975,745	32.28	13.03	15.37
Premium for Government Guarantee Program	1,030,657	3.86	1,296,475	4.15	1,364,741	3.68	25.79	5.27
Loss on Foreign Currency Transaction - Net	-	0.00	-	0.00	273,832	0.74	0.00	100.00
Unrealized Loss on Changes of Fair Value of Securities and Government Recapitalization Bonds - Net	-	0.00	10,945	0.03	-	0.00	100.00	-100.00
Others	2,334,041	8.74	2,988,571	9.56	4,998,988	13.47	28.04	67.27
Total Other Operating Expenses	26,715,275	100.00	31,275,696	100.00	37,098,320	100.00	17.07	18.62

PROVISIONING COST

Considering that the economic slowdown could still adversely affect BRI's loan quality in 2016, the Bank needed to set aside provisions/allowance for impairment losses on loan value. The provision was set at Rp13.70 trillion, up 54.09% compared to Rp8.89 trillion in 2015. Although BRI's Non-Performing Loans were relatively stable at 2.04%, slightly increased from 2.02% last year, the NPL Coverage Ratio rose from 150.80% in 2015 to 169.12% in 2016. If sharia financing is taken into account, the NPL was 2.13% with NPL Coverage ratio of 161.16% in 2016, higher than the level in 2015 at 143.75%.

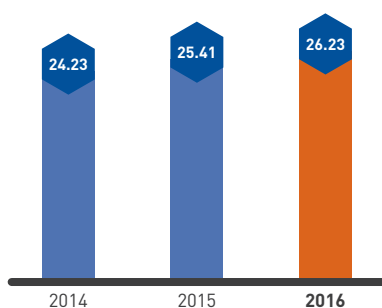
INCOME TAX EXPENSES

Income tax expense rose by 9.35% to Rp 7.75 trillion in 2016, up Rp662.55 billion in line with the increase of 30.22% in allowance for impairment value causing temporary differences. In accordance with applicable regulations, BRI was subject to corporate tax rate of 25% minus 5% as BRI met the requirements to receive tax incentive as BRI is a public company with 40% of its shares traded at the Indonesia Stock Exchange, and owned by more than 300 people, with each having portional ownership below 5%.

NET PROFIT

BRI profit for the year was successfully recorded at Rp26.23 trillion, net of income taxes of Rp7.75 trillion, an increase of 3.22% compared to last year's Rp25.41 trillion. BRI's net profit achievement showed that BRI continued to generate growing profits every year. Since 2005, BRI has consistently been the bank with the highest profit in Indonesia. This proves that BRI's performance remains consistent and continues to make profits despite the ups and down of Indonesia's economic conditions.

Net Profit (Rp Trillion)



OTHER COMPREHENSIVE INCOME (EXPENSES)

In 2016, the Bank posted Other Comprehensive Income amounting to Rp15.15 trillion while in 2015 the Bank booked Other Comprehensive Expenses at Rp538.66 billion. The surplus from the fixed asset revaluation in the amount of Rp13.82 trillion and unrealized gains on securities and government recapitalization bonds available for sale of Rp1.64 trillion added up to compose BRI's Other Comprehensive Income in 2016.

TOTAL COMPREHENSIVE INCOME

Taking into account other comprehensive income, BRI's Total Comprehensive Income in 2016 reached Rp41.38 trillion, up 66.37%, or Rp16.51 trillion, compared to the Rp24.87 trillion in 2015.

Statement of Cash Flows

(Rp Million)

Description	2014	2015	2016
Net cash flow from (used for) operating activities	75,822,636	45,566,447	21,770,833
Net cash flow from (used for) investing activities	[24,649,614]	[56,726,069]	[3,324,382]
Net cash flow from (used for) financing activities	9,504,649	1,804,324	7,081,628
Increase/Decrease in Cash and Cash Equivalents	60,677,671	[9,355,298]	25,528,079
Additional Cash from BRI Finance Acquisition	0	0	36,764
Impact of Changes of Currency Exchange Rate	2,775	12,800	1,279
Cash and Cash Equivalents at Beginning of Year	112,050,809	172,731,255	163,388,757
Cash and Cash Equivalents at End of Year	172,731,255	163,388,757	188,954,879

In the financial statements of 2016, positive cash flows from operating activities and investment financing activities led to an increase of cash and cash equivalents at BRI of 15.6%, or Rp25.5 trillion, compared to that of 2015. This increase has placed BRI's current liquidity into a much better position.

CASH FLOWS FROM OPERATING ACTIVITIES

Cash flows from BRI's operating activities have consistently showed positive value for three years, indicating BRI's businesses have remained in good shape. A decline in cash flows from operating activities in 2016 was due to a decrease in source of funding from securities purchased under resale agreements. During 2016, cash inflows was dominated by interest income and income from investments received by the Bank which increased by 10.90%, or Rp91.59 trillion in 2016, compared to the Rp82.59 trillion in 2015. Loan disbursements also rose from Rp77.20 trillion in 2015 to Rp87.46 trillion in 2016. This lending increase at BRI was dominated by lending of Micro credit (KUR and Kupedes) by 18.19%, reflecting that BRI's core business continues to improve with priority on assets that have a high return.

CASH FLOWS FROM INVESTMENT ACTIVITIES

In 2016, cash flow from investment activities dropped significantly from Rp56.73 trillion in 2015 to Rp3.32 trillion in 2016. This was mainly due BRI's decision not to invest in securities, and the maturity of a number of securities. In 2016, the sole use of cash flows from investment activities was to purchase fixed assets in the amount of Rp3.65 trillion, an increase of 11.20% compared to Rp3.28 trillion in 2015.

CASH FLOWS FROM FINANCING ACTIVITIES

There was an increase in cash flows from financing activities during 2016. This was due to the issuance of securities in amount of Rp15.52 trillion. For the use of funds, BRI has consistently given out dividends to its shareholders, which in 2016 reached Rp7.62 trillion, an increase of 4.78% compared to Rp 7.27 trillion in 2015.

Financial Ratios

Description		Bank Only		
		2014	2015	2016
1	Capital Adequacy Ratio	18.31	20.59	22.91
2	Non-Performing Earning Assets and Non-Earning Assets to Total Earning Assets and Non-Earning Assets	1.09	1.33	1.46
3	Non-Performing Earning Assets to Total Earning Assets	1.26	1.57	1.61
4	Allowance For Impairment Losses of Financial Assets to Earning Assets	2.40	2.37	2.75
5	NPL Gross	1.69	2.02	2.03
6	NPL Net	0.36	1.22	1.09
7	Return on Asset (ROA)	4.73	4.19	3.84
8	Return on Equity (ROE)	31.19	29.89	23.08
9	Net Interest Margin (NIM)	8.51	8.13	8.27
10	Operating Expense to Operating Income (BOPO)	65.42	67.96	68.93
11	Loan to Deposit Ratio (LDR)	81.68	86.88	87.77
Compliance				
1	a. Percentage violation of Legal Lending Limit			
	i. Related Parties	-	-	-
	ii. Third Parties	-	-	-
	b. Percentage of lending in access of the Legal Lending Limit			
	i. Related Parties	-	-	-
	ii. Third Parties	-	-	-
2	Statutory Reserves			
	a. Primary Statutory Reserves - in Rupiah	8.07	9.31	6.94
	b. Primary Statutory Reserves - in Foreign Currency	8.00	8.43	8.03
3	Net Open Position (NOP)	3.86	2.33	6.67

*) In 2014, NPL Net was presented using PPAP, while in 2015 and 2016 were presented using CKPN

Ability to Meet Bank Obligations

BRI's ability to meet all short-term and long-term liabilities can be measured through several ratios, namely: liquidity ratio, solvency and profitability ratios.

LIQUIDITY RATIO

Bank liquidity is measured by the ratio of loans to Third Party Funds. At BRI, LDR was slightly increased from 86.88% in 2015 to 87.77%, up 89 bps. The increase was due to credit growth of 13.76%, while the third party funds only grew 12.61%. BRI's liquidity level was below average of the banking industry, which was 90.70%. Therefore, BRI still has room for credit expansion. Bank Indonesia (BI) has relaxed the calculation of bank liquidity by allowing banks to include issued securities in the calculation of Loan to Funding Ratio. BI expects Liquidity to Funding Ratio (LFR) to a range of 80% to 92% in order for banks to disburse more loans to the public. By 2016, BRI's LFR reached 86.81%, a small increase compared to 86.57% in 2015. Securities included in the calculation of LFR in December 2016 were securities issued and administered by KSEI until October 2016 (2 months before the date of the report). These securities are as follows:

- Medium Term Notes Phase 1 in the amount of Rp100 billion
- Sustainable Public Offering Bonds I in the amount of Rp7.92 trillion.

SOLVABILITY RATIO

Bank solvency is measured by its capital ratio. Banks must ensure capital adequacy to meet credit risk, market risk and operational risk, indicated in its Capital Adequacy Ratio. The CAR is defined as ratio of capital to Risk Weighted Assets. The CAR for 2016 was calculated at 22.91%, rising from 20.59% in 2015. This increase was driven by asset revaluation in 2016 in the amount of Rp14.32 trillion with net surplus in fixed-asset revaluation worth Rp13.82 trillion.

The minimum capital adequacy ratio set by BI is 9%, therefore BRI's capital adequacy ratio in 2016 was well above the required one. This suggests that the Bank has sufficient capital to expand its business and yet cover risk of insolvency.

PROFITABILITY RATIOS

The Bank's profitability is measured through the following ratios:

Profitability Ratios

Percentage (%)

Description	Bank Only		
	2014	2015	2016
ROA	4.73	4.19	3.84
ROE	31.19	29.89	23.08
NIM	8.51	8.13	8.27
BOPO	65.42	67.96	68.93

In 2016, the Bank recorded a Return on Assets ratio (ROA) of 3.84%, down 35 bps compared to 4.19% in 2015. This decrease was due to asset revaluation in the amount of Rp14.32 trillion in 2016 which added to total assets while net profit grew only at 2.18%. Similarly, Return on Equity (ROE) in 2016 was 23.08%, down from 29.89% in 2015, mainly due to surplus on asset revaluation amounting Rp13.82 trillion, which resulted in an equity increase of 29.78%, much larger than increase in net profit in 2016.

BRI was still able to generate earnings as suggested in the 14 bps rise in NIM from 2015 to 8.27% in 2016. This increase was due to managing the interest cost increase (0.21%) against deposit increase (12.78%), resulting in an increase of interest income by 12.61% in 2016.

BRI also managed to maintain its performance with an Operational Efficiency Ratio (BOPO) of 68.93%, well below banking industry's BOPO at 80.64%. BRI's BOPO increased from 67.96% in 2015 mainly due to increase in the cost of provisions of 55.22% over the previous year in order to increase its NPL Coverage Ratio to 170.34% compared to last year's 150.15%.

Having analyzed all ratios above, it is clear than BRI has the ability to generate growing profit every year and also maintain efficiency of the Bank's operations as indicated by its BOPO which was lower than industry average.

Loan Collectibility

Loan collectibility is indicated by total Non-Performing Loans (NPL). BRI was able to maintain its loan quality with a low NPL, under industry NPL average and significantly below the Bank Indonesia threshold of 5%.

Loan Collectibility 2014-2016

(Rp Million)

Description	2014	2015	2016
Loans	510,696,841	581,094,544	663,420,218
Current	470,087,408	540,359,286	619,793,792
Special Mention	31,529,860	28,551,121	29,474,869
Sub-Standard	1,194,328	2,862,971	3,730,004
Doubtfull	1,922,321	1,411,066	1,756,805
Loss	5,962,923	7,910,099	8,664,747
NPL	9,079,573	12,184,137	14,151,556
NPL (%)	1.78%	2.10%	2.13%

Capital Structure

CAPITAL STRUCTURE POLICY

Based on Bank Indonesia Regulation, BRI's risk profile was at level 2 (satisfactory). Minimum CAR requirements range between 9% and 10%, and so with BRI's 2016 CAR at 22.69%, up from last year's 20.34%, BRI has complied with the Bank Indonesia capital adequacy ratio regulation.

According to OJK regulation, the Bank is required to set up additional capital as a buffer. This regulation will be applied in stages beginning January 1, 2016. The buffer capital consists of:

1. Capital Conservation Buffer in the amount of 0.625% of risk-weighted assets
2. Countercyclical Buffer 0% of risk-weighted assets
3. Capital Surcharge for D-SIB amounting to 0.5% of risk-weighted assets.

In accordance with OJK Regulation No. 34/POJK.03/2016 dated September 26, 2016 on "Changes in POJK 11/POJK.03/2016 concerning Minimum Capital Requirement for Commercial Banks, BRI has reclassified appropriated retained earnings (backup appropriated) to unappropriated retained earnings of Rp15.10 trillion from supplementary capital (Tier 2) to core capital (Tier 1). Given this provision, BRI's core capital (Tier 1) rose Rp46.35 trillion or 49.60% compared to 2015. At December 31, 2016, BRI core capital (Tier 1) reached Rp136.79 trillion, higher than the Rp 93.44 trillion in 2015, while supplementary capital (Tier 2) was down from Rp20.76 trillion to Rp7.46 trillion over the same period.

Capital Structure

(Rp Million)

	2014	2015	2016
Core Capital (Tier 1)	83,344,169	93,436,842	139,786,475
Capital Equity Tier 1 (CET 1)	83,344,169	93,436,842	139,786,475
Additional Capital Tier 1 (AT 1)	-	-	-
Supplementary Capital (Tier 2)	4,960,213	20,763,556	7,459,267
Total Capital	88,304,382	114,200,398	147,245,742
RWA for Credit Risk after specific risk	399,129,264	458,538,460	524,505,486
RWA for market risks	3,381,804	2,884,354	9,622,076
RWA for operational risks	84,169,035	98,655,847	114,841,081
Total RWA	486,680,103	560,078,660	648,968,643
CAR Ratio	18.14%	20.39%	22.69%
CET 1 Ratio	17.13%	16.68%	21.54%
Tier 1 Ratio	17.13%	16.68%	21.54%
Tier 2 Ratio	1.02%	3.71%	1.15%
Tier 1 Minimum Ratio	6.00%	6.00%	6.00%
CET 1 Minimum Ratio	4.50%	4.50%	4.50%
Minimum CAR Based on Risk Profile	9.39%	9.42%	9.38%

*1 not applicable; applied effectively in March 2015 (pursuant to BI Regulation No.15/12/PBI/2013 on Capital Adequacy Requirement for Commercial Banks)

BRI has managed its capital according to prevailing regulations in order to ensure that BRI will always be able to maintain sufficient capital to cover major risks in banking activities, namely credit risk, market risk and operational risk, while providing an optimal risk-return profile for stakeholders.

Material Commitments for Capital Expenditure

In 2016, BRI provided several material commitments for capital expenditure, mostly in Rupiah, to minimize currently fluctuation risk. These commitments were ear-marked for:

Material Commitment for Capital Expenditure

(Rp Million)

No.	Date	Party	Project	Period	Value
1.	23 December 2016	PT Satkomindo Mediyasa	Procurement to Lease Hub and Remote VSAT Phase-1 BRIsat Integration Equipment 6,836 (six thousand eight hundred and thirty six) units	3 (three) years	Rp210,549
2.	9 June 2016	PT Bringin Gigantara	Procurement of 2 (two) units AS/400 Power-8 (E880) Machine	1 (one) year	Rp220,000
3.	1 June 2016	Koperasi Swakarya BRI	Procurement of 3,000 (three thousand) ATM units	3 (three) years	Rp250,805
4.	1 June 2016	PT Titan Sarana Niaga	Procurement of 2,250 (two thousand two hundred and fifty) ATM units	3 (three) years	Rp188,073
5.	1 June 2016	PT Asaba Computer Center	Procurement of 1,500 (one thousand five hundred) ATM Unit	3 (three) years	Rp125,382
6.	30 November 2015	PT Bringin Gigantara	Procurement of 6,000 (six thousand) EDC Triple Connection units and 17,186 (seventeen thousand one hundred and eighty six) EDC Mobile units	3 (three) years	Rp60,143
7.	27 October 2015	Koperasi Swakarya BRI	Procurement of 14,000 (fourteen thousand) EDC Triple Connection units and 17,966 (seventeen thousand nine hundred and sixty six) EDC Mobile units	3 (three) years	Rp83,789
8.	29 June 2015	PT Bringin Gigantara	Procurement of 300 (three hundred) CDM units	3 (three) years	ASD5,399,400
9.	1 June 2015	Koperasi Swakarya BRI	Procurement of 1,000 (one thousand) ATM units	3 (three) years	ASD6,750,000
10.	1 June 2015	PT Bringin Gigantara	Procurement of 600 (six hundred) ATM units	3 (three) years	ASD4,050,000

The sources of funding for these capital expenditures were set aside from net profits in some previous years.

Capital Goods Investment

2016 capital expenditure that was part of the investment expenditure included:

- Investments in subsidiaries in the form of capital acquisitions and additions to subsidiaries
- Capital expenditure consisting of IT and non-IT goods expenditures.

In 2016, the Bank increased its shareholding in PT BTMU-BRI BRI Finance from 45% to 99% with a purchase price of Rp378.55 trillion on 21 September 2016. BRI also provided paid-in capital to BRI Agro in the amount of Rp436.12 billion.

As for capital expenditures in 2016, there was an acquisition of fixed assets amounting to Rp3.67 trillion, an increase of 7.49% from the Rp3.42 trillion in 2015.

(Rp Million)

Capital Expenditure	2014	2015	2016
Land and Buildings	610,772	1,022,807	903,821
Furniture and Inventories	216,512	184,588	143,069
Vehicles	373,015	146,285	243,909
Computers and Software	1,032,524	578,344	1,422,607
Leasing	-	-	-
Satellite Development	831,895	1,484,677	959,041
Total	3,064,718	3,416,701	3,672,447

In 2016 the biggest capital expenditures were used to purchase computers and software worth Rp1.42 trillion, higher than last year of Rp578.34 billion, due to the additional purchases of EDC, UPS and computers.

Hedging Policy

BRI has implemented hedging in an effort to minimize the risk with the following explanations:

PUBLIC POLICY

Hedging include transactions carried out in order to protect the value of financial assets, liabilities, revenues and cash flows both on balance sheet and off balance sheet from interest rate risk and/or exchange rate risk for Banking Book and Trading Book positions.

Implementation of hedging is based on the following considerations:

1. Transactions can be effected as alternative follow-up and risk mitigation in the event of moderate exceedances of limits on market risk profile parameters.
2. Transactions may occur if there are indications of changes in macro-economic conditions that are considered likely to cause harm, demonstrated by, among other indications, the trend of changes in market variables, namely interest rates and exchange rates.
3. BRI is prohibited from maintaining the top position for hedging transactions carried out by related parties.
4. BRI shall forward (pass-on) related party transactions at the same time and at the same amount simultaneous to other banks that are not related parties.

HEDGING TECHNIQUES

Hedging transactions can be carried out both as macro hedging and micro hedging.

MACRO HEDGING

This technique is used to mitigate the impact of the economic risk of the entire portfolio of BRI. Macro hedging is done through a Treasury Division proposal decided on by ALCO.

MICRO HEDGING

Micro hedging is performed at the individual transaction level. These transactions can be carried out by the Treasury Division without the proposed business division portfolio managers concerned, taking into account the benefits and costs as well as the ability to control those hedging transactions carried out.

Commitments and Contingencies

At the end of 2016, total commitment liabilities increased by 5.75 % compared to the previous year, mainly due to an increase of 8.5% on credit facilities provided to customers which have not been withdrawn. The increase reflects the cautious attitude of entrepreneurs in expanding their businesses in the current non-conducive economic conditions. In the same period, contingent liabilities also increased by 3.5%, following a hike in guarantees issued.

(Rp Million)

	2015	2016
Commitment		
Commitment Receivables	6,343,775	12,219,746
Spot and Foreign Currencies Purchases	6,343,775	12,219,746
Commitment Liabilities	129,360,669	136,821,075
Unused Loan Facility Granted to Debtors	111,600,420	120,916,072
Irrevocable Import L/Cs	15,406,791	8,541,152
Sales of Spot and Foreign Currency	2,198,086	7,109,202
Unused Financing Facility Granted to Debtors	155,372	254,649
Commitment - Net	(123,016,894)	(124,601,329)
Contingency		
Contingent Receivables	47,497	45,208
Interest Receivable in Settlement	47,497	45,208
Contingent Liabilities	23,668,908	24,523,015
Guarantees issued:		
Standby L/C	4,225,864	3,838,190
Bank Guarantee	19,443,044	20,684,825
Contingency - Net	(23,621,411)	(24,477,807)

Prime Lending Rate

Interest Rate	Based on Business Segment (per annum)				
	Corporate Loan	Retail Loan	Micro Loan	Consumer Loan	
				KPR	Non KPR
TMT December 2016	10.50%	9.75%	17.50%	10.25%	12.50%

- Prime Lending Rate (SBDK) is used as the basis for determining the interest rate to be charged by the Bank to customers. SBDK does not take into account the estimated risk premium component, which depends on the Bank's assessment of the risk of each debtor or group of debtors. Thus, the amount of lending rates charged to borrowers is not necessarily equal to the prime lending rate.
- Non-mortgage consumer credit does not include the distribution of funds via Credit Card and Unsecured Loans (KTA).
- Information on current prime lending rate can be seen in publications in each office of the Bank and website www.bri.co.id.

Target and Realization 2016

(Rp Million)

Description	(bank only)			
	Realization 2015	Target 2016	Realization 2016	Achievement (%)
Assets	845.99	964.55	964.00	99.94
Net Income	25.20	25.44	25.75	101.22
Loans	558.44	653.70	635.29	97.18
Third Party Funds	642.77	719.00	723.85	100.67
BOPO	67.96%	71.30%	68.93%	103.44
LDR	86.88%	90.92%	87.77%	96.54
NPL (Gross)	2.02%	2.16%	2.03%	106.40
NPL (Net)	1.22%	1.25%	1.09%	102.46
NIM	8.13%	8.09%	8.27%	102.22
CAR	20.59%	21.92%	22.91%	104.52

In general, the Bank managed to achieve the targets set for assets, net income, third-party funds, operational efficiency, LDR, NPLs, NIM and CAR. Key performance indicators are detailed as follows:

- BRI managed to accomplish asset targets, driven by growth in third party funds which reached 101% compared to target. The achievement of credit was slightly below the target since it was BRI's strategy to focus on loan quality during the domestic economic downturn in 2016. In turn, this healthy loan growth was verified as BRI's NPL in 2016 were at the level of 2.03%, below the 2.16% target.
- BRI also managed to achieve NIM of 8.27%, higher than the 8.09% target for NIM due to its success in lowering Cost of Funds from 4.24% in 2015 to 3.83% in 2016. The decrease in CoF is primarily driven by higher composition of low-cost funds (Current Account Saving Accounts) during 2016, going from 56% to 60.57% by the end of 2016. Besides that, BRI has successfully maintained its optimal LDR level in the 87% -90% range.

2017 Target

Having taken into consideration that the economic condition in 2017 would be relatively similar to that of 2016, BRI Performance Targets for 2017 are as follows:

- Loan Growth of 12% -14%
- LDR position maintained at 90% +/- 2%
- Credit quality or NPL maintained at 2.2% -2.4%
- Capital adequacy ratio above 17.5%.

Information and Material Facts Subsequent to Date of Reporting Period

There were no significant events with material values that occurred after the date of the reporting period.

Dividend Policy

The decision to determine the amount of dividends must be made in the AGMS which is the supreme body of the Company. The amount of dividend is decided with consideration of future business growth projections, compliance to capital adequacy ratio (CAR), as well as other factors affecting sustainable ROE in the next three years.

Based on the Annual General Meeting of Shareholders (AGMS) held on March 19, 2015, the Company's net profit for 2014 was Rp25.41 trillion. Shareholders approved distribution of 30% of the net profit as dividends, or approximately Rp7.27 trillion. Total cash dividends per share were Rp294.80 and were paid on April 22, 2015, to shareholders whose names had been registered in the Register of Shareholders of the Company on March 26, 2015.

Based on the Annual General Meeting of Shareholders (AGMS) held on March 23, 2016, the Company's undistributed net profit for 2015 was Rp25.40 trillion. Shareholders approved distribution of 30% of the net profit, or about Rp7.62 trillion, as dividend. Total cash dividends per share were Rp311.66 and paid on April 22, 2016, to shareholders whose names had been registered in the Register of Shareholders of the Company on March 31, 2016.

Description	2015	2016
Net Income (Rp billion)	25,411	26,228
Dividend Payout Ratio (%)	30	30
Cash Dividend per Share (full Rupiah)	294.80	311.66
Payment Date	April 22, 2015	April 22, 2016

Contribution to the Country

Through its business activities which are focused on the empowerment of Micro, Small & Medium Enterprises, BRI supports and contributes to the national development of Indonesia, particularly by empowering the people's economy. In addition, with the success of managing a business that continues to grow and generate profits, BRI also contributes directly to state revenues through tax payments annually, as well as through a dividend to the Government of Indonesia as the majority shareholder of BRI.

Here are the details of the payment of taxes and dividends by BRI for the period 2014-2016.

[Rp Million]

No.	Type of Tax	2014	2015	2016
1	PPh Article 21	849,405	694,089	1,029,521
2	PPh Article 22	28,552	24,298	33,817
3	PPh Article 23	92,216	106,900	104,646
4	PPh Article 26	476,793	494,881	756,000
5	PPh Final Article 4 sub-article [2]	2,687,113	3,117,009	3,775,381
6	VAT & PPnBM	40,519	56,190	62,773
7	Excise Duty	33,410	31,797	53,431
	Sub-Total Tax	4,208,006	4,525,164	5,815,570
8	Corporate Tax	7,558,911	5,914,612	7,461,426
9	PPh Final Fixed Asset Revaluation	---	245,357	245,478
10	STP Corporate Tax 2014 (cancellation 2016)		1,603,100	
11	Dividend	3,602,579	7,272,494	7,619,322
	Total (Tax + Dividend)	15,369,496	19,560,727	21,141,795
	Growth of SOE Contribution since 2012	145.71%	185.44%	200.43%

Note: In 2016, payment period from January 1 up to December 31, 2016

The management of BRI's tax obligations and right is conducted in a transparent and accountable manner in accordance with the applicable provisions as part of the practice of Good Corporate Governance (GCG) in BRI.

During 2016, there were no non-compliance issues related to tax payments of the Company, both in terms of the amounts of payments and the timeliness of payments.

Employee/Management Stock Option Plan

Based on the decision of the Extraordinary General Shareholders' Meeting dated October 3, 2003, BRI shareholders approved the implementation of BRI Management Stock Option Plan/MSOP. The number of shares issued in BRI MSOP was 588,235,250 shares. The MSOP implementation has been carried out in three stages in which the exercise period of MSOP Phase I and II had ended respectively on November 9, 2008, and November 9, 2009, while MSOP Phase III ended on November 9, 2010.

Up to the end of all MSOP stages, there were 569,876,000 shares exercised. There were 4.3 million shares in MSOP Phase I, 5.2 million shares in MSOP Phase II and 8.8 million shares in MSOP Phase III which have not been exercised in the MSOP. All three stages referred to Bapepam-LK No.IX.D.4 and Regulation BEI 1-A Attachment to Decision of Directors of JSX No.Kep.305/BEJ/07-2004 on Registration of Securities.

(Rp Million)

MSOP Phases	Total MSOP Shares	Beginning Date of MSOP	Ending Date of MSOP	Price	Exercised Shares
Tranche I	235,294,100	November 10, 2003	November 9, 2008	Rp962.50	230,999,000
Tranche II	235,294,100	November 10, 2004	November 9, 2009	Rp1,750.00	230,047,000
Tranche III	117,647,050	November 10, 2005	November 9, 2010	In compliance with Bapepam-LK and BEI regulation	108,830,000
Total	588,235,250				569,876,000

As mentioned above, total overall options allocated in MSOP Phase I-Phase III accounted for 588,235,250 shares. Until the end of implementation period, the options exercised amounted to 569,876,000 shares. Execution of these options lead to additional equity in the Company in the amount of Rp1,366,089,110,750.

(Rp Million)

	Tranche I	Tranche II	Tranche III	Total
Paid-up Capital	115,500	115,024	54,415	284,938
Premium	106,837	287,559	474,490	686,886
Other Capital (Share x Option Value)	27,117	80,889	10,259	212,265
Total	249,454	483,471	633,164	1,366,089

In 2016, BRI does not have an ongoing ESOP/MSOP program.

Use of Proceeds from IPO

BRI conducted its Initial Public Offering (IPO) on November 10, 2003. In accordance with information in the IPO prospectus, details of the use of funds raised from the IPO amounting to Rp1.47 trillion is as follows:

(Rp Million)

No	Use of IPO Proceeds (billion Rp)	Plan	2004	2005	2006	2007	2008	2009	Realized
1	Core Banking and IT System Upgrade	883.27	196.24	564.35	646.96	698.87	723.36	883.27	100%
2	Operational Network Expansion	441.63	213.68	419.34	441.63	441.63	441.63	441.63	100%
3	Research and Product Development	147.21	147.21	147.21	147.21	147.21	147.21	147.21	100%
Total Proceeds		1,472.11	557.13	1,130.90	1,235.80	1,287.71	1,312.20	1,472.11	100%

On December 31, 2016, there is no balance of proceeds from BRI's public offering which have not been used.

Material information and Facts on Investment, Expansion, Divestment, Acquisition or Debt/ Capital Restructuring

Investments

In 2016, the Company made various investments, namely land purchase booked at Rp448.16 billion, building investment worth Rp455.66 billion, addition of vehicles in the amount of Rp243.91 billion, computers and machinery purchase for Rp1.42 trillion and satellite-linked capital expenditure of Rp959.04 billion.

Expansion

During 2016, the Company established 6 sub-branch offices, 20 unit offices and expanded BRI agent network to add 34,291 BRILink Agents. The priority of the latter activity is to expand BRI delivery channels to embrace more segments of the public, especially in the unbankable segment.

Divestment

In 2016, the Company did not conduct any divestment.

Acquisition

On July 12, 2016, BRI signed a Conditional Share Purchase Agreement (CSPA) with The Bank of Tokyo Mitsubishi UFJ Ltd. (BTMU) in order to increase BRI share ownership in PT BTMU-BRI Finance (BBF) from 45% to 99% with a purchase price of Rp378.55 billion and obtained OJK approval on September 21, 2016. BRI Finance is a multifinance company.

BRI Finance can use BRI's competitive advantage i.e brand awareness, customer database and extensive networks to develop its business. By acquiring BRI Finance as a subsidiary, BRI has made its first step to providing integrated financial services.

Debt/Capital Restructuring

During 2016, the Bank did not carry out any debt/capital restructuring.

Material Information on Transactions Carrying Conflict of Interest and/or Transactions with Affiliated Parties

BRI conducts transactions with related parties due to ownership and/or managerial relations in the normal course of business. All transactions with related parties have been conducted according to policies and requirements that have been agreed upon.

The table below shows the breakdown of related parties to the Company and the nature of the transactions.

Related Parties	Relationship	Element of Transaction
Government of the Republic of Indonesia (RI)	Ownership of majority shares through the Ministry of Finance of the Republic of Indonesia	Securities, Government Recapitalization Bonds
PT Asuransi Bringin Sejahtera Artamakmur	Control through the Dana Pensiun BRI	Insurance of fixed assets
PT Bringin Gigantara	Control through the Dana Pensiun BRI	Investment in associated entities
BDH Khusus Bialugri	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
BPP 018 Bendahara Khusus	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
Bendahara Khusus Direktorat Angkatan Darat (DITKUAD)	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
Ministry of Finance of the Republic of Indonesia	Control through the Central Government of the Republic of Indonesia	Loans
Lembaga Pembiayaan Ekspor Indonesia	Control through the Central Government of the Republic of Indonesia	Placements in Bank Indonesia and other Banks, Securities
Perum BULOG	Control through the Central Government of the Republic of Indonesia	Loans, Export bills
Perum Djawatan Angkoetan Motor Republik Indonesia (DAMRI)	Control through the Central Government of the Republic of Indonesia	Sharia receivables and financing
PT Aero System Indonesia	Control through the Central Government of the Republic of Indonesia	Export bills
PT Bank BNI Syariah	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks
PT Bank Bukopin Tbk	Control through the Central Government of the Republic of Indonesia	Placements in Bank Indonesia and other Banks
PT Bank Mandiri (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks, Securities purchased under Agreement to resale
PT Bank Negara Indonesia (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia Securities
PT Bank Syariah Mandiri	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks

Related Parties	Relationship	Element of Transaction
PT Bank Tabungan Negara (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks
PT BTMU BRI Finance	Ownership	Placements in Bank Indonesia and other Banks, Investment in associated entities
PT Dirgantara Indonesia (Persero)	Control through the Central Government of the Republic of Indonesia	Export bills, Loans, Guarantees issued, Irrevocable L/C
PT Garuda Indonesia (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Loans, Guarantees issued
PT Garuda Maintenance Facility AeroAsia	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable, Guarantees issued
PT Indonesia Asahan Aluminium (Persero)	Control through the Central Government of the Republic of Indonesia	Irrevocable import L/C
PT Indonesia Power	Control through the Central Government of the Republic of Indonesia	Guarantees issued
PT Industri Kereta Api (Persero)	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
PT Inti Pindad Mitra Sejati	Control through the Central Government of the Republic of Indonesia	Export bills
PT Inti Konten Indonesia	Control through the Central Government of the Republic of Indonesia	Sharia receivables and financing
PT Jasa Marga (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Securities
PT Kereta Api Indonesia (Persero)	Control through the Central Government of the Republic of Indonesia	Loans, Guarantees issued, Irrevocable L/C
PT Koperasi Karyawan BRI Syariah	Control through the Central Government of the Republic of Indonesia	Sharia receivables and financing
PT Koperasi Swakarya BRI	Control through the Central Government of the Republic of Indonesia	Sharia receivables and financing
PT Krakatau Steel (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Export bills, Loans
PT Len Industri (Persero)	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Pegadaian (Persero)	Control through the Central Government of the Republic of Indonesia	Securities, Loans, Sharia receivables and financing
PT Pembangunan Perumahan (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Pertamina (Persero)	Control through the Central Government of the Republic of Indonesia	Securities, Export bills, Loans, Irrevocable L/C
PT Pertamina Lubricants	Control through the Central Government of the Republic of Indonesia	Export bills
PT Pertamina Patra Niaga	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Perusahaan Gas Negara (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Guarantees issued
PT Perusahaan Listrik Negara (Persero)	Control through the Central Government of the Republic of Indonesia	Securities, Loans, Guarantees issued, Irrevocable L/C
PT Pindad (Persero)	Control through the Central Government of the Republic of Indonesia	Export bills, Acceptances receivable, Acceptances payable
PT Pindad Enjiniring Indonesia	Control through the Central Government of the Republic of Indonesia	Export bills
Railink	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
PT Rekayasa Industri	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
PT Sarana Multigriya Finansial (Persero)	Control through the Central Government of the Republic of Indonesia	Securities
PT Telekomunikasi Indonesia (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Securities
PT Telekomunikasi Selular Tbk	Control through the Central Government of the Republic of Indonesia	Guarantees issued

Related Parties	Relationship	Element of Transaction
PT Waskita Karya (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Export bills, Loans, Acceptances receivable, Acceptances payable, Guarantees issued
PT Waskita Beton Precast	Control through the Central Government of the Republic of Indonesia	Loans
PT Wijaya Karya (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable, Guarantees issued,
PT Wijaya Karya Industri Energi	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
Karyawan Kunci	Control through the Central Government of the Republic of Indonesia	Loans, Sharia receivables and financing

Transactions of related parties owned by the Company, consisting of transactions with related parties due to ownership relations with the Government of the Republic of Indonesia, are shown in the following table:

(Rp Million)

	2015	2016
Assets		
Current accounts with other banks	68,452	22,848
Placements with Bank Indonesia and other banks	1,000,500	459,620
Securities	101,548,772	101,061,727
Export bills	123,434	240,712
Government Recapitalization Bonds	3,815,958	3,318,434
Securities purchased under agreement to resell	466,992	229,983
Loans	93,130,159	93,712,615
Sharia receivables and financing	56,272	506,838
Acceptances receivable	711,578	494,645
Investment in associated entities	264,131	-
Total assets from related parties	201,186,248	200,047,422
Total consolidated assets	878,426,312	1,003,644,426
Percentage of total assets from related parties to total consolidated assets	22.90%	19.93%
Liabilities		
Demand Deposits	33,702,159	44,508,984
Saving deposits	147,773	111,485
Time deposits	61,689,066	79,990,772
Deposits from other Banks and financial institutions	603,167	499,475
Securities sold under agreement to repurchase	1,444,821	1,454,477
Acceptances payable	711,578	494,645
Fund borrowings	100,000	100,000
Compensation to key employees management	522,967	593,984
Total liabilities to related parties	98,921,531	127,753,822
Total consolidated liabilities	765,299,133	856,831,836
Percentage of liabilities to related parties to total consolidated liabilities	12.93%	14.91%
Off-Balance Sheet Commitments and Contingencies		
Guarantees issued	13,180,527	13,999,372
Irrevocable L/C	11,940,313	6,454,116
Salaries and allowances for the Boards of Directors and Commissioners	25,120,840	20,453,488
Tantiem, bonuses and incentives for the Boards of Commissioners, Directors and key employees	34,849,835	29,225,977
Percentage of off-Balance Sheet Guarantees Issued and Irrevocable L/C of related parties to Total off-balance sheet Guarantees issued and Irrevocable L/C	72.08%	69.98%

On December 31, 2016 and 2015, BRI (Parent Company) has insured its fixed assets with PT Asuransi Bringin Sejahtera Artamakmur, a related party.

Changes of Regulation with Significant Impacts to the Bank

No	Regulation	Subject	Description	Impacts on BRI
1	FSA Regulation No. 7/POJK.03/2016 dated January 26	Prudential principles on Structured Product Offerings for Commercial Banks	Prudential Principles in offering structured products for commercial banks include the following: <ol style="list-style-type: none"> Understanding Definition of Structured Product; Scope of the bank in conducting Structured Product transactions; Guarantees for Structured Product; Having policy on conforming structured product risk level assessment with Customer's risk profile; Implementation procedures on structure products transactions; Procedures for risk identification, measurement, monitoring, control and information system for Structured Product transactions; Risk assessment on clients conducting Structured Product transaction; Customer classification in conducting Structured Product; Limitations in offering Structured Product transactions. 	BRI has made adjustments to the following: Foreign Exchange and Derivatives Transactions Customer Services, Guidelines for Risk-Based Bank Rating, Policies and Procedures of Settlement of Customer Complaints at PT Bank Rakyat Indonesia (Persero), Tbk, and Treasury Policy
2	Minister of Finance Regulation No. 27/PMK.06/2016 dated February 22, 2016	Implementation Guidelines of Bidding/Auction	It stipulates detailed procedures and requirements for (i) Execution Auctions (ii) Mandatory Non-Execution Auctions and (iii) Voluntary Non-Execution Auctions covering: Bidders/auction participants, Request of Auction, auctioneers, Place of Execution, Execution Timing, land auction, and the cancellation prior to the auction.	BRI has adjusted some rules of collateral auctions
3	Bank Indonesia Regulation No.18/3/PBI/2016 dated March 10, 2016 and Bank Indonesia Circular Letter No.18/3/DKEM dated March 15, 2016	Third Amendment to Bank Indonesia Regulation Number 15/15/PBI/2013 concerning Statutory Reserve Requirement of Commercial Banks in Rupiah and foreign currency for Conventional Commercial Bank and the Second Amendment to Bank Indonesia Circular Letter No. 17/17/DKMP dated June 26, 2015	Amendment in Part II on Calculation of Primary Statutory Reserves, where mandatory Primary GWM in Rupiah was lowered from 7.5% (seven point five percent) to 6.5% (six point five percent) of Third Party Funds (TPF) in Rupiah.	The change of regulation helped BRI liquidity position of around Rp7.5 trillion to more optimal credit distribution
4	Minister of Trade Regulation No. 89/M-DAG/OER/19/2015 dated October 19, 2015 and Minister of Trade Regulation No. 25/M-DAG/PER/4/2016 dated April 2016	Regulation on Export of Forestry Industry Products and the Amendment to the Trade Minister Regulation No. 89/M-DAG/PER/10/2015 on Export of Forestry Industry Products	Companies whose export of Forestry Industrial Products are restricted must report: <ol style="list-style-type: none"> Plans and realization of annual production, annual plans and actual export, for the forest industry companies; or Plans and realization of annual exports, for trading companies who export Forestry Industry Products; Companies that do not implement such provision will be sanctioned.	BRI has added criteria to companies who can exports forestry industry products that can be financed by the Bank

No	Regulation	Subject	Description	Impacts on BRI
5	<ul style="list-style-type: none"> a. Bank Indonesia Regulation No. 18/6/PBI/2015 dated 28 April 2016 b. Bank Indonesia Circular Letter No. 18/8/DPSP dated 2 May 2016 on amendment of Bank Indonesia Circular Letter No. 17/30/DPSP dated 13 November 2015 on settlement arrangement of immediate funds transfer through Bank Indonesia System of Real Time Gross Settlement c. Bank Indonesia Circular Letter No. 18/10/DPSP dated 2 May 2016 on amendment of Bank Indonesia Circular Letter No. 17/34/DPSP dated 13 November 2015 on Consumer Protection in fund transfers through BI System of Real Time Gross Settlement d. Bank Indonesia Circular letter No. 17/30/DPSP dated 13 November 2015 on Settlement of Immediate Funds Transfers through Bank Indonesia System of Real Time Gross Settlement e. Bank Indonesia Circular letter No. 17/34/DPSP dated 13 November 2015 on Consumer Protection in Settlement of Immediate Funds Transfers through Bank Indonesia System of Real Time Gross Settlement 	<ul style="list-style-type: none"> a. Regulation of Bank Indonesia No. 18/6/PBI/2015 dated 28 April 2016 b. Settlement of Immediate Funds Transfers through Bank Indonesia System of Real Time Gross Settlement c. Consumer Protection in Fund Transfer through Bank Indonesia System of Real Time Gross Settlement d. Settlement of Immediate Funds Transfers through Bank Indonesia System of Real Time Gross Settlement e. Consumer Protection in Fund Transfer through Bank Indonesia System of Real Time Gross Settlement 	<p>Provisions on the Interbank Transfer through Bank Indonesia Real Time Gross Settlement (BI-RTGS) regulates:</p> <ul style="list-style-type: none"> a. Implementation of Transactions, Administration of securities and Settlement of immediate funds, Customer Protection in Implementing Funds Transfer System Through Bank Indonesia - Real Time Gross Settlement, obligation of forwarding funds by Bank Recipient of RTGS transactions. b. Types of transactions that must be conducted through the BI-RTGS system and the type of transactions that can be conducted through the BI-RTGS system. c. The mechanism of refund (retour), both on the inward RTGS of bank Receiver or at the request of the sender bank on outward RTGS. d. Operational oversight of the implementation of security audit is conducted at least 1 (one) times in three (3) years since becoming participants or upon any change in the internal information technology systems related to the BI-RTGS system e. Obligation to announce in writing to every BRI working unit on RTGS charges imposed by Bank Indonesia to BRI as an effort to protect customers. f. Operating hours of the BI-RTGS System g. Cost of RTGS 	<p>BRI has updated its internal regulation on funds transfer services through the BI-RTGS system, such as the adjustment authority of BI-RTGS executing Unit, RTGS cost adjustments charged to customers and guide of the implementation of the security audit. In addition, BRI also to disseminate this current information to the operational working units in order to avoid customer dissatisfaction.</p>

No	Regulation	Subject	Description	Impacts on BRI
6	Minister of Trade Regulation No. 20/M-DAG/PER/3/2016 dated 24 March 2016	Regulation on Corn Imports	Regulation on Corn Import regarding the prohibition against API-P license owner (importers of corn) to trade and/or transfer the corn that have been imported to other parties. IT (Registered Importer) of Corn must obtain Import Approval (PI) in advance from the Minister who administers trade affairs. Imported corn which is not in accordance with the regulation should be re-exported at the expense of the importer.	BRI will consider credit quality of the corn import sector and adopt these provisions into lending activities related to corn import trade.
7	Bank Indonesia Circullar Letter No. 18/07/DPSP dated 2 May 2016	Fund Transfers and Clearing Schedule at Bank Indonesia	<p>Topics covered in the regulation include:</p> <ol style="list-style-type: none"> Use of new terms in the implementation of Funds Transfer and Scheduled clearing by Bank Indonesia as implementation SKNBI II generation has been underway. Follow-up on Unit of Work after approval by the organizers as a participant Follow-up on membership administration by PWD Coordinator, in addition to BI if there are new participants or change of SKBNI participants data Timing and scope of the implementation of Security Audit BCP and DRD guidelines Reports on backup system trial implementation Financial Assistance Criteria and timing of financial aid Obligations and time limits of submissions of quarterly report by the Coordinator of Scripless/Electronic data exchange (KPWD) Deadline and objective of quarterly report submissions on the use of financial aid and fees from participants in the implementation of Scripless data exchange Provision of Minimum Value refund 	BRI has made adjustments in writing to BRI Policies and Procedures of working units as Local Clearing Operator of Bank Indonesia National Clearing System (PKL SKNBI) and the policies and procedures associated with the use of information technology related to SKNBI
8	Minister of Transportation Regulation No. PM.54 dated 3 May 2016	Technical Specifications of Railways Identity	The regulation stipulated that every company whose business involves railways construction is obliged to match the identity of its railways facilities. The Company who do not implement the provisions stipulated in the Regulation of Minister of Transportation will be subject to administrative sanctions in the form of written warnings and termination of the operation of railways facilities.	BRI has conducted socialization to customers and monitoring on an ongoing basis to ensure that clients fulfil the requirements as stipulated in the Regulation of the Minister of Transportation in question.
9	Minister of Finance Regulation No. 90/PMK.06/2016 Dated 1 June 2016	Guidelines for Internet Auction/Bidding with Written Offers from Bidders who do not physically attend)	The regulation allows internet auction over the Internet with open bidding for execution, non-execution mandatory and voluntary non-execution auction.	BRI will consider adopting the scope of the auction via the internet into BRI Internal policies to allow internet auction for execution, mandatory non-execution and voluntary non-execution auction.
10	Minister of Trade Regulation No. 59/M-DAG/PER/8/2016 dated 16 August 2016	Provisions on Export and Import of Animals and Animal Products	Governing terms and condition of a company which can export and Import Animals and Animal Products, such as imported goods packaging requirements, as well as the reporting obligations for API license holders, State-owned and local government-owned enterprises who have obtained the approval to Import and export of animals and/or animal products. There are penalties for companies that do not implement this provision.	BRI has made adjustments to the provision of credit facilities by adding criteria to importing company that can do the Import Animals and Animal Products to accommodate the change of requirement in the regulation.

No	Regulation	Subject	Description	Impacts on BRI
11	Minister of Trade Regulation No. 82/M-DAG/PER/12/2016 dated 09 December 2016	Regulation on Imports of Iron or Steel Alloy and Its Derivative products	Importers of certain goods is regulated by the government, i.e. Iron or Steel, Alloy Steel and its derivative products. Importers of these regulated goods should have General Importer Identification Number (API-U) and the Importer Identification Number (API-P), indicating that these importers have received import approval from MoT and the importer must have recognition as a registered importer published by the Ministry of Trade.	The bank will consider the provisions of the special requirements of credit financing for importers of steel and steel bar industry.
12	Minister of Agrarian and Spatial Planning/ Head of National Land Agency Regulation No. 13/2016	Procedures for Allowing/ Release or Transfer of Rights of Housing Facilities to Foreigners Residing in Indonesia	Procedures for allowing, release or Transfer of the Right of Housing facilities to foreigners residing in Indonesia.	BRI is currently evaluating internal regulations to adapt changes of these rules.

Changes in Accounting Policy

Latest Development on Financial Accounting Standards and Its Impacts on Financial Statements

BRI and its subsidiaries have applied the accounting standards on January 1, 2016, which are deemed relevant to the interim consolidated financial statements, namely:

Regulation	Key Changes	Impacts on BRI and its Subsidiaries
Amendment of PSAK No. 4, "Separate Financial Statements: on Equity Method in Separate Financial Statements"	Allowing the use of the equity method as a method of documenting investment in subsidiaries, joint ventures and associates entity in the separate financial statements of these entities	Qualitative: BRI's investment in associate entity was measured using the equity method that has been presented in the separate financial statements as additional information in the Notes to the Financial Statements. Quantitative: None
Amendment of PSAK No. 15 "Investments in Associates and Joint Ventures on Investment Entities: Application of Exception of Consolidation"	"Application of Consolidation Exception", clarified in paragraph 36A of exceptions on consolidation for investment entities when certain criteria are met.	Qualitative: BRI has adjusted in accordance with the standards required changes. Quantitative: None
Amendment of PSAK No. 16, "Fixed Assets on Clarification Method for Depreciation and Amortization"	Provide additional explanation regarding indications of estimated technical or commercial obsolescence of an asset. Amendments to PSAK 16 also clarifies that use of the depreciation method based on income is not accurate.	Qualitative: The application of the amendment of PSAK No. 16 did not cause significant changes to the reporting and disclosures in the consolidated financial statements. BRI applied straight-line depreciation method based on the estimated economic benefits lives of the assets. Quantitative: None
Amendment of PSAK No. 19, "Intangible Assets on acceptable clarification methods for Depreciation and Amortization"	Provide clarification on the assumption that revenue base is not correctly measured economic benefits of the use of intangible assets, can be rebutted in certain limited circumstances	Qualitative: The application of the amendment of PSAK No. 19 did not cause significant changes to the reporting and disclosures in the consolidated financial statements. Quantitative: None
Amendment of PSAK No. 24, "Employee Benefits on a Defined Benefit Program: Employee Benefit"	Simplifying accounting for fees contributions from employees or third parties that do not depend on the number of years of service, for example, employee contributions are calculated based on a fixed percentage of salary	Qualitative: BRI has distinguished whether fees from employees or third parties is determined by the number of years of service. If based on years of service, the state bank must attribute a portion of dues in accordance with the period of service. Quantitative: None
Amendment of PSAK No. 65, "Consolidated Financial Statements of Investment Entities: Application of Consolidation Exception"	Clarify the exception of consolidation for investment entities when certain criteria are met	Qualitative: BRI has adjusted in accordance with the standards required changes. Quantitative: None

Regulation	Key Changes	Impacts on BRI and its Subsidiaries
Amendment of PSAK No. 67, "Disclosure of Interests in Other Entities of Investment Entities: Application of Consolidation Exception"	Clarify the exception of consolidation for investment entities when certain criteria are met	Qualitative: BRI is not an investment entity that is the object of clarification in Adjustment PSAK 67. Application of the amendment of PSAK No. 67 did not cause significant changes to the reporting and disclosures in the consolidated financial statements. Quantitative: None
PSAK No. 5 (Adjustment 2015), "Operating Segments"	Adding disclosure of brief description on operating segments that have been combined and on economic indicators have similar characteristics	Qualitative: BRI has adjusted in accordance with changes in standards that are not required. Quantitative: None
PSAK No. 7 (Adjustment 2015), "Related Party Disclosures"	Adding requirements of related parties and clarifying disclosure of compensation paid by the management entity	Qualitative: BRI has adjusted in accordance with changes in standards that are not required. Quantitative: None
PSAK No. 13 (Adjustment 2015), "Investment Property"	Clarified that PSAK No. 13 and PSAK No. 22 interplay. Entities can be referred to in PSAK No. 13 to distinguish between investment property and owner-occupied property. Entities may also be referred to in PSAK No. 22 as a guideline on whether the acquisition of an investment property is a business combination	Qualitative: BRI has adjusted in accordance with required changes in standards. Application of PSAK No. 13 (Adjustment 2015) did not cause significant changes to the reporting and disclosures in the consolidated financial statements. Quantitative: None
PSAK No. 16 (Adjustment 2015), "Fixed Assets"	Providing clarification on paragraph 35 related to the revaluation model, that when an entity uses the revaluation model, the carrying amount of the asset restated at its revalued amount	Qualitative: BRI has modified its accounting policy for the measurement of land fixed assets after initial recognition and cost model to the revaluation model. Land initially stated at cost and is not depreciated. After initial measurement at fair value of land, land is revalued as less any impairment after revaluation.
PSAK No. 19 (Adjustment 2015), "Intangible Assets"	Providing clarification on paragraph 80 related to the revaluation model, that when an entity uses the revaluation model, the carrying amount of the asset restated at its revalued amount	Qualitative: BRI does not use the revaluation model for intangible assets. The revaluation model is only used for fixed asset land.
PSAK No. 22 (Adjustment 2015), "Business Combinations"	Clarifying the scope and the obligation to pay conditional compensation that meet the definition of financial instruments are recognized as financial liabilities or equity. PSAK also resulted in adjustments to the impact of PSAK 55 "Financial Instruments: Recognition and Measurement" and PSAK 57 "Provisions, Contingent Liabilities and Contingent Assets".	Qualitative: BRI does not recognize conditional compensation at the time of the initial acquisition or subsequent to initial recognition. PSAK No. 22 (Adjustment 2015) did not cause significant changes to the reporting and disclosures in the consolidated financial statements. Quantitative: None
PSAK No. 25 (Adjustment 2015), "Accounting Policies, Changes in Accounting Estimates and Errors"	Provides editorial corrections in PSAK No. 25 paragraph 27 of the limitations of retrospective application.	Qualitative: Retrospective application of PSAK 25 (Adjustment 2015) had no impact on the reporting and disclosure of the consolidated financial statements of BRI, because there was no error in prior period financial statements. Quantitative: None
PSAK No. 53 (Adjustment 2015), "Share-based Payment"	Clarifying the definition of vesting conditions and separately define performance conditions and service conditions.	Qualitative: Adjustments SFAS No. 53 "Share-based Payments" in 2015 to clarify the definition of vesting more clearly. It is still in line with the stock options granted to directors and employees of BRI on a certain position. Quantitative: None
PSAK No. 68 (Adjustment 2015), "Fair Value Measurements"	Clarifying that the exclusion of the portfolio, which allows an entity to measure the fair value of the group's financial assets and financial liabilities on a net basis, is applied to all contracts (including non-financial contracts) within the scope of PSAK No. 55	Qualitative: Currently BRI does not have a contract other than financial assets and financial liabilities that are exposed to market risk or credit risk of the counterparty. Adoption of SFAS No. 68 (Adjustment 2015) did not cause significant changes to the reporting and disclosures in the consolidated financial statements.
PSAK No. 110 (Revised 2015), "Accounting for Sukuk"	Governing recognition, measurement, presentation and disclosure of transactions of sukuk mudaraba and sukuk Ijarah, both as issuer and investors of sukuk.	Qualitative: Since the year 2016 BRI classified sharia bonds bought in the fair value through other comprehensive income apart from fair value through Profit Loss and its costs had been amortized

Business Continuity Information

MANAGEMENT ASSESSMENT ON ISSUES THAT SIGNIFICANTLY INFLUENCE THE COMPANY'S GOING CONCERN

Domestic and global economic conditions can have a significant effect on the performance of BRI. During 2016, the challenges faced by BRI were associated with tight liquidity, low demand for loans and weak international trade. Going forward, management of BRI have not seen any significant changes of the economic development of Indonesia that will affect BRI business continuity. It is the advancement and innovation in technology that will have significant impacts on the economy, thus on BRI's business sustainability in the future.

MANAGEMENT ASSUMPTIONS FOR ASSESSMENT

Management estimates that the Indonesian economy in 2017 will have a steady growth in the range of 5% to 5.2%. The economy of Indonesia in 2017 will still be dominated by the levels of domestic consumption of both government and private spending, including households, which contributed approximately 56.5% of total GDP growth in Indonesia in 2016. Energy and agribusiness commodity prices are expected to remain steady with an upward trend in 2017. In November 2016, OPEC has agreed to slash global oil production to reduce global supply by 2%, so the price of oil in 2017 is expected to remain stable, supporting investment growth in Indonesia. For international trade, American and Chinese economic recoveries are improving, but global economic uncertainty remains problematic after Brexit and the US election results and the latest direction of their global policies. Global economic growth is expected to slowdown from previous economic growth levels. This will certainly affect the growth of international trade.

MANAGEMENT INITIATIVES ON BRI BUSINESS CONTINUITY

Observing forecasts, BRI prioritizes micro and consumer segments as anchors of BRI's business strategy. To maintain dominance in the Micro business segment, BRI will depend on digitalization of business processes and improvement to loan monitoring, collection and underwriting capability. In addition, government targets to increase the KUR loan portfolio to

Rp110 trillion will create opportunities for BRI in 2017. BRI targets disbursement of KUR in the amount of Rp71.2 trillion consisting of Rp61.6 trillion and Rp9.5 trillion of KUR Mikro and KUR Retail respectively while for KUR Indonesian Worker (TKI) in the amount of Rp200 billion. BRI feels optimistic about this condition and that it can increase the growth of micro-credit at 18% by the end of 2017.

To meet increased challenges of technological change and to explore the potential of the middle class, BRI is strengthening its ability in terms of retail payment and transaction banking. Retail payments will be focused on targeting potential individual customers. In order to do this, BRI will strengthen the penetration and productivity of BRILink Agents introduced in 2015. In addition, BRI also focuses on improving the management of merchant services so as to be a driver in savings collection. For the development of wholesale transaction banking, the Bank will focus on targeting both state-owned and private institutions. This effort started in 2016 through the establishment of Commercial Transaction Banking under the coordination of Transaction Banking Division.

To improve network productivity, BRI has set clear and measurable KPIs as well as an effective and efficient organizational structure for business and operational work units. It also aims to improve the performance evaluation system by increasing the accountability of BRI Performance Management system and aligning individual employees' KPIs with working unit KPIs. Efforts are also being made to improve Human Resources management by developing clear and more focused recruitment, development, placement and career path processes to improve employee engagement.

To implement Operational Excellence, BRI carried out Business Process Re-engineering, especially in the micro and medium-sized retail segment, by improving the ability of MIS as a source of reliable data and decision support, as well as setting a minimum Service Level Agreement based on industry standards.

Lastly, to build synergy among SOEs to improve competitiveness. BRI continues to strive to create value for stakeholders, including for the government. To strengthen the synergy among SOEs and to improve competitiveness, BRI implemented ATM and EDC Red and White, designed and built the SOE House of Creativity and initiated syndicated financing for infrastructure.

Capital

Capital Structure

BRI has drafted its capital plan to ensure that BRI maintains sufficient capital to cover major risks in banking activities, i.e credit risk, market risk and operational risk while providing an optimal profile of risk-return for stakeholders, supporting business development strategy as well as maintaining continuity of business growth into the future. Capital plans are prepared by the Board of Directors as part of the Bank's business plan and approved by the Board of Commissioners.

Capital policy is set to comply with capital adequacy limits set by regulators and to ensure that the capital structure of the Bank remains sufficient and efficient.

In accordance with Bank Indonesia regulation, the capital of the Company consists of:

Core Capital

Common Equity Tier - CET 1 and supplementary core capital (Additional Tier 1). Common equity includes paid-in capital and disclosed reserves. Disclosed reserves consist of factor enhancers: additional paid in capital, general reserves, last year's profit, profit for the year, and stock options; and deduction factors: other comprehensive loss from transaction of financial assets classified as available-for-sale, and net difference between allowance for uncollectible assets (PPA) on earning assets with allowance for impairment losses (CKPN) on non-productive PPA.

Supplementary Capital (Maximum of 100% of the Core Capital)

Supplementary capital includes general reserves of allowance for uncollectible assets on productive assets which are calculated at the maximum amount of 1.25% of credit risk-weighted average assets and of appropriated reserves. In 2016, the Company had a core capital and supplementary capital amounting to Rp139.79 trillion and Rp7.46 trillion, this amount is higher than the core capital and supplementary capital in 2015 were respectively Rp93.44 trillion and Rp20.76 trillion.

(Rp Million)

	2015		2016	
	BRI	Consolidated	BRI	Consolidated
I. Core Capital (Tier 1)	89,992,393	93,436,842	136,670,139	139,786,475
1. Common Equity Tier-1 (CET 1)	89,992,393	93,436,842	136,670,139	139,786,475
1.1. Paid-in Capital (less Treasury Stock)	-	-	6,111,861	6,111,861
a. Common Stock	-	-	6,111,861	6,111,861
b. Preference Stock	-	-	-	-
1.2. Disclosed Reserves *)	-	-	138,668,380	137,524,555
1.2.1. Factor enhancers:	-	-	138,691,220	137,724,479
1.2.1.1. Other Comprehensive Income	-	-	13,952,073	13,952,073
1.2.1.1.1. Differences arising from translation of foreign currencies in financial statement	-	-	23,490	23,490
1.2.1.1.2. Potential gain from increase of fair value of financial assets available for sale	-	-	103,891	103,891
1.2.1.1.3. Balance of fixed asset revaluation surplus	-	-	13,824,692	13,824,692
1.2.1.2. Other disclosed reserves	-	-	124,739,147	123,772,406
1.2.1.2.1. Premium	-	-	410,340	410,340
1.2.1.2.2. General reserves	-	-	3,022,685	3,022,685
1.2.1.2.3. Prior year profits	-	-	95,552,666	94,339,485

(Rp Million)

	2015		2016	
	BRI	Consolidated	BRI	Consolidated
a. Last year profits	-	-	95,552,666	94,339,485
b. Increase/decrease of fair value of financial liabilities	-	-	-	-
c. Gain on sale of assets in securitization transaction	-	-	-	-
1.2.1.2.4. Profit for the year	-	-	25,753,456	25,999,896
a. Profit for the year	-	-	25,753,456	25,999,896
b. Increase/decrease of fair value of financial liabilities	-	-	-	-
c. Gain on sale of assets in securitization transaction	-	-	-	-
1.2.1.2.5. Stock options	-	-	-	-
1.2.1.2.6. Others	-	-	-	-
1.2.2. Deduction factors:	-	-	22,840	199,924
1.2.2.1. Other Comprehensive Income	-	-	-	25,542
1.2.2.1.1. Differences arising from translation of foreign currencies in financial statement	-	-	-	-
1.2.2.1.2. Potential loss from increase of fair value of financial assets available for sale	-	-	-	25,542
1.2.2.2. Other disclosed reserves	-	-	22,840	174,382
1.2.2.2.1. Premium	-	-	-	-
1.2.2.2.2. Last year losses	-	-	-	-
1.2.2.2.3. Losses for the year	-	-	-	-
1.2.2.2.4. Differences on Allowances for Uncollectible Assets (PPA) and Allowances for Impairment Losses (CKPN) on Earning Assets	-	-	-	56,547
1.2.2.2.5. Differences on adjustment of fair value of financial instruments in Trading Book	-	-	-	-
1.2.2.2.6. Required PPA on non-earning assets	-	-	22,840	110,221
1.2.2.2.7. Others	-	-	-	7,614
1.3. Non-controlling interest	-	-	-	247,259
1.4. Deduction factors of CET 1 *)	-	-	8,110,102	4,097,200
1.4.1. Calculation of deferred tax	-	-	2,328,528	2,402,408
1.4.2. Goodwill	-	-	-	64,580
1.4.3. Differences in other intangible assets	-	-	-	3,569
1.4.4. Investments calculated as deduction factor	-	-	5,781,574	1,626,643
1.4.5. Equity deficiency in insurance subsidiary	-	-	-	-
1.4.6. Securitization exposure	-	-	-	-
1.4.7. Other deduction factor of CET 1	-	-	-	-
1.4.7.1. Fund placement in AT1 instruments and/or Tier 2 in other banks	-	-	-	-
1.4.7.2. Cross ownership in other entities acquired by transfer due to legal, grant or fair grant	-	-	-	-
2. Additional Tier 1 (AT 1) *)	-	-	-	-
2.1. Instruments eligible as AT1	-	-	-	-
2.2. Agio/Disagio	-	-	-	-
2.3. Deduction factor: Investment on AT1 and Tier 2 instruments in other banks *)	-	-	-	-
2.3.1. Fund placement on AT1 and Tier 2 instruments in other banks	-	-	-	-
2.3.2. Cross ownership in other entities acquired by transfer due to legal, grant or fair grant	-	-	-	-

(Rp Million)

	2015		2016	
	BRI	Consolidated	BRI	Consolidated
II. COMPLEMENTARY CAPITAL (Tier 2)	20,588,224	20,763,556	6,240,293	7,459,267
1. Capital instruments such as stocks or others eligible as Tier 2	-	-	-	1,000,000
a. Preference stock (perpetual cumulative, non perpetual), less repurchase	-	-	-	-
b. Subordinated securities (perpetual cumulative, non perpetual), less repurchases	-	-	-	1,000,000
c. Subordinated borrowings (perpetual cumulative, non perpetual), less repurchases	-	-	-	-
d. Mandatory convertible bond	-	-	-	-
e. Tier 2 issuance by subsidiaries (bank and non-bank) purchased by third parties (consolidated)	-	-	-	-
f. Amortization in remaining period (-/-)	-	-	-	-
2. Agio/disagio	-	-	-	-
3. General reservers for required PPA on earning assets (maximum 1,25% of Credit Risk RWA).	-	-	6,280,293	6,499,267
4. Deduction factor of Complementary Capital *)	-	-	40,000	40,000
4.1.Sinking Fund	-	-	-	-
4.2.Fund placement on Tier 2 instruments in other banks	-	-	40,000	40,000
4.3.Cross ownership in other entities acquired by transfer due to legal, grant or fair grant	-	-	-	-
Total Capital	110,580,617	114,200,398	142,910,432	147,245,742
RISK WEIGHTED ASSET				
RWA CREDIT RISK	438,295,934	458,538,460	502,423,401	524,505,486
RWA MARKET RISK	2,572,131	2,884,354	9,535,428	9,622,076
RWA OPERATIONAL RISK	96,206,873	98,655,847	111,898,899	114,841,081
TOTAL RWA	537,074,938	560,078,660	623,857,728	648,968,643
CAR BASED ON RISK PROFILE (%)	9.41%	9.42%	9.38%	9.38%
CAR ALLOCATION				
From CET 1 (%)	5.58%	5.71%	8.38%	8.23%
From AT1 (%)	0.00%	0.00%	0.00%	0.00%
From Tier 2 (%)	3.83%	3.71%	1.00%	1.15%
CAR				
CET 1 ratio (%)	16.76%	16.68%	21.91%	21.54%
Tier 1 ratio (%)	16.76%	16.68%	21.91%	21.54%
Tier 2 ratio (%)	3.83%	3.71%	1.00%	1.15%
Total ratio (%)	20.59%	20.39%	22.91%	22.69%
CET FOR BUFFER (%)			13.53%	13.31%
REQUIRED BUFFER PERCENTAGE (%)			1.125%	1.125%
Capital Conversion Buffer (%)			0.625%	0.625%
Countercyclical Buffer (%)			0.000%	0.000%
Capital Surcharge for D-SIB (%)			0.500%	0.500%

Implementation of Risk Management

BRI manages 10 types of risks, i.e credit risk, market risk, liquidity risk, operational risk, legal risk, strategic risk, reputation risk, and compliance risk, as well as the risks of intra-group transactions and insurance.

Risk management that affects the calculation of reserve capital are credit risk, market risk and operational risk.

The following will further discuss risks that have an impact on the calculation of capital reserves and liquidity risk:

CREDIT RISK

In measuring credit risk provisioning, the Bank assesses the quality of the claims on the BRI balance sheet. The calculation methodology of allowance for impairment losses, counterparty credit risk and credit risk mitigation is explained as follows:

Assessment of Quality of Receivables

BRI sets its own definition for claims that are due and for claims that are impaired. The claims which are due are all individual/groups of claims that are overdue for more than 90 (ninety) days, either for payment of principal or interest.

Claims are considered impaired if there is objective evidence of an adverse event as a result of one or more events that occurred after the initial recognition of the loan, and that loss event has a reasonably estimated impact on the expected future cash flows of the financial asset or group of financial assets.

Objective evidence is an observation of events that BRI concerns the ability of debtors to pay in the future, so affecting calculation of the loans held by BRI. In the event of loan impairment where the carrying amount after impairment is less than the carrying value of the start, then a reserve for impairment losses (CKPN) to cover losses due to such

impairment must be established. CKPN is the provision calculated from the amount of impairment of a financial asset evaluated both individually and collectively.

The following table illustrates the disclosure of BRI net claims for the past two years by portfolio categories broken down by region, remaining contract term and economic sector, Bank-only and consolidated with subsidiaries.

Approach Used for Formation of Allowance for Impairment Losses

The approaches used by BRI in determining the type of credit risk evaluation on Loan Assets, whether individually or collectively rated are as follows:

1. Individual Impairment
 - Loans which individually have significant value with objective evidence of impairment.
 - Restructured loans which individually have significant value.
2. Collective Impairment
 - Loans which individually have significant value but there is no objective evidence of impairment.
 - Loans which individually have no significant value.
 - Restructured loans which individually have no significant value.

Counterparty Credit Risk

Counterparty credit risk concerns treasury and international activities conducted by BRI, especially for Credit Line products. Net Claims for exposures that pose a credit risk due to failure of the counterparty consists of exposure to over-the-counter (OTC) derivative transactions, repo transactions exposures including credit risk of the issuer of underlying securities of repo transactions, and Reverse Repo transactions. BRI Credit Risk Mitigation for counterparty credit risk can be carried out by warranty recognition and/or guarantee/credit insurance as in line with regulator requirements.

Disclosure of Net Receivables by Remaining Contract Term - Bank Only

No.	Portfolio Category	31 December 2016					
		Net Receivables by Remaining Contract Term					
		≤1 year	> 1yr sd 3 yr	> 3yr sd 5 yr	> 5 yr	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Government Receivables	9,553	5,289,123	460,818	106,966,036	124,906,610	237,632,140
2	Public Sector Entity Receivables	24,207,127	5,276,829	3,875,061	54,398,014	8,134,221	95,891,252
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4	Banks Receivables	22,204,537	3,181,478	1,408,384	2,798,661	18,456,513	48,049,573
5	Mortgage Loan	-	524	4,137	86,337	-	90,998
6	Commercial Property Loan	1,183	16,097	112,756	2,815,178	-	2,945,214
7	Employee/Pensioners Loan	116,601	4,264,928	19,362,218	103,810,217	592	127,554,556
8	Micro Enterprise and Retail Portfolio Receivables	30,518,915	119,159,539	50,425,950	42,179,483	1,341,857	243,625,744
9	Corporate Receivables	18,141,542	34,651,246	21,434,129	87,183,479	4,225,249	165,635,645
10	Past Due Receivables	338,041	1,571,877	1,491,463	3,107,687	-	6,509,068
11	Other Assets	-	-	-	-	62,679,076	62,679,076
12	Exposures at Sharia Business Unit	-	-	-	-	-	-
	Total	95,537,499	173,411,641	98,574,916	403,345,092	219,744,118	990,613,265

(Rp Million)

31 December 2015						
Net Receivables by Remaining Contract Term						
≤1 year	> 1yr sd 3 yr	> 3yr sd 5 yr	> 5 yr	Non-Contractual	Total	
(9)	(10)	(11)	(12)	(13)	(14)	
1,433,344	10,374,873	651,000	100,453,953	99,803,557	212,716,727	
32,999,462	3,433,257	5,970,770	41,511,524	10,134,198	94,049,211	
-	-	-	-	-	-	
22,696,155	3,519,802	1,350,534	2,372,168	23,511,970	53,450,629	
-	11,151	59,970	697,048	-	768,169	
-	33,489	130,358	2,348,259	-	2,512,106	
117,915	4,203,098	19,089,348	92,350,558	733	115,761,652	
24,861,210	102,399,132	38,824,124	37,321,362	1,190,108	204,595,936	
21,324,684	23,269,261	19,336,493	73,581,068	3,281,425	140,792,931	
427,833	1,700,224	1,335,403	3,346,992	-	6,810,452	
-	-	-	-	48,045,750	48,045,750	
-	-	-	-	-	-	
103,860,603	148,944,287	86,748,000	353,982,932	185,967,741	879,503,563	

Disclosure of Net Receivables by Remaining Contract Term - Bank Consolidated with Subsidiaries

No.	Portfolio Category	31 December 2016					
		Net Receivables by Remaining Contract Term					
		≤1 year	> 1yr sd 3 yr	> 3yr sd 5 yr	> 5 yr	Non-Contractual	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Government Receivables	1,968,731	5,289,123	460,818	106,966,036	124,906,611	239,591,319
2	Public Sector Entity Receivables	24,439,563	5,319,884	3,963,796	54,409,969	8,134,222	96,267,434
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4	Banks Receivables	23,055,200	3,261,268	1,412,384	2,833,597	18,456,513	49,018,962
5	Mortgage Loan	2,113	12,328	30,507	280,932	-	325,881
6	Commercial Property Loan	9,778	41,851	141,571	3,017,690	-	3,210,890
7	Employee/Pensioners Loan	137,844	4,419,482	19,481,323	103,901,680	592	127,940,922
8	Micro Enterprise and Retail Portfolio Receivables	31,286,362	119,276,859	50,649,344	42,849,527	1,341,857	245,403,949
9	Corporate Receivables	19,875,839	36,063,866	21,671,977	88,960,469	4,225,248	170,797,398
10	Past Due Receivables	380,586	1,585,600	1,500,419	3,164,372	-	6,630,977
11	Other Assets	286,073	-	-	-	62,679,076	62,965,149
12	Exposures at Sharia Business Unit	3,593,825	9,867,407	5,879,520	6,316,146	2,308,296	27,965,193
	Total	105,035,914	185,137,668	105,191,659	412,700,419	222,052,415	1,030,118,075

(Rp Million)

31 December 2015					
Net Receivables by Remaining Contract Term					
≤1 year	> 1yr sd 3 yr	> 3yr sd 5 yr	> 5 yr	Non-Contractual	Total
(9)	(10)	(11)	(12)	(13)	(14)
2,574,854	10,374,873	651,000	100,453,953	99,803,557	213,858,237
33,260,477	3,446,856	5,984,812	41,511,524	10,134,198	94,337,867
-	-	-	-	-	-
23,521,273	3,596,379	1,350,534	2,372,168	23,511,970	54,352,324
25,526	26,761	96,737	865,977	-	1,015,001
28,241	64,857	179,987	2,380,302	-	2,653,387
138,355	4,369,568	19,292,589	92,482,857	733	116,284,102
25,378,991	102,669,096	38,891,163	38,200,040	1,190,108	206,329,398
22,631,981	24,119,236	19,571,086	74,485,723	3,281,425	144,089,451
429,528	1,700,224	1,335,403	3,346,992	-	6,812,147
301,892	-	-	-	48,045,750	48,347,642
6,753,124	1,572,802	4,208,339	3,727,489	8,288,199	24,549,953
115,044,242	151,940,652	91,561,650	359,827,025	194,255,940	912,629,509

Disclosure of Net Receivables Based on Region – Bank Only

No.	Portfolio Category	31 December 2016								
		Net Receivables by Region								
		Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
1	Government Receivables	237,611,053	-	-	-	-	-	-	21,087	237,632,140
2	Public Sector Entity Receivables	75,067,213	2,213,105	8,450,053	0	2,298,599	2,733,383	5,128,899		95,891,252
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-	-	-	-
4	Banks Receivables	47,943,452	5,077	-	-	-	-	101,044		48,049,573
5	Mortgage Loan	13,760	31,505	10,683	13,792	8,253	8,920	4,085		90,998
6	Commercial Property Loan	1,325,774	937,420	9,800	82,796	439,988	146,560	2,876		2,945,214
7	Employee/Pensioners Loan	15,606,482	53,708,129	10,806,445	9,502,434	12,747,879	20,437,930	4,745,257		127,554,556
8	Micro Enterprise and Retail Portfolio Receivables	30,797,864	59,475,386	23,340,858	43,433,540	35,069,945	42,200,974	9,307,177		243,625,744
9	Corporate Receivables	95,588,769	18,310,138	5,268,097	10,201,166	12,873,806	18,190,685	5,202,984		165,635,645
10	Past Due Receivables	1,083,339	1,312,369	541,653	721,045	776,750	1,868,020	205,892		6,509,068
11	Other Assets	29,588,796	3,434,596	5,611,977	4,763,238	7,967,318	9,919,997	1,393,155		62,679,076
12	Exposures at Sharia Business Unit	-	-	-	-	-	-	-		-
	Total	534,626,502	139,427,725	54,039,566	68,718,011	72,182,538	95,506,469	26,112,456		990,613,266

Disclosure of Net Receivables Based on Region – Bank Consolidated with Subsidiaries

No.	Portfolio Category	31 December 2016								
		Net Receivables by Region								
		Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
1	Government Receivables	239,570,231	-	-	-	-	-	21,088		239,591,319
2	Public Sector Entity Receivables	75,350,896	2,213,105	8,450,053	-	2,298,599	2,825,882	5,128,900		96,267,434
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-	-		-
4	Banks Receivables	48,828,795	5,097	10	24,759	16,884	42,372	101,044		49,018,962
5	Mortgage Loan	124,471	47,807	43,134	30,633	16,688	59,063	4,084		325,881
6	Commercial Property Loan	1,328,814	938,007	232,098	82,796	439,988	186,311	2,876		3,210,890
7	Employee/Pensioners Loan	15,691,141	53,716,603	10,889,581	9,510,458	12,756,691	20,631,191	4,745,257		127,940,922
8	Micro Enterprise and Retail Portfolio Receivables	31,607,738	59,644,580	23,367,557	43,525,265	35,178,276	42,773,357	9,307,176		245,403,949
9	Corporate Receivables	99,685,431	18,384,237	5,331,905	10,286,124	13,491,471	18,415,247	5,202,983		170,797,398
10	Past Due Receivables	1,100,433	1,319,647	544,641	736,003	777,573	1,946,787	205,892		6,630,977
11	Other Assets	29,797,066	3,437,998	5,620,821	4,768,963	7,975,923	9,971,224	1,393,155		62,965,149
12	Exposures at Sharia Business Unit	13,071,807	2,861,021	5,257,382	2,075,801	1,991,622	2,707,560	-		27,965,193
	Total	556,156,823	142,568,102	59,737,183	71,040,803	74,943,716	99,558,993	26,112,454		1,030,118,074

(Rp Million)

31 December 2015							
Net Receivables by Region							
Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
208,599,186	0	0	0	0	0	4,117,541	212,716,727
74,973,912	3,143,282	7,502,234	11,602	3,847,006	2,935,968	1,635,207	94,049,211
0	0	0	0	0	0	0	0
53,298,799	13,980	0	0	0	0	137,850	53,450,629
22,821	371,582	25,153	86,631	78,178	144,982	38,822	768,169
1,375,525	688,289	11,739	136,394	119,307	177,796	3,056	2,512,106
13,858,511	48,119,066	9,805,845	9,033,422	12,178,573	18,527,397	4,238,838	115,761,652
25,792,049	48,078,750	19,965,384	36,788,574	29,272,705	36,784,410	7,914,064	204,595,936
81,921,449	15,575,391	5,028,033	8,588,424	11,175,506	14,211,244	4,292,884	140,792,931
1,374,308	1,479,217	621,554	717,934	835,098	1,635,019	147,322	6,810,452
14,760,503	3,187,454	4,969,605	4,412,976	7,173,873	9,311,325	4,230,014	48,045,750
0	0	0	0	0	0	0	0
475,977,063	120,657,011	47,929,547	59,775,957	64,680,246	83,728,141	26,755,598	879,503,563

(Rp Million)

31 December 2015							
Net Receivables by Region							
Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
209,740,696	-	-	-	-	-	4,117,541	213,858,237
75,014,182	3,253,378	7,502,234	11,602	3,901,818	3,019,447	1,635,207	94,337,867
-	-	-	-	-	-	-	-
54,118,344	15,430	205	1,835	30,140	48,519	137,850	54,352,324
107,664	394,582	55,427	100,229	82,075	236,202	38,822	1,015,001
1,417,682	693,769	12,729	137,206	119,514	269,431	3,056	2,653,387
13,956,663	48,134,631	9,911,494	9,046,045	12,193,088	18,803,344	4,238,838	116,284,103
26,207,821	48,654,032	19,974,642	36,865,165	29,376,590	37,337,085	7,914,064	206,329,398
84,658,210	15,575,391	5,085,692	8,643,999	11,548,692	14,284,581	4,292,884	144,089,451
1,376,002	1,479,217	621,554	717,934	835,098	1,635,019	147,322	6,812,147
14,988,551	3,191,500	4,979,260	4,419,521	7,182,476	9,356,320	4,230,014	48,347,642
14,166,630	1,392,957	2,318,346	1,808,024	2,397,375	2,466,622	-	24,549,953
495,752,445	122,784,887	50,461,583	61,751,560	67,666,866	87,456,570	26,755,598	912,629,509

Disclosure of Net Receivables by Economic Sectors - Bank Only

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Claims on Multilateral Development Banks and Securities	Banks Receivables
(1)	(2)	(3)	(4)	(5)	(6)
31 December 2016					
1	Agriculture, Hunting and Forestry	-	5,918,105	-	-
2	Fishery	-	-	-	-
3	Mining and Excavation	-	333,185	-	1,294,731
4	Manufacturing	-	13,594,343	-	2,240,864
5	Electricity, Gas and Water	-	30,590,833	-	-
6	Construction	-	5,469,834	-	4,508
7	Wholesale and Retail Trading	280	15,234,450	-	80,067
8	Accommodation and Food and Beverage	-	-	-	5,380
9	Transportation, Warehouse and Communication	-	8,576,810	-	-
10	Financial Brokerage	210,741,731	3,970,109	-	32,612,185
11	Real Estate, Leasing and Corporate Services	-	61,608	-	6,164
12	Public Administration, Defense, and Compulsory Social Security	21,087	4,104,039	-	-
13	Education Services	-	-	-	-
14	Health and Social Services	-	-	-	-
15	Public, Socio-culture, Entertainment and other Personal Services	-	210,922	-	-
16	Personal services for household	-	-	-	-
17	International institution and other international extra agencies	-	-	-	-
18	Undefined Activities	26,819,495	5,504,929	-	3,080,191
19	Non-Business Activity	-	78	-	-
20	Others	49,547	2,322,007	-	8,725,483
	Total	237,632,140	95,891,252	-	48,049,573

31 December 2015					
1	Agriculture, Hunting and Forestry	-	5,373,667	-	-
2	Fishery	-	-	-	-
3	Mining and Excavation	-	608,958	-	891,838
4	Manufacturing	-	14,433,031	-	1,049,978
5	Electricity, Gas and Water	-	20,183,467	-	-
6	Construction	-	3,873,299	-	6,880
7	Wholesale and Retail Trading	-	23,843,569	-	24,968
8	Accommodation and Food and Beverage	-	-	-	3,473
9	Transportation, Warehouse and Communication	-	8,243,284	-	31
10	Financial Brokerage	176,347,210	3,867,424	-	32,799,341
11	Real Estate, Leasing and Corporate Services	-	263,383	-	15,848
12	Public Administration, Defence, and Compulsory Social Security	4,117,541	117,561	-	2,131
13	Education Services	-	-	-	-
14	Health and Social Services	-	5,600,000	-	-
15	Public, Socio-culture, Entertainment and other Personal Services	-	1,088,639	-	-
16	Personal services for household	-	-	-	-
17	International institution and other international extra agencies	-	-	-	-
18	Undefined Activities	31,697,564	5,085,572	-	1,898,495
19	Non-Business Activity	-	223	-	-
20	Others	554,412	1,467,134	-	16,757,646
	Total	212,716,727	94,049,211	-	53,450,629

(Rp Million)

	Mortgage Loans	Commercial Property Loans	Employee/Pensioner Loans	Claims On Micro And Small Enterprise, And Retail Portfolio	Corporate Receivables	Past Due Loans	Other Assets	Sharia Exposure (If Any)
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	82	1,701	16,215	31,437,980	32,300,715	454,123	-	-
	-	-	1,402	2,316,659	576,893	38,443	-	-
	-	-	176	283,349	6,710,519	20,277	-	-
	222	-	1,820	8,278,920	41,277,090	197,021	-	-
	-	-	1,945	237,258	5,556,726	64,532	-	-
	-	-	6,535	1,244,637	14,286,221	493,868	-	-
	1,988	-	13,940	144,106,863	32,340,411	3,723,696	-	-
	-	2,518,981	3,592	3,027,193	912,747	55,663	-	-
	-	370,440	2,631	3,477,979	4,666,544	92,535	-	-
	-	-	8,823	174,098	1,027,439	14,387	-	-
	15,592	54,092	12,938	3,841,693	2,955,859	134,882	-	-
	-	-	224,895	40,058	12,514	2,200	-	-
	241	-	124,504	299,737	202,652	7,565	-	-
	620	-	149,762	829,924	847,186	19,729	-	-
	335	-	186,417	10,490,144	3,617,709	134,363	-	-
	-	-	2,920	1,699,987	96,231	23,729	-	-
	-	-	-	-	-	-	-	-
	4,537	-	22,419,985	7,642,582	9,726,393	430,717	-	-
	67,381	-	104,376,056	24,191,919	4,071,802	601,338	-	-
	-	-	-	4,764	4,449,994	-	62,679,076	-
	90,998	2,945,214	127,554,556	243,625,744	165,635,645	6,509,068	62,679,076	-
	124	1,611	23,049	25,948,634	21,614,618	558,283	-	-
	-	-	2,646	2,042,484	455,450	47,537	-	-
	206	-	589	286,475	5,918,096	310,527	-	-
	243	-	3,137	6,638,401	32,965,256	527,324	-	-
	-	-	711	356,873	4,893,842	96,450	-	-
	-	-	12,362	1,134,606	12,244,937	184,211	-	-
	4,378	-	23,359	120,709,466	28,738,507	3,227,226	-	-
	-	2,355,954	4,386	2,053,757	686,783	351,776	-	-
	-	136,725	3,317	2,631,182	4,006,784	137,929	-	-
	-	-	9,942	191,873	1,225,342	3,444	-	-
	42,371	17,816	22,741	3,125,692	2,713,837	146,356	-	-
	-	-	257,999	41,503	21,477	2,816	-	-
	291	-	153,552	237,329	211,087	4,270	-	-
	450	-	106,498	810,645	815,024	6,630	-	-
	1,069	-	289,965	8,813,969	2,925,172	119,159	-	-
	-	-	4,383	1,883,984	69,003	21,259	-	-
	-	-	-	-	-	-	-	-
	16,842	-	39,491,962	10,100,203	10,952,937	620,385	-	-
	702,195	-	75,351,054	17,581,810	3,602,342	444,870	-	-
	-	-	-	7,050	6,732,437	-	48,045,750	-
	768,169	2,512,106	115,761,652	204,595,936	140,792,931	6,810,452	48,045,750	-

Disclosure of Net Receivables by Economic Sectors - Bank Consolidated with Subsidiaries

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Claims on Multilateral Development Banks and Securities	Banks Receivables
(1)	(2)	(3)	(4)	(5)	(6)
31 December 2016					
1	Agriculture, Hunting and Forestry	-	6,282,201	-	-
2	Fishery	-	-	-	-
3	Mining and Excavation	-	333,185	-	1,294,731
4	Manufacturing	-	13,594,343	-	2,265,603
5	Electricity, Gas and Water	-	30,590,833	-	-
6	Construction	-	5,469,834	-	4,508
7	Wholesale and Retail Trading	280	15,234,450	-	80,067
8	Accommodation and Food and Beverage	-	-	-	5,380
9	Transportation, Warehouse and Communication	-	8,576,810	-	-
10	Financial Brokerage	210,741,731	3,970,109	-	33,532,276
11	Real Estate, Leasing and Corporate Services	-	61,608	-	30,164
12	Public Administration, Defence, and Compulsory Social Security	21,087	4,104,039	-	-
13	Education Services	-	-	-	-
14	Health and Social Services	-	-	-	-
15	Public, Socio-culture, Entertainment and other Personal Services	-	210,922	-	-
16	Personal services for household	-	-	-	-
17	International institution and other international extra agencies	-	-	-	-
18	Undefined Activities	26,819,495	5,504,929	-	3,080,191
19	Non-Business Activity	-	78	-	-
20	Others	2,008,726	2,334,093	-	8,726,042
	Total	239,591,319	96,267,434	-	49,018,962
31 December 2015					
1	Agriculture, Hunting and Forestry	-	5,636,096	-	-
2	Fishery	-	-	-	-
3	Mining and Excavation	-	608,958	-	891,838
4	Manufacturing	-	14,433,031	-	1,049,978
5	Electricity, Gas and Water	-	20,183,467	-	-
6	Construction	-	3,873,299	-	6,880
7	Wholesale and Retail Trading	-	23,843,569	-	26,625
8	Accommodation and Food and Beverage	-	-	-	3,473
9	Transportation, Warehouse and Communication	-	8,243,284	-	31
10	Financial Brokerage	176,347,210	3,867,424	-	33,670,250
11	Real Estate, Leasing and Corporate Services	-	263,383	-	44,977
12	Public Administration, Defence, and Compulsory Social Security	4,117,541	117,561	-	2,131
13	Education Services	-	-	-	-
14	Health and Social Services	-	5,600,000	-	-
15	Public, Socio-culture, Entertainment and other Personal Services	-	1,088,639	-	-
16	Personal services for household	-	-	-	-
17	International institution and other international extra agencies	-	-	-	-
18	Undefined Activities	31,697,564	5,085,572	-	1,898,495
19	Non-Business Activity	-	223	-	-
20	Others	1,695,922	1,493,361	-	16,757,646
	Total	213,858,237	94,337,867	-	54,352,324

(Rp Million)

	Mortgage Loans	Commercial Property Loans	Employee/Pensioner Loans	Claims on Micro and Small Enterprise, and Retail Portfolio	Corporate Receivables	Past Due Loans	Other Assets	Sharia Exposure (If Any)
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	259	34,223	16,215	32,154,166	34,415,907	518,761	-	406,182
	-	-	1,402	2,321,196	576,893	38,909	-	771,051
	-	-	176	290,509	6,710,519	20,277	-	84,117
	222	989	1,820	8,349,529	41,770,535	202,155	-	2,286,967
	-	-	1,945	240,316	5,556,726	64,532	-	112,299
	-	2,201	6,535	1,324,625	14,421,893	499,938	-	851,396
	3,029	8,848	13,940	144,598,534	33,098,143	3,740,565	-	4,562,410
	-	2,676,993	3,592	3,071,040	1,132,396	56,878	-	272,639
	-	370,440	2,631	3,579,297	4,722,954	93,935	-	927,060
	-	-	8,823	184,169	2,214,005	14,387	-	1,384,873
	15,592	116,943	12,938	3,928,151	3,047,866	138,958	-	767,300
	-	-	224,895	40,058	12,514	2,200	-	1,668
	241	-	124,504	301,061	202,733	7,565	-	288,277
	751	-	149,762	849,622	847,186	19,729	-	111,806
	335	-	186,417	10,567,199	3,632,970	137,360	-	378,131
	-	-	2,920	1,700,814	96,231	23,729	-	56,870
	-	-	-	-	-	-	-	-
	238,071	254	22,806,351	7,706,980	9,726,393	449,760	-	299,102
	67,381	-	104,376,056	24,191,919	4,071,801	601,338	-	283,702
	-	-	-	4,764	4,539,733	-	62,965,149	14,119,344
	325,881	3,210,890	127,940,922	245,403,949	170,797,398	6,630,977	62,965,149	27,965,193
	4,060	43,287	24,372	26,935,369	22,633,769	558,283	-	417,222
	1,363	440	2,646	2,045,796	455,450	47,537	-	528,375
	452	308	589	290,991	5,918,096	310,527	-	109,608
	4,736	952	3,211	6,722,735	33,446,934	527,324	-	2,173,088
	-	-	711	357,988	4,893,842	96,450	-	57,723
	3,301	2,844	12,362	1,183,894	12,377,304	184,697	-	665,137
	25,188	25,453	23,359	121,026,314	29,259,718	3,228,435	-	3,525,064
	-	2,356,943	4,386	2,121,350	755,679	351,776	-	244,248
	295	137,263	3,317	2,660,256	4,074,860	137,929	-	845,969
	-	-	9,942	201,384	2,040,194	3,444	-	1,492,429
	55,844	37,050	22,741	3,197,273	2,728,835	146,356	-	752,681
	-	-	257,999	41,503	21,477	2,816	-	6,185
	403	561	153,552	237,709	211,087	4,270	-	304,356
	450	478	106,498	818,730	815,024	6,630	-	83,140
	5,591	1,187	289,965	8,883,926	2,927,175	119,159	-	382,099
	-	-	4,383	1,884,172	69,003	21,259	-	36,799
	-	-	-	-	-	-	-	147
	211,009	46,621	40,012,673	10,131,148	10,965,413	620,385	-	946,873
	702,195	-	75,351,054	17,581,811	3,602,342	444,870	-	3,549,707
	114	-	342	7,050	6,893,249	-	48,347,642	8,429,103
	1,015,001	2,653,387	116,284,102	206,329,398	144,089,451	6,812,147	48,347,642	24,549,953

Disclosure of Receivables and Loan-Loss Provisions by Region – Bank Only

No	Description	31 December 2016							
		Region							
		Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Receivable	542,943,273	143,536,584	55,639,136	70,776,065	74,012,616	98,887,788	26,762,175	1,012,557,637
2	Impaired Assets	20,841,463	13,340,292	4,812,813	5,742,563	4,460,915	10,924,238	2,359,878	62,482,162
	a. Current	17,146,280	11,643,850	3,897,046	4,679,855	3,314,098	8,362,235	2,092,721	51,136,085
	b. Past Due	3,695,183	1,696,442	915,767	1,062,708	1,146,817	2,562,003	267,157	11,346,077
3	Individual Impairment Provision	5,265,898	620,754	214,057	144,041	313,030	755,711	92,745	7,406,236
4	Collective Impairment Provision	3,050,873	3,488,105	1,385,513	1,914,013	1,517,048	2,625,608	556,975	14,538,135
5	Write-off	1,366,455	1,650,777	1,010,294	1,059,205	1,158,141	1,959,834	241,539	8,446,245

Disclosure of Receivables and Loan-Loss Provisions by Region - Bank Consolidated with Subsidiaries

No	Description	31 December 2016							
		Region							
		Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Receivable	559,959,398	146,103,421	60,542,989	72,949,339	76,518,840	102,065,014	26,762,175	1,044,901,176
2	Impaired Assets	22,231,187	13,947,516	5,572,693	5,886,107	4,655,957	11,851,223	2,359,878	66,504,561
	a. Current	17,195,917	11,924,639	4,031,532	4,722,573	3,362,841	8,602,133	2,092,721	51,932,356
	b. Past Due	5,035,270	2,022,877	1,541,161	1,163,534	1,293,116	3,249,090	267,157	14,572,205
3	Individual Impairment Provision	5,237,758	641,714	227,568	150,888	316,702	846,785	92,745	7,514,160
4	Collective Impairment Provision	3,360,505	3,560,465	1,456,709	1,947,620	1,557,527	2,722,491	556,975	15,162,292
5	Write-off	1,386,456	1,654,771	1,060,801	1,070,856	1,181,434	1,996,848	241,539	8,592,705

(Rp Million)

31 December 2015							
Region							
Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
472,614,789	127,883,264	53,479,068	66,423,045	57,593,626	82,141,088	28,745,186	888,880,066
13,342,302	2,535,284	2,033,122	1,553,995	2,192,771	4,146,499	21	25,803,994
12,183,554	2,157,619	1,484,373	1,245,392	1,634,478	3,062,730	18	21,768,164
1,158,748	377,665	548,749	308,603	558,293	1,083,769	3	4,035,830
2,718,263	131,111	181,493	87,826	262,968	692,784	-	4,074,445
2,089,755	3,219,419	1,664,356	1,708,905	1,538,268	2,735,200	4	12,955,907
1,025,916	1,810,724	782,341	1,005,319	1,349,391	1,767,316	-	7,741,007

(Rp Million)

31 December 2015							
Region							
Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
490,297,164	129,982,000	55,996,699	68,367,496	60,526,484	85,655,078	28,745,186	919,570,107
13,367,953	2,554,744	2,040,891	1,584,109	2,193,203	4,319,759	21	26,060,680
12,208,425	2,167,477	1,488,684	1,261,217	1,634,868	3,150,825	18	21,911,514
1,159,528	387,267	552,207	322,892	558,335	1,168,934	3	4,149,166
2,727,860	131,111	181,657	89,761	262,968	710,915	-	4,104,272
2,476,444	3,230,838	1,668,013	1,715,419	1,544,041	2,775,405	4	13,410,164
1,175,963	1,811,373	819,328	1,007,160	1,349,459	1,794,111	-	7,957,394

Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Only

No	Economy Sectors	31 December 2016					
		Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Specific Provision	Portfolio Impairment Provision	Write-Off
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Agriculture, Hunting and Forestry	73,094,523	5,700,086	1,047,652	832,454	2,133,148	1,383,513
2	Fishery	3,070,169	244,133	72,450	20,257	116,515	120,891
3	Mining and Excavation	9,575,673	2,952,401	566,292	823,328	110,108	250,808
4	Manufacturing	68,028,085	9,604,067	656,240	1,603,320	834,485	579,442
5	Electricity, Gas and Water	37,032,540	667,657	85,883	44,234	537,012	6,620
6	Construction	22,909,584	3,080,888	891,756	1,134,417	269,564	144,939
7	Wholesale and Retail Trading	203,117,480	17,215,446	5,461,822	1,292,221	6,323,564	4,477,133
8	Accommodation and Food and Beverage	6,962,383	2,368,507	80,429	284,564	154,263	73,556
9	Transportation, Warehouse and Communication	18,327,353	1,748,319	379,220	814,932	325,482	143,705
10	Financial Brokerage	248,808,684	20,277	206,210	190,054	69,858	11,109
11	Real Estate, Leasing and Corporate Services	7,488,824	1,011,646	329,040	243,696	162,300	77,270
12	Public Administration, Defence, and Compulsory Social Security	4,575,207	4,922	2,012	-	170,414	4,408
13	Education Services	645,737	44,625	9,073	-	11,038	6,614
14	Health and Social Services	1,904,805	150,732	24,277	27,365	30,219	13,643
15	Public, Socio-culture, Entertainment and other Personal Services	15,238,568	1,326,904	208,441	61,768	536,910	363,301
16	Personal services for household	1,914,903	152,058	42,565	8,300	83,736	54,901
17	International institution and other international extra agencies	-	-	-	-	-	-
18	Undefined Activities	75,731,635	1,862,268	546,236	-	102,806	319,210
19	Non-Business Activity	135,900,613	2,981,149	736,479	25,326	2,566,713	415,182
20	Others	78,230,871	-	-	-	-	-
	Total	1,012,557,637	51,136,085	11,346,077	7,406,236	14,538,135	8,446,245

(Rp Million)

31 December 2015						
Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Specific Provision	Portfolio Impairment Provision	Write-Off	
(3)	(4)	(5)	(6)	(7)	(8)	
54,546,061	2,185,726	327,171	280,871	2,016,720	1,304,237	
2,622,014	59,465	30,648	18,010	100,125	114,596	
8,534,931	1,785,562	55,316	507,822	82,704	26,214	
57,099,743	2,858,418	825,990	1,294,153	813,640	257,441	
25,615,983	768,010	8,157	80,084	331,225	8,108	
17,747,434	2,849,184	158,712	263,566	214,796	130,314	
179,844,509	4,871,324	2,204,069	637,866	5,586,447	4,606,617	
5,612,644	1,998,743	4,659	100,050	108,013	88,007	
15,770,248	1,561,244	66,352	523,815	278,214	94,653	
214,501,325	245,647	401	53,962	67,879	10,897	
6,609,087	756,101	186,018	215,536	146,301	140,958	
4,562,637	170	434	98	2,299	2,539	
613,072	4,919	44	-	8,786	6,611	
7,359,710	64,516	1,377	5,721	35,782	12,566	
13,607,924	432,711	50,922	86,898	514,637	303,218	
2,038,845	30,757	3,501	4,631	100,638	56,793	
-	-	-	-	-	-	
100,591,621	-	37,786	-	9	175,226	
98,037,851	1,295,667	74,273	1,362	2,547,692	400,862	
73,564,427	-	-	-	-	1,150	
888,880,066	21,768,164	4,035,830	4,074,445	12,955,907	7,741,007	

Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Consolidated with Subsidiaries

No	Economy Sectors	31 December 2016					
		Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Specific Provision	Portfolio Impairment Provision	Write-Off
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Agriculture, Hunting and Forestry	76,513,515	5,814,634	1,266,712	891,654	2,186,491	1,373,725
2	Fishery	3,775,525	255,565	108,701	21,615	129,165	120,891
3	Mining and Excavation	9,660,564	2,952,561	572,867	823,328	111,955	251,060
4	Manufacturing	70,440,843	9,642,208	1,239,386	1,667,338	871,567	580,442
5	Electricity, Gas and Water	37,146,918	667,696	86,607	44,234	538,271	6,620
6	Construction	23,891,468	3,141,261	944,852	1,161,152	285,079	148,911
7	Wholesale and Retail Trading	207,882,430	17,390,586	6,362,027	1,191,170	6,596,676	4,479,676
8	Accommodation and Food and Beverage	7,606,329	2,404,504	101,068	285,628	164,690	73,556
9	Transportation, Warehouse and Communication	19,014,940	1,833,246	726,190	853,215	346,573	143,705
10	Financial Brokerage	251,055,309	174,443	304,835	190,054	164,705	11,109
11	Real Estate, Leasing and Corporate Services	8,417,914	1,030,546	392,267	252,069	177,652	78,210
12	Public Administration, Defense, and Compulsory Social Security	4,576,185	5,157	2,541	-	170,507	4,408
13	Education Services	905,154	64,490	21,917	2,608	14,322	6,614
14	Health and Social Services	2,030,546	152,868	26,566	27,365	32,137	13,643
15	Public, Socio-culture, Entertainment and other Personal Services	15,628,307	1,361,753	254,966	64,661	547,338	365,077
16	Personal services for household	1,966,643	152,779	47,872	8,300	84,872	54,901
17	International institution and other international extra agencies	-	-	-	-	-	-
18	Undefined Activities	76,603,758	1,891,419	654,189	2,690	138,722	322,765
19	Non-Business Activity	136,149,006	2,984,636	768,571	26,340	2,569,943	415,182
20	Others	91,635,822	12,004	690,071	739	31,627	142,210
	Total	1,044,901,176	51,932,356	14,572,205	7,514,160	15,162,292	8,592,705

Disclosure of Movements of Allowance for Impairment Losses (CKPN) Details - Bank Only

(Rp Million)

No.	Description	31 December 2016		31 December 2015	
		Individual Impairment Provision	Collective Impairment Provision	Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)	(3)	(4)
1	Beginning balance of impairment provision	4,074,445	12,955,907	2,355,974	13,429,267
2	Charge/release of impairment provision for the current year (Net)	4,206,147	9,113,616	1,966,797	6,614,279
3	Impairment provision for write-off	874,356	7,571,889	248,326	7,492,681
4	Other charge/release for the current year	-	40,501	-	405,042
	CKPN Ending Balance	7,406,236	14,538,135	4,074,445	12,955,907

(Rp Million)

31 December 2015						
Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Specific Provision	Portfolio Impairment Provision	Write-Off	
(3)	(4)	(5)	(6)	(7)	(8)	
57,099,443	2,271,740	386,902	305,177	2,058,012	1,304,237	
3,154,496	59,996	31,277	18,010	100,435	114,596	
8,647,918	1,786,211	56,127	507,822	83,081	26,214	
59,832,842	2,860,342	831,213	1,294,153	821,326	257,441	
25,674,831	768,010	8,157	80,084	331,236	8,108	
18,581,448	2,857,159	161,468	264,574	218,371	166,023	
184,191,731	4,881,186	2,217,130	637,866	5,600,182	4,606,617	
5,994,184	1,999,021	5,123	101,010	109,202	88,007	
16,699,535	1,573,209	70,607	525,750	280,767	101,528	
216,861,797	245,647	401	53,962	77,146	10,897	
7,505,170	758,758	191,594	217,154	149,469	140,958	
4,568,822	170	434	98	2,299	2,539	
918,492	4,919	44	-	8,796	6,611	
7,451,491	64,516	1,377	5,721	35,865	12,566	
14,054,689	434,887	57,195	86,898	517,576	303,218	
2,075,820	30,757	3,501	4,631	100,640	56,793	
147	-	-	-	-	-	
102,323,911	19,319	52,343	-	15,817	206,804	
101,587,558	1,295,667	74,273	1,362	2,547,692	400,862	
82,345,782	-	-	-	352,252	143,375	
919,570,107	21,911,514	4,149,166	4,104,272	13,410,164	7,957,394	

Disclosure of Movements of Allowance for Impairment Losses (CKPN) Details - Bank Consolidated with Subsidiaries

(Rp Million)

No.	Description	31 December 2016		31 December 2015	
		Individual Impairment Provision	Collective Impairment Provision	Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)	(3)	(4)
1	Beginning balance of impairment provision	4,104,272	13,410,163	2,389,304	13,773,491
2	Charge/release of impairment provision for the current year (Net)	4,284,245	9,415,001	1,997,567	6,906,426
3	Impairment provision for write-off	874,357	7,718,348	282,599	7,674,795
4	Other charge/release for the current year	-	55,476	-	405,042
CKPN Ending Balance		7,514,160	15,162,292	4,104,272	13,410,164

Disclosure of Counterparty Credit Risk – Derivative Transactions

No	Underlying Financial Instrument	31 December 2016							
		Notional Amount			Derivative Receivable	Derivative Payable	Net Receivable before CRM	CRM (Credit Risk Mitigation)	Net Receivable ≤ 1 Year after CRM
		≤1 year	> year to ≤ 5 year	>5 year					
Bank Only									
1	Interest Rate	5,484,998	3,719,891	3,233,400	59,443	53,780	126,543	-	126,543
2	Foreign Exchange	19,328,949	-	-	2,002	112,160	367,679	-	367,679
3	Others	-	-	-	32,204	178,925	32,204	-	32,204
	Total	24,813,947	3,719,891	3,233,400	93,649	344,865	526,426	-	526,426
Bank Consolidated with Subsidiaries									
1	Interest Rate	5,484,998	3,719,891	3,233,400	59,443	53,780	126,543	-	126,543
2	Foreign Exchange	19,328,949	-	-	2,002	112,160	367,679	-	367,679
3	Stock	-	-	-	-	-	-	-	-
4	Gold	-	-	-	-	-	-	-	-
5	Metals other than Gold	-	-	-	-	-	-	-	-
6	Others	-	-	-	32,204	178,925	32,204	-	32,204
	Total	24,813,947	3,719,891	3,233,400	93,649	344,865	526,426	-	526,426

Disclosure of Counterparty Credit Risk: Repo Transactions – Bank Only

No.	Portfolio Category	31 December 2016			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Government Receivables	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-
3	Claims on Multilateral Development Banks and Securities	-	-	-	-
4	Banks Receivables	-	-	677,262	300,015
5	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6	Corporate Receivables	-	-	-	-
7	Sharia Exposure (If Any)	-	-	-	-
	Total	-	-	677,262	300,015

(Rp Million)

	31 December 2015							
	Notional Amount			Derivative Receivable	Derivative Payable	Net Receivable before CRM	CRM (Credit Risk Mitigation)	Net Receivable ≤ 1 Year after CRM
	≤1 year	> year to ≤ 5 year	>5 year					
	7,178,291	1,929,900	-	-	358,317	171,035	-	171,035
	8,541,860	-	-	-	87,436	85,419	-	85,419
	-	-	-	-	-	-	-	-
	15,720,151	1,929,900	-	-	445,753	256,453	-	256,453
	7,178,291	1,929,900	-	-	358,317	171,035	-	171,035
	8,541,860	-	-	-	87,436	85,419	-	85,419
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	15,720,151	1,929,900	-	-	445,753	256,453	-	256,453

(Rp Million)

	31 December 2015			
	Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
	(7)	(8)	(9)	(10)
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	3,184,851	1,019,573
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	3,184,851	1,019,573

Disclosure of Counterparty Credit Risk: Repo Transactions - Bank In Consolidation

No.	Portfolio Category	31 December 2016			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Government Receivables	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-
3	Claims on Multilateral Development Banks and Securities	-	-	-	-
4	Banks Receivables	-	-	677,262	300,015
5	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6	Corporate Receivables	-	-	-	-
7	Sharia Exposure (If Any)	-	-	-	-
	Total	-	-	677,262	300,015

Disclosure of Counterparty Credit Risk: Reverse Repo Transactions - Bank Only

No.	Portfolio Category	31 December 2016			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Government Receivables	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-
3	Claims on Multilateral Development Banks and Securities	-	-	-	-
4	Banks Receivables	1,557,370	-	1,557,370	311,474
5	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6	Corporate Receivables	-	-	-	-
7	Sharia Exposure (If Any)	-	-	-	-
	Total	1,557,370	-	1,557,370	311,474

(Rp Million)

31 December 2015			
Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(7)	(8)	(9)	(10)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	3,184,851	1,019,573
-	-	-	-
-	-	-	-
-	-	3,184,851	1,019,573

(Rp Million)

31 December 2015			
Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(7)	(8)	(9)	(10)
-	-	-	-
-	-	-	-
-	-	-	-
845,124	-	845,124	169,025
-	-	-	-
-	-	-	-
845,124	-	845,124	169,025

Disclosure of Counterparty Credit Risk: Reverse Repo Transactions - Bank In Consolidation

No.	Portfolio Category	31 December 2016			
		Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1	Government Receivables	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-
3	Claims on Multilateral Development Banks and Securities	-	-	-	-
4	Banks Receivables	1,557,370	-	1,557,370	311,474
5	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-
6	Corporate Receivables	-	-	-	-
7	Sharia Exposure (If Any)	-	-	-	-
Total		1,557,370	-	1,557,370	311,474

Credit Risk Mitigation (MRK)

BRI takes into account the existence of collateral, warranties, guarantees, or credit insurance as credit risk mitigation techniques (MRK) according to standard approaches. BRI has procedures to identify, measure, monitor and control risks arising from the use of MRK techniques to ensure that the execution of collateral actions, warranties, guarantees, or credit insurance claims is carried out within a reasonable timeframe.

Recognized financial collateral types are as follows:

- a) cash
- b) checking, savings, or time deposits
- c) gold
- d) Government Securities (GS) issued by the Government of the Republic of Indonesia which includes Government Bonds and Treasury Bills
- e) State Sharia Securities (SBSN)
- f) Bank Indonesia Certificates (SBI) and Bank Indonesia Certificates Sharia (SBIS)
- g) Marketable securities rated by rating agencies which are recognized by Bank Indonesia with a minimum ranking as:
 - (1) equivalent to BBB- when issued by parties included in the Government Claims on Other Countries
 - (2) Equivalent to BBB- when issued by parties included in Claims on Public Sector Entities
 - (3) Equivalent to BBB- when issued by parties included in the Claims on Multilateral Development Banks

- (4) Equivalent to BBB- when issued by parties included in the Claims on Banks
- (5) Equivalent to A-1 if issued by a party which is included in Corporate Claims
- (6) Equivalent to A-2 for short-term securities.

As long as collateral is included in recognized types of collateral, the underlying instruments, or collateral from reverse repo transactions, may be recognized as a risk mitigation of reverse repo transactions.

In setting the value of the collateral, the Bank uses the lower value between the binding value of the collateral at fair value or market value. Revaluation of fair value or market value of collateral is done periodically.

Warranty issuers who are recognized are:

- 1). Parties included in portfolio category of coverage Claims on the Government of Indonesia;
- 2). Parties included in portfolio category of coverage Claims on the Government of the Republic if the parties have:
 - a) lower risk weight than risk weight of guaranteed claims; and
 - b) rank lower than BBB- or the equivalent;
- 3) Commercial bank incorporated in Indonesia, branches of foreign banks in Indonesia, and the Indonesian Export Financing Institutions that have a lower risk weight than risk weight of guaranteed claims;

(Rp Million)

31 December 2015			
Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(7)	(8)	(9)	(10)
-	-	-	-
-	-	-	-
-	-	-	-
845,124	-	845,124	169,025
-	-	-	-
-	-	-	-
-	-	-	-
845,124	-	845,124	169,025

- 4) Foreign banks who are legal entities classified as prime bank as stipulated in Bank Indonesia regulations regarding maximum lending limit;
- 5) A financial institution that engages in insurance underwriting or is included in the portfolio category of coverage Claims on Public Sector Entities and Claims on Corporations.

Provider of guarantee/credit insurance can be either state-owned institutions or non-state enterprises. BRI specifies the requirements on type of guarantee/credit insurance institutions that refer to regulator provisions.

The following table illustrates disclosure of risk-weighted net claims after taking into account the impact of credit risk mitigation, as well as the disclosure of net charges and credit risk mitigation techniques, Bank-only and consolidated with subsidiaries as of December 31, 2016.

Disclosure of Net Exposure Receivables After Credit Risk Mitigation – Bank Only

No.	Portfolio Category	31 December 2016										
		Net Exposure Receivables										
		0%	20%	35%	40%	45%	50%	75%	100%	150%	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
A	Balance Sheet Exposure											
1	Government Receivables	237,523,630	-	-	-	-	-	-	-	-	-	-
2	Public Sector Entity Receivables	-	2,274,138	-	-	-	84,545,057	-	60,803	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-	-	-	-	-	-
4	Banks Receivables	-	21,372,831	-	-	-	18,430,384	-	-	-	-	-
5	Mortgage Loans	-	-	90,998	-	-	-	-	-	-	-	-
6	Commercial Property Loans	-	-	-	-	-	-	-	2,945,214	-	-	-
7	Employee/Pensioner Loans	-	-	-	-	-	127,554,556	-	-	-	-	-
8	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-	243,456,609	-	-	-	-
9	Corporate Receivables	-	1,218,948	-	-	-	324,862	-	160,200,378	50,000	-	-
10	Past Due Loans	-	-	-	-	-	-	-	11,966	6,497,102	-	-
11	Other Assets	24,865,136	-	-	-	-	-	-	37,781,514	32,426	-	-
12	Exposures at Sharia Unit (if any)	-	-	-	-	-	-	-	-	-	-	-
	Total Balance Sheet Exposure	262,388,766	24,865,917	90,998	-	-	230,854,859	243,456,609	200,999,875	6,579,528	-	-
B	Commitment/Contingency Exposure on Off Balance Sheet Transaction											
1	Government Receivables	108,510	-	-	-	-	-	-	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-	9,011,254	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-	-	-	-	-	-
4	Banks Receivables	-	273,279	-	-	-	5,212,021	-	-	-	-	-
5	Mortgage Loans	-	-	-	-	-	-	-	-	-	-	-
6	Commercial Property Loans	-	-	-	-	-	-	-	-	-	-	-
7	Employee/Pensioner Loans	-	-	-	-	-	-	-	-	-	-	-
8	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-	169,135	-	-	-	-
9	Corporate Receivables	-	-	-	-	-	-	-	3,841,457	-	-	-
10	Past Due Loans	-	-	-	-	-	-	-	-	-	-	-
11	Exposures at Sharia Unit (if any)	-	-	-	-	-	-	-	-	-	-	-
	Total Off Balance Sheet Exposure	108,510	273,279	-	-	-	14,223,275	169,135	3,841,457	-	-	-
C	Counterparty Credit Risk Exposure											
1	Government Receivables	-	-	-	-	-	-	-	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-	-	-	-	-	-
4	Banks Receivables	-	2,212,516	-	-	-	548,542	-	-	-	-	-
5	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-	-	-	-	-	-	-
7	Exposures at Sharia Unit (if any)	-	-	-	-	-	-	-	-	-	-	-
	Total Counterparty Credit Risk	-	2,212,516	-	-	-	548,542	-	-	-	-	-

(Rp Million)

	RWA	Capital Charge	31 December 2015											RWA	Capital Charge
			Net Exposure Receivables												
			0%	20%	35%	40%	45%	50%	75%	100%	150%	Others			
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)		
-	-	211,871,854	-	-	-	-	-	-	-	-	-	-	-	-	
42,780,329	3,422,426	-	1,589,219	-	-	-	83,421,778	-	-	-	-	-	41,603,320	3,328,266	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13,489,758	1,079,181	-	30,116,273	-	-	-	13,525,346	-	-	-	-	-	12,785,929	1,022,874	
31,849	2,548	-	-	498,894	269,275	-	-	-	-	-	-	-	282,323	22,586	
2,945,214	235,617	-	-	-	-	-	-	-	2,512,106	-	-	-	2,512,106	200,968	
63,777,278	5,102,182	-	-	-	-	-	115,761,652	-	-	-	-	-	57,880,826	4,630,466	
171,864,906	13,749,192	-	-	-	-	-	-	204,295,591	-	-	-	-	149,731,300	11,978,504	
148,095,129	11,847,610	-	1,660,139	-	-	-	650,637	-	134,052,636	-	-	-	130,707,755	10,456,620	
9,757,409	780,593	-	-	-	-	-	-	-	33,325	6,777,127	-	-	10,197,586	815,807	
37,830,153	3,026,412	28,470,319	-	-	-	-	-	-	19,545,115	30,316	-	-	19,590,589	1,567,247	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
490,572,025	39,245,762	240,342,173	33,365,631	498,894	269,275	-	213,359,413	204,295,591	156,143,182	6,807,443	-	-	425,291,734	34,023,339	
-	-	844,873	-	-	-	-	-	-	-	-	-	-	-	-	
4,505,627	360,450	-	-	-	-	-	9,038,214	-	-	-	-	-	4,519,107	361,529	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2,660,667	212,853	-	569,548	-	-	-	4,953,034	-	-	-	-	-	2,590,427	207,234	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
126,851	10,148	-	-	-	-	-	-	300,345	-	-	-	-	225,259	18,021	
3,841,457	307,317	-	-	-	-	-	-	-	4,429,519	-	-	-	4,429,519	354,362	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11,134,602	890,768	844,873	569,548	-	-	-	13,991,248	300,345	4,429,519	-	-	-	11,764,312	941,145	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
716,774	57,342	-	3,011,086	-	-	-	1,275,342	-	-	-	-	-	1,239,888	99,191	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
716,774	57,342	-	3,011,086	-	-	-	1,275,342	-	-	-	-	-	1,239,888	99,191	

Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Consolidated with Subsidiaries

No.	Portfolio Category	31 December 2016										
		Net Exposure Receivables										
		0%	20%	35%	40%	45%	50%	75%	100%	150%	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
A	Balance Sheet Exposure											
1	Government Receivables	239,482,809	-	-	-	-	-	-	-	-	-	-
2	Public Sector Entity Receivables	-	2,274,138	-	-	-	84,879,818	-	60,803	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-	-	-	-	-	-
4	Banks Receivables	-	22,257,364	-	-	-	18,471,884	-	-	-	-	-
5	Mortgage Loans	-	-	325,881	-	-	-	-	-	-	-	-
6	Commercial Property Loans	-	-	-	-	-	-	-	3,209,158	-	-	-
7	Employee/Pensioner Loans	-	-	-	-	-	127,940,818	-	-	-	-	-
8	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-	245,210,400	-	-	-	-
9	Corporate Receivables	-	1,218,948	-	-	-	324,862	-	165,238,157	50,000	-	-
10	Past Due Loans	-	-	-	-	-	-	-	22,905	6,607,970	-	-
11	Other Assets	24,893,790	-	-	-	-	-	-	38,038,472	32,887	-	-
12	Exposures at Sharia Unit (if any)	8,534,812	749,560	2,834,830	-	-	571,287	5,527,076	9,632,010	-	-	-
	Total Balance Sheet Exposure	272,911,411	26,500,010	3,160,711	-	-	232,188,669	250,737,476	216,201,505	6,690,857	-	-
B	Commitment/Contingency Exposure on Off Balance Sheet Transaction											
1	Government Receivables	108,510	-	-	-	-	-	-	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-	9,052,675	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-	-	-	-	-	-
4	Banks Receivables	-	316,404	-	-	-	5,212,252	-	-	-	-	-
5	Mortgage Loans	-	-	-	-	-	-	-	-	-	-	-
6	Commercial Property Loans	-	-	-	-	-	-	-	1,732	-	-	-
7	Employee/Pensioner Loans	-	-	-	-	-	104	-	-	-	-	-
8	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-	193,549	-	-	-	-
9	Corporate Receivables	-	-	-	-	-	-	-	3,965,432	-	-	-
10	Past Due Loans	-	-	-	-	-	-	-	-	102	-	-
11	Exposures at Sharia Unit (if any)	3,803	-	-	-	-	20,000	1,013	90,803	-	-	-
	Total Off Balance Sheet Exposure	112,313	316,404	-	-	-	14,285,031	194,562	4,057,967	102	-	-
C	Counterparty Credit Risk Exposure											
1	Government Receivables	-	-	-	-	-	-	-	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-	-	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-	-	-	-	-	-
4	Banks Receivables	-	2,212,516	-	-	-	548,542	-	-	-	-	-
5	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-	-	-	-	-	-	-
7	Exposures at Sharia Unit (if any)	-	-	-	-	-	-	-	-	-	-	-
	Total Counterparty Credit Risk	-	2,212,516	-	-	-	548,542	-	-	-	-	-

(Rp Million)

	RWA	Capital Charge	31 December 2015										RWA	Capital Charge
			Net Exposure Receivables											
			0%	20%	35%	40%	45%	50%	75%	100%	150%	Others		
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	
-	-	213,013,364	-	-	-	-	-	-	-	-	-	-	-	-
42,947,708	3,435,817	-	1,589,219	-	-	-	-	83,648,562	-	15,000	-	-	41,726,267	3,338,101
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13,685,916	1,094,873	-	30,919,372	-	-	-	-	13,610,587	-	-	-	-	12,987,667	1,039,013
114,058	9,125	-	-	543,005	461,249	10,230	-	-	-	-	-	-	379,015	30,321
3,209,158	256,733	-	-	-	-	-	-	-	2,652,141	-	-	-	2,652,141	212,171
63,970,409	5,117,633	-	-	-	-	-	-	116,282,515	-	-	-	-	58,140,171	4,651,214
173,156,133	13,852,491	-	-	-	-	-	-	-	205,958,696	-	-	-	150,927,063	12,074,165
153,009,134	12,240,731	-	1,660,139	-	-	-	-	650,637	-	137,268,905	-	-	133,839,903	10,707,192
9,934,575	794,766	-	-	-	-	-	-	-	-	34,946	6,777,127	-	10,199,207	815,937
38,087,805	3,047,024	28,491,664	-	-	-	-	-	-	-	19,825,085	30,893	-	19,871,425	1,589,714
14,331,172	1,146,494	7,292,786	432,921	2,416,785	-	-	-	226,252	-	14,181,212	-	-	-	-
512,446,068	40,995,685	248,797,814	34,601,651	2,959,790	461,249	10,230	214,418,553	205,958,696	173,977,289	6,808,020	-	-	430,722,859	34,457,829
-	-	844,873	-	-	-	-	-	-	-	-	-	-	-	-
4,526,338	362,107	-	-	-	-	-	-	9,085,087	-	-	-	-	4,542,544	363,404
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2,669,408	213,553	-	582,672	-	-	-	-	4,953,266	-	-	-	-	2,593,167	207,453
-	-	-	-	14	312	191	-	-	-	-	-	-	216	17
1,732	139	-	-	-	-	-	-	-	-	1,246	-	-	1,246	100
52	4	-	-	-	-	-	-	1,587	-	-	-	-	794	64
144,238	11,539	-	-	-	-	-	-	-	370,703	-	-	-	277,277	22,182
3,964,012	317,121	-	-	-	-	-	-	-	-	4,509,768	-	-	4,508,114	360,649
153	12	-	-	-	-	-	-	-	-	73	-	-	73	6
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11,305,933	904,475	844,873	582,672	14	312	191	14,039,940	370,703	4,511,087	-	-	-	11,923,431	953,874
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
716,774	57,342	-	3,011,086	-	-	-	-	1,275,342	-	-	-	-	1,239,888	99,191
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
716,774	57,342	-	3,011,086	-	-	-	-	1,275,342	-	-	-	-	1,239,888	99,191

Disclosure of Net Exposure Receivables and Credit Risk Mitigation Technique – Bank Only

No.	Portfolio Category	31 December 2016					Unsecured
		Net Receivables	Collaterals	Guarantees	Credit Insurance	Others	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) = (3) - [(4)+(5)+(6)+(7)]
A	Balance Sheet Exposure						
1	Government Receivables	237,523,630	-	-	-	-	237,523,630
2	Public Sector Entity Receivables	86,879,998	15,663	-	-	-	86,864,335
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4	Banks Receivables	39,803,215	-	-	-	-	39,803,215
5	Mortgage Loans	90,998	-	-	-	-	90,998
6	Commercial Property Loans	2,945,214	-	-	-	-	2,945,214
7	Employee/Pensioner Loans	127,554,556	-	-	-	-	127,554,556
8	Microenterprises, Small Business, and Retail Portfolio Receivables	243,456,609	621,232	-	18,657,504	-	224,177,873
9	Corporate Receivables	161,794,188	12,586,470	-	-	-	149,207,718
10	Past Due Loans	6,509,068	140	-	-	-	6,508,928
11	Other Assets	62,679,076	-	-	-	-	62,679,076
12	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Balance Sheet Exposure	969,236,552	13,223,505	-	18,657,504	-	937,355,543
B	Commitment/Contingency Exposure on Off Balance Sheet Transaction						
1	Government Receivables	108,510	-	-	-	-	108,510
2	Public Sector Entity Receivables	9,011,254	-	-	-	-	9,011,254
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4	Banks Receivables	5,485,300	-	-	-	-	5,485,300
5	Mortgage Loans	-	-	-	-	-	-
6	Commercial Property Loans	-	-	-	-	-	-
7	Employee/Pensioner Loans	-	-	-	-	-	-
8	Microenterprises, Small Business, and Retail Portfolio Receivables	169,135	-	-	-	-	169,135
9	Corporate Receivables	3,841,457	-	-	-	-	3,841,457
10	Past Due Loans	-	-	-	-	-	-
11	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Eksposur Rekening Administratif	18,615,656	-	-	-	-	18,615,656
C	Counterparty Credit Risk Exposure						
1	Government Receivables	-	-	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4	Banks Receivables	2,761,058	-	-	-	-	2,761,058
5	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-	-
7	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Counterparty Credit Risk	2,761,058	-	-	-	-	2,761,058
	Total (A+B+C)	990,613,266	13,223,505	-	18,657,504	-	958,732,257

(Rp Million)

	31 December 2015					
	Net Receivables	Guaranteed				Unsecured
		Collaterals	Guarantees	Credit Insurance	Others	
(9)	(10)	(11)	(12)	(13)	(14) = (9)-[(10)+(11)+(12)+(13)]	
	211,871,854	-	-	-	-	211,871,854
	85,010,997	850,828	-	-	-	84,160,169
	-	-	-	-	-	-
	43,641,619	-	-	-	-	43,641,619
	768,169	-	-	-	-	768,169
	2,512,106	-	-	-	-	2,512,106
	115,761,652	-	-	-	-	115,761,652
	204,295,591	414,889	-	5,780,411	-	198,100,291
	136,363,412	4,002,228	-	-	-	132,361,184
	6,810,452	953	-	-	-	6,809,499
	48,045,750	-	-	-	-	48,045,750
	-	-	-	-	-	-
	855,081,602	5,268,898	-	5,780,411	-	844,032,293
	844,873	-	-	-	-	844,873
	9,038,214	-	-	-	-	9,038,214
	-	-	-	-	-	-
	5,522,582	-	-	-	-	5,522,582
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	300,345	-	-	-	-	300,345
	4,429,519	-	-	-	-	4,429,519
	-	-	-	-	-	-
	-	-	-	-	-	-
	20,135,533	-	-	-	-	20,135,533
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	4,286,428	-	-	-	-	4,286,428
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	4,286,428	-	-	-	-	4,286,428
	879,503,563	5,268,898	-	5,780,411	-	868,454,254

Disclosure of Net Exposure Receivable and Credit Risk Mitigation Technique – Bank Consolidated with Subsidiaries

No.	Portfolio Category	31 December 2016					Unsecured
		Net Receivables	Guaranteed			(8) = (3) - [(4)+(5)+(6)+(7)]	
			Collaterals	Guarantees	Credit Insurance		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
A	Balance Sheet Exposure						
1	Government Receivables	239,482,809	-	-	-	-	239,482,809
2	Public Sector Entity Receivables	87,214,759	15,663	-	-	-	87,199,096
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4	Banks Receivables	40,729,248	3,000	-	-	-	40,726,248
5	Mortgage Loans	325,881	-	-	-	-	325,881
6	Commercial Property Loans	3,209,158	-	-	-	-	3,209,158
7	Employee/Pensioner Loans	127,940,818	-	-	-	-	127,940,818
8	Microenterprises, Small Business, and Retail Portfolio Receivables	245,210,400	653,386	-	18,657,504	-	225,899,510
9	Corporate Receivables	166,831,967	12,710,244	-	-	-	154,121,723
10	Past Due Loans	6,630,875	190	-	-	-	6,630,685
11	Other Assets	62,965,149	-	-	-	-	62,965,149
12	Exposures at Sharia Unit (if any)	27,849,575	-	-	-	-	27,849,575
	Total Balance Sheet Exposure	1,008,390,639	13,382,483	-	18,657,504	-	976,350,652
B	Commitment/Contingency Exposure on Off Balance Sheet Transaction						
1	Government Receivables	108,510	-	-	-	-	108,510
2	Public Sector Entity Receivables	9,052,675	-	-	-	-	9,052,675
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4	Banks Receivables	5,528,656	-	-	-	-	5,528,656
5	Mortgage Loans	-	-	-	-	-	-
6	Commercial Property Loans	1,732	-	-	-	-	1,732
7	Employee/Pensioner Loans	104	-	-	-	-	104
8	Microenterprises, Small Business, and Retail Portfolio Receivables	193,549	-	-	-	-	193,549
9	Corporate Receivables	3,965,432	-	-	-	-	3,965,432
10	Past Due Loans	102	-	-	-	-	102
11	Exposures at Sharia Unit (if any)	115,619	-	-	-	-	115,619
	Total Off Balance Sheet Exposure	18,966,379	-	-	-	-	18,966,379
C	Counterparty Credit Risk Exposure						
1	Government Receivables	-	-	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	-
4	Banks Receivables	2,761,058	-	-	-	-	2,761,058
5	Microenterprises, Small Business, and Retail Portfolio Receivables	-	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-	-
7	Exposures at Sharia Unit (if any)	-	-	-	-	-	-
	Total Counterparty Credit Risk	2,761,058	-	-	-	-	2,761,058
	Total (A+B+C)	1,030,118,075	13,382,483	-	18,657,504	-	998,078,088

(Rp Million)

	31 December 2015					
	Net Receivables	Guaranteed				Unsecured
		Collaterals	Guarantees	Credit Insurance	Others	
(9)	(10)	(11)	(12)	(13)	(14) = (9) - [(10) + (11) + (12) + (13)]	
213,013,364	-	-	-	-	213,013,364	
85,252,781	850,828	-	-	-	84,401,953	
-	-	-	-	-	-	
44,529,957	3,350	-	-	-	44,526,607	
1,014,484	-	-	-	-	1,014,484	
2,652,141	-	-	-	-	2,652,141	
116,282,516	2,175	-	-	-	116,280,341	
205,958,696	483,644	-	5,780,411	-	199,694,641	
139,579,681	4,086,348	-	-	-	135,493,333	
6,812,073	953	-	-	-	6,811,120	
48,347,642	-	-	-	-	48,347,642	
24,549,956	-	-	-	-	24,549,956	
887,993,291	5,427,298	-	5,780,411	-	876,785,582	
844,873	-	-	-	-	844,873	
9,085,086	-	-	-	-	9,085,086	
-	-	-	-	-	-	
5,535,937	-	-	-	-	5,535,937	
516	-	-	-	-	516	
1,246	-	-	-	-	1,246	
1,587	-	-	-	-	1,587	
370,702	1,000	-	-	-	369,702	
4,509,768	1,654	-	-	-	4,508,114	
73	-	-	-	-	73	
-	-	-	-	-	-	
20,349,788	2,654	-	-	-	20,347,134	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
4,286,428	-	-	-	-	4,286,428	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
4,286,428	-	-	-	-	4,286,428	
912,629,507	5,429,952	-	5,780,411	-	901,419,144	

Calculation of Risk Weighted Assets (RWA) for Credit Risk

Policy for calculations of risk-weighted assets for credit risk is performed with the Standard Approach that refers to the regulatory provisions. In the standard approach, nominal RWA for calculation of credit risk is the multiplication of net claims with predetermined risk weights based on the latest rankings of the debtor/counterparty portfolio by category or on a certain percentage for each type of claim.

Disclosure of Net Receivables Based on Portfolio Category and Rating Scale – Bank Only

	Portfolio Category	Rating Agency	Long-Term Rating				
		Standard and Poor's	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3	Baa1 s.d Baa3	Ba1 s.d Ba3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)	BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ s.d [Idr]AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr]BBB-	[Idr]BB+ s.d [Idr]BB-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d idA-	id BBB+ s.d id BBB-	id BB+ s.d id BB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Government Receivables	-	-	-	21,474,803	8,500,649	
2	Public Sector Entity Receivables	22,048	197,317	-	-	-	
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	
4	Banks Receivables	771,877	272,424	611,796	13,718,901	555,284	
5	Mortgage Loans						
6	Commercial Property Loans						
7	Employee/Pensioner Loans						
8	Claims on Micro and Small Enterprise, and Retail Portfolio						
9	Corporate Receivables	896,252	168,419	302,820	3,474,378	6,044,404	
10	Past Due Loans						
11	Other Assets						
12	Exposures at Sharia Unit	-	-	-	-	-	
	TOTAL	1,690,177	638,160	914,616	38,668,082	15,100,337	

	Portfolio Category	Rating Agency	Long-Term Rating				
		Standard and Poor's	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-
		Fitch Rating	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-
		Moody's	Aaa	Aa1 s.d Aa3	A1 s.d A3	Baa1 s.d Baa3	Ba1 s.d Ba3
		PT Fitch Ratings Indonesia	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)	BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)
		PT ICRA Indonesia	[Idr]AAA	[Idr]AA+ s.d [Idr]AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr]BBB-	[Idr]BB+ s.d [Idr]BB-
		PT Pemeringkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d idA-	id BBB+ s.d id BBB-	id BB+ s.d id BB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Government Receivables	-	-	-	-	36,998,336	
2	Public Sector Entity Receivables	22,134	39,465	-	-	-	
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-	
4	Banks Receivables	1,111,138	1,276,197	1,970,536	7,512,527	6,523,692	
5	Mortgage Loans						
6	Commercial Property Loans						
7	Employee/Pensioner Loans						
8	Claims on Micro and Small Enterprise, and Retail Portfolio						
9	Corporate Receivables	1,375,156	471,514	426,517	157,161	8,944,791	
10	Past Due Loans						
11	Other Assets						
12	Exposures at Sharia Unit	-	-	-	-	-	
	TOTAL	2,508,428	1,787,176	2,397,053	7,669,688	52,466,819	

The claims portfolio in BRI used for rankings include claims on the government, claims on Multilateral Development Banks and International Institutions, and claims on corporations. Other claims use a risk-weighted calculation without ratings. Rating agencies used by BRI are those agencies recognized by regulator Bank Indonesia, namely domestic rating agencies PEFINDO, PT Fitch Ratings Indonesia, and PT ICRA Indonesia and international S & P, Moody's and Fitch.

(Rp Million)

31 December 2016

Net Receivable								Unrated	Total
		Short-Term Rating							
B+ s.d B-	Lower than B-	A-1	A-2	A-3	Lower than A-3				
B+ s.d B-	Lower than B-	F1+ s.d F1	F2	F3	Lower than F3				
B1 s.d B3	Lower than B3	P-1	P-2	P-3	Lower than P-3				
B+(idn) s.d B-(idn)	Lower than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)				
[(idr)]B+ s.d [(idr)]B-	Lower than [(idr)]B-	[(idr)]A1+ s.d [(idr)]A1	[(idr)]A2+ s.d [(idr)]A2	[(idr)]A3+ s.d [(idr)]A3	Lower than [(idr)]A3				
id B+ s.d id B-	Lower than idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4				
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)		
-	-	-	-	-	-	207,656,688	237,632,140		
-	-	-	-	-	-	95,671,887	95,891,252		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	32,119,291	48,049,573		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	154,749,372	165,635,645		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	490,197,238	547,208,610		

31 December 2015

Net Receivable								Unrated	Total
		Short-Term Rating							
B+ s.d B-	Lower than B-	A-1	A-2	A-3	Lower than A-3				
B+ s.d B-	Lower than B-	F1+ s.d F1	F2	F3	Lower than F3				
B1 s.d B3	Lower than B3	P-1	P-2	P-3	Lower than P-3				
B+(idn) s.d B-(idn)	Lower than B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)				
[(idr)]B+ s.d [(idr)]B-	Lower than [(idr)]B-	[(idr)]A1+ s.d [(idr)]A1	[(idr)]A2+ s.d [(idr)]A2	[(idr)]A3+ s.d [(idr)]A3	Lower than [(idr)]A3				
id B+ s.d id B-	Lower than idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4				
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)		
-	-	-	-	-	-	175,718,391	212,716,727		
-	-	-	-	-	-	93,987,612	94,049,211		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	35,056,539	53,450,629		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	129,417,792	140,792,931		
-	-	-	-	-	-	-	-		
-	-	-	-	-	-	434,180,334	501,009,498		

Disclosure of Net Receivables Based on Portfolio Category and Rating Scale - Bank Consolidated with Subsidiaries

	Portfolio Category	Rating Agency	Long-Term Rating				
		Standard and Poor's	Fitch Rating	Moody's	PT Fitch Ratings Indonesia	PT ICRA Indonesia	PT Pemeringkat Efek Indonesia
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Government Receivables	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-	
2	Public Sector Entity Receivables	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-	
3	Multilateral Development Banks and International Institutions Receivables	Aaa	Aa1 s.d Aa3	A1 s.d A3	Baa1 s.d Baa3	Ba1 s.d Ba3	
4	Banks Receivables	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)	BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)	
5	Mortgage Loans	[Idr]AAA	[Idr]AA+ s.d [Idr]AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr]BBB-	[Idr]BB+ s.d [Idr]BB-	
6	Commercial Property Loans	idAAA	idAA+ s.d idAA-	idA+ s.d idA-	id BBB+ s.d id BBB-	id BB+ s.d id BB-	
7	Employee/Pensioner Loans						
8	Claims on Micro and Small Enterprise, and Retail Portfolio						
9	Corporate Receivables		896,252	168,419	302,820	3,474,378	6,044,404
10	Past Due Loans						
11	Other Assets						
12	Exposures at Sharia Unit		263,149	6,483	20,336	-	-
	TOTAL		1,953,326	644,643	934,952	38,668,082	15,100,337

	Portfolio Category	Rating Agency	Long-Term Rating				
		Standard and Poor's	Fitch Rating	Moody's	PT Fitch Ratings Indonesia	PT ICRA Indonesia	PT Pemeringkat Efek Indonesia
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Government Receivables	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-	
2	Public Sector Entity Receivables	AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-	
3	Multilateral Development Banks and International Institutions Receivables	Aaa	Aa1 s.d Aa3	A1 s.d A3	Baa1 s.d Baa3	Ba1 s.d Ba3	
4	Banks Receivables	AAA (idn)	AA+(idn) s.d AA-(idn)	A+(idn) s.d A-(idn)	BBB+(idn) s.d BBB-(idn)	BB+(idn) s.d BB-(idn)	
5	Mortgage Loans	[Idr]AAA	[Idr]AA+ s.d [Idr]AA-	[Idr]A+ s.d [Idr]A-	[Idr]BBB+ s.d [Idr]BBB-	[Idr]BB+ s.d [Idr]BB-	
6	Commercial Property Loans	idAAA	idAA+ s.d idAA-	idA+ s.d idA-	id BBB+ s.d id BBB-	id BB+ s.d id BB-	
7	Employee/Pensioner Loans						
8	Claims on Micro and Small Enterprise, and Retail Portfolio						
9	Corporate Receivables		1,375,156	471,514	426,517	157,161	8,944,791
10	Past Due Loans						
11	Other Assets						
12	Exposures at Sharia Unit		115,344	12,914	40,781	-	-
	TOTAL		2,623,772	1,800,090	2,437,834	7,669,688	52,466,819

(Rp Million)

31 December 2016

Net Receivable							
		Short-Term Rating				Unrated	Total
B+ s.d B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
B+ s.d B-	Lower than B-	F1+ s.d F1	F2	F3	Lower than F3		
B1 s.d B3	Lower than B3	P-1	P-2	P-3	Lower than P-3		
B+[idn] s.d B-[idn]	Lower than B-[idn]	F1+[idn] s.d F1[idn]	F2[idn]	F3[idn]	Lower than F3[idn]		
[idr]B+ s.d [idr]B-	Lower than [idr]B-	[idr]A1+ s.d [idr]A1	[idr]A2+ s.d [idr]A2	[idr]A3+ s.d [idr]A3	Lower than [idr]A3		
id B+ s.d id B-	Lower than idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4		
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
-	-	-	-	-	-	209,615,867	239,591,319
-	-	-	-	-	-	96,048,069	96,267,434
-	-	-	-	-	-	-	-
-	-	-	-	-	-	33,088,680	49,018,962
-	-	-	-	-	-	-	-
-	-	-	-	-	-	159,911,125	170,797,398
-	-	-	-	-	-	-	-
-	-	-	-	-	-	17,054,926	17,344,894
-	-	-	-	-	-	515,718,668	573,020,008

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Net Receivable							
		Short-Term Rating				Unrated	Total
B+ s.d B-	Lower than B-	A-1	A-2	A-3	Lower than A-3		
B+ s.d B-	Lower than B-	F1+ s.d F1	F2	F3	Lower than F3		
B1 s.d B3	Lower than B3	P-1	P-2	P-3	Lower than P-3		
B+[idn] s.d B-[idn]	Lower than B-[idn]	F1+[idn] s.d F1[idn]	F2[idn]	F3[idn]	Lower than F3[idn]		
[idr]B+ s.d [idr]B-	Lower than [idr]B-	[idr]A1+ s.d [idr]A1	[idr]A2+ s.d [idr]A2	[idr]A3+ s.d [idr]A3	Lower than [idr]A3		
id B+ s.d id B-	Lower than idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4		
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
-	-	-	-	-	-	176,859,901	213,858,237
-	-	-	-	-	-	94,276,269	94,337,868
-	-	-	-	-	-	-	-
-	-	-	-	-	-	35,958,233	54,352,323
-	-	-	-	-	-	-	-
-	-	-	-	-	-	132,714,310	144,089,449
-	-	-	-	-	-	-	-
-	-	-	-	-	-	14,476,089	14,645,128
-	-	-	-	-	-	454,284,802	521,283,005

The following table illustrates standardized approach of RWA calculation for credit risk, Bank-only and consolidated with subsidiaries as at December 31, 2016, presented in millions of Rupiah.

Disclosure of Asset Exposure on Balance Sheet - Bank Only

No	Portfolio Category	31 December 2016		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	237,523,630	-	-
2.	Public Sector Entity Receivables	86,879,998	42,788,160	42,780,329
3.	Claims on Multilateral Development Banks and Securities	-	-	-
4.	Banks Receivables	39,803,215	13,489,758	13,489,758
5.	Mortgage Loans	90,998	31,849	31,849
6.	Commercial Property Loans	2,945,214	2,945,214	2,945,214
7.	Employee/Pensioner Loans	127,554,556	63,777,278	63,777,278
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	243,456,609	182,592,457	171,864,906
9.	Corporate Receivables	161,794,188	160,681,599	148,095,129
10.	Past Due Loans	6,509,068	9,757,619	9,757,409
11.	Other Assets	62,679,076	-	37,830,155
Total Balance Sheet Exposure		969,236,552	476,063,934	490,572,025

Disclosure of Asset Exposure on Balance Sheet - Bank Consolidated with subsidiaries

No	Portfolio Category	31 December 2016		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	239,482,809	-	-
2.	Public Sector Entity Receivables	87,214,759	42,955,541	42,947,708
3.	Claims on Multilateral Development Banks and Securities	-	-	-
4.	Banks Receivables	40,729,248	13,687,416	13,685,916
5.	Mortgage Loans	325,881	114,058	114,058
6.	Commercial Property Loans	3,209,158	3,209,158	3,209,158
7.	Employee/Pensioner Loans	127,940,818	63,970,409	63,970,409
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	245,210,400	183,907,800	173,156,133
9.	Corporate Receivables	166,831,967	165,719,378	153,009,134
10.	Past Due Loans	6,630,875	9,934,860	9,934,575
11.	Other Assets	62,965,149	-	38,087,805
Total Balance Sheet Exposure		980,541,064	483,498,620	498,114,896

(Rp Million)

	31 December 2015		
	Net Receivable	RWA Before CRM	RWA After CRM
	(3)	(4)	(5)
	211,871,854	-	-
	85,010,997	42,028,734	41,603,320
	-	-	-
	43,641,619	12,785,929	12,785,929
	768,169	282,323	282,323
	2,512,106	2,512,106	2,512,106
	115,761,652	57,880,826	57,880,826
	204,295,591	153,221,693	149,731,300
	136,363,412	134,709,983	130,707,755
	6,810,452	10,199,016	10,197,586
	48,045,750	-	19,590,589
	855,081,602	413,620,610	425,291,734

(Rp Million)

	31 December 2015		
	Net Receivable	RWA Before CRM	RWA After CRM
	(3)	(4)	(5)
	213,013,364	-	-
	85,252,781	42,157,126	41,726,267
	-	-	-
	44,529,959	12,989,169	12,987,669
	1,014,485	379,155	379,015
	2,652,141	2,652,141	2,652,141
	116,282,515	58,141,258	58,140,170
	205,958,696	154,469,022	150,927,062
	139,579,683	137,926,252	133,839,904
	6,812,074	10,200,638	10,199,208
	48,347,642	-	19,871,424
	863,443,340	418,914,761	430,722,860

Disclosure of Commitment/Contingency Exposure in Off Balance Sheet - Bank Only

No	Portfolio Category	31 December 2016		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	108,510	-	-
2.	Public Sector Entity Receivables	9,011,254	4,505,627	4,505,627
3.	Claims on Multilateral Development Banks and Securities	-	-	-
4.	Banks Receivables	5,485,300	2,660,667	2,660,667
5.	Mortgage Loans	-	-	-
6.	Commercial Property Loans	-	-	-
7.	Employee/Pensioner Loans	-	-	-
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	169,135	126,851	126,851
9.	Corporate Receivables	3,841,457	3,841,457	3,841,457
10.	Past Due Loans	-	-	-
Total		18,615,656	11,134,602	11,134,602

Disclosure of Commitment/Contingency Exposure in Off Balance Sheet - Bank Consolidated with subsidiaries

No	Portfolio Category	31 December 2016		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	108,510	-	-
2.	Public Sector Entity Receivables	9,052,675	4,526,338	4,526,338
3.	Claims on Multilateral Development Banks and Securities	-	-	-
4.	Banks Receivables	5,528,656	2,669,408	2,669,408
5.	Mortgage Loans	-	-	-
6.	Commercial Property Loans	1,732	1,732	1,732
7.	Employee/Pensioner Loans	104	52	52
8.	Claims on Micro and Small Enterprise, and Retail Portfolio	193,549	145,162	144,238
9.	Corporate Receivables	3,965,431	3,965,431	3,964,012
10.	Past Due Loans	102	153	153
Total		18,850,759	11,308,276	11,305,933

(Rp Million)

	31 December 2015		
	Net Receivable	RWA Before CRM	RWA After CRM
	(6)	(7)	(8)
	844,873	-	-
	9,038,214	4,519,107	4,519,107
	-	-	-
	5,522,582	2,590,427	2,590,427
	-	-	-
	-	-	-
	-	-	-
	300,345	225,259	225,259
	4,429,519	4,429,519	4,429,519
	-	-	-
	20,135,533	11,764,312	11,764,312

(Rp Million)

	31 December 2015		
	Net Receivable	RWA Before CRM	RWA After CRM
	(6)	(7)	(8)
	844,873	-	-
	9,085,086	4,542,543	4,542,543
	-	-	-
	5,535,937	2,593,167	2,593,167
	517	215	215
	1,246	1,246	1,246
	1,587	793	793
	370,702	278,027	277,277
	4,509,768	4,509,768	4,508,114
	73	73	73
	20,349,788	11,925,832	11,923,428

Disclosure of Counterparty Credit Risk Exposure – Bank Only

No	Portfolio Category	31 December 2016		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	-	-	-
2.	Public Sector Entity Receivables	-	-	-
3.	Claims on Multilateral Development Banks and Securities	-	-	-
4.	Banks Receivables	2,761,058	716,774	716,774
5.	Claims on Micro and Small Enterprise, and Retail Portfolio	-	-	-
6.	Corporate Receivables	-	-	-
Total		2,761,058	716,774	716,774

Disclosure of Counterparty Credit Risk Exposure – Bank Consolidated with subsidiaries

No	Portfolio Category	31 December 2016		
		Net Receivable	RWA Before CRM	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Government Receivables	-	-	-
2.	Public Sector Entity Receivables	-	-	-
3.	Claims on Multilateral Development Banks and Securities	-	-	-
4.	Banks Receivables	2,761,058	716,774	716,774
5.	Claims on Micro and Small Enterprise, and Retail Portfolio	-	-	-
6.	Corporate Receivables	-	-	-
Total		2,761,058	716,774	716,774

Disclosure of Credit RWA under Standardized Approach (Settlement Risk) - Bank Only

No	Type of Transactions	31 December 2016		
		Amount	Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Delivery versus payment			
	a. Capital Change 8% (5-15 Days)	-	-	-
	b. Capital Change 50% (16-30 Days)	-	-	-
	c. Capital Change 75% (31-45 Days)	-	-	-
	d. Capital Change 100% (more than 45 Days)	-	-	-
2.	Non-Delivery versus payment	-	-	-
Total		-	-	-

(Rp Million)

	31 December 2015		
	Net Receivable	RWA Before CRM	RWA After CRM
	(6)	(7)	(8)
	-	-	-
	-	-	-
	-	-	-
	4,286,428	1,239,888	1,239,888
	-	-	-
	-	-	-
	4,286,428	1,239,888	1,239,888

(Rp Million)

	31 December 2015		
	Net Receivable	RWA Before CRM	RWA After CRM
	(6)	(7)	(8)
	-	-	-
	-	-	-
	-	-	-
	4,286,428	1,239,888	1,239,888
	-	-	-
	-	-	-
	4,286,428	1,239,888	1,239,888

(Rp Million)

	31 December 2015		
	Amount	Capital Deduction Factor	RWA After CRM
	(6)	(7)	(8)
			-
			-
			-
			-
			-
			-
			-

Disclosure of Credit RWA under Standardized Approach (Settlement Risk) - Bank Consolidated with subsidiaries

No	Type of Transactions	31 December 2016		
		Amount	Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)	(5)
1.	Delivery versus payment			
	a. Capital Change 8% (5-15 Days)	-		-
	b. Capital Change 50% (16-30 Days)	-		-
	c. Capital Change 75% (31-45 Days)	-		-
	d. Capital Change 100% (more than 45 Days)	-		-
2.	Non-Delivery versus payment	-	-	
Total		-	-	-

Disclosure of Securitization Exposure - Bank Only

No	Type of Transactions	31 December 2016	
		Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)
1.	Supporting Credit facility that meets the requirements	-	-
2.	Supporting Credit facility that do not meet the requirements	-	-
3.	Liquidity facilities that meet the requirements		-
4.	Liquidity facilities that do not meet the requirements	-	-
5.	Purchase of Asset-Backed Securities that meet the requirements	-	-
6.	Purchase of Asset-Backed Securities that do not meet the requirements	-	-
7.	Securitization exposures that are not covered by the provisions of Bank Indonesia on the principles of prudence in asset securitization for banks.		-
Total		-	-

Disclosure of Securitization Exposure - Bank Consolidated with subsidiaries

No	Type of Transactions	31 December 2016	
		Capital Deduction Factor	RWA After CRM
(1)	(2)	(3)	(4)
1.	Supporting Credit facility that meets the requirements	-	-
2.	Supporting Credit facility that do not meet the requirements	-	-
3.	Liquidity facilities that meet the requirements		-
4.	Liquidity facilities that do not meet the requirements	-	-
5.	Purchase of Asset-Backed Securities that meet the requirements	-	-
6.	Purchase of Asset-Backed Securities that do not meet the requirements	-	-
7.	Securitization exposures that are not covered by the provisions of Bank Indonesia on the principles of prudence in asset securitization for banks.		-
Total		-	-

(Rp Million)

	31 December 2015		
	Amount	Capital Deduction Factor	RWA After CRM
	(6)	(7)	(8)
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-

(Rp Million)

	31 December 2015	
	Capital Deduction Factor	RWA After CRM
	(5)	(6)
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

(Rp Million)

	31 December 2015	
	Capital Deduction Factor	RWA After CRM
	(5)	(6)
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

Disclosure of Exposure in Sharia Business unit - Bank Only

(Rp Million)

No	Type of Transactions	31 December 2016		31 December 2015	
		Capital Deduction Factor	RWA	Capital Deduction Factor	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Total Exposure	-	-	-	-

Disclosure of Exposure in Sharia Business unit - Bank Consolidated with subsidiaries

(Rp Million)

No	Type of Transactions	31 December 2016		31 December 2015	
		Capital Deduction Factor	RWA	Capital Deduction Factor	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Total Exposure	-	14,367,884	-	14,652,279

Disclosure of Total Credit Risk Measurement - Bank Only

(Rp Million)

	31 December 2016	31 December 2015
TOTAL CREDIT RISK RWA	502,423,401	438,295,934
TOTAL CAPITAL DEDUCTION FACTOR		

Disclosure of Total Credit Risk Measurement- Bank Consolidated with subsidiaries

(Rp Million)

	31 December 2016	31 December 2015
TOTAL CREDIT RISK RWA	524,505,487	458,538,455
TOTAL CAPITAL DEDUCTION FACTOR		

MARKET RISK

In managing market risk, the Board of Directors regularly evaluates market risk through daily reports of Net Open Position, Asset & Liability Committee (ALCO) data, and market risk exposure reports for the market risk profile. In addition, BRI also organizes Market Risk Management Committee forums on a quarterly basis.

Calculation of RWA for Market Risk

BRI measures market risk for the purpose of periodically monitoring risk and for calculating the Capital Adequacy Ratio (CAR). Pursuant to regulation, the standard methods to calculate market risk by individual banks must include interest rate risk and exchange rate risk. Calculation of Interest Rate Risk by standard methods is carried out against the position of all financial instruments that BRI classifies as exposed to Interest Rate Risk in the Trading Book while the standard method to calculate Exchange Rate risk is carried out on BRI's risk exposed foreign exchange positions in the Trading Book and Banking Book.

The risk factors taken into account in the standard methods of calculating interest rate risk are:

- a) Specific Risk of any securities or financial instruments, regardless whether a long position or a short position. Thus the process of offsetting is not possible unless those positions are identical;
- b) General Market Risk of the overall portfolio, where a long position or a short position in the different securities or instruments can offset each other.

The market value of securities used in the calculation of Specific Risk and General Risk is the dirty price, ie. the market value of securities (clean price) plus the present value of the interest income to be received (accrued interest). The calculation of the present value of accrued interest can not be done if the coupon is based on the payment term, the calculation of the present value does not cause a material difference in valuation. Foreign Exchange Risk calculations are performed for all positions on the BRI Trading Book and Banking Book in foreign currencies, including gold, with reference to the calculation of the Net Open Position (NOP). The position of an instrument that is denominated in a foreign currency, in addition to Foreign Exchange Risk exposure, can also be exposed to Interest Rate Risk, eg. for cross-currency swaps. In this case, the Interest Rate Risk exposures must also be taken into account.

The scope of the portfolio accounted for in the Capital Adequacy Ratio (CAR) includes:

1. Positions held for resale in the short term.
2. Positions held for obtaining short-term profits from actual and/or potential price movements.
3. The position held for locking in arbitrage profit.
4. Derivative instruments related to securities or interest rates, among others Bond Forwards, Bond Options, Interest Rate Swaps, Cross Currency Swaps, Foreign Exchange Forwards, Interest Rate Options and Forward Rate Agreements/FRAs.
5. All debt securities with fixed or floating interest rates, and all financial instruments that have similar characteristics, including Negotiable Certificates of Deposits and BRI's Repo/Securities Lending.
6. Foreign exchange positions in BRI's Trading Book and Banking Book that are exposed to foreign exchange risk.

Disclosure of Market Risk Standardized Method

(Rp Million)

No.	Type of Risk	31 December 2016				31 December 2015			
		Bank Only		Bank Consolidated		Bank Only		Bank Consolidated	
		Capital Change	RWA	Capital Change	RWA	Capital Change	RWA	Capital Change	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Interest Rate Risk								
	a. Specific Risk	-	-	-	-	-	-	901	11,269
	b. General Risk	-	-	2,584	32,305	-	-	6,439	80,490
2	Foreign Exchange Risk	762,834	9,535,428	767,182	9,589,771	205,770	2,572,131	223,408	2,792,595
3	Equity Risk *)			-	-				-
4	Commodity Risk *)			-	-				-
5	Option Risk	-	-	-	-	-	-	-	-
	Total	762,834	9,535,428	769,766	9,622,076	205,770	2,572,131	230,748	2,884,354

*) For banks with subsidiaries having exposure to such risks

OPERATIONAL RISK

In order to calculate capital charges and operational RWA, BRI is currently using the Basic Indicator Approach (BIA) which has been implemented since 2010 in accordance with regulations. However, BRI has been preparing the application of the The Standardized Approach (TSA) and the Advanced Measurement Approach (AMA). LED BRI has also been used to simulate the calculation of capital charges of operational risk using the Advanced Measurement Approach (AMA). The AMA method used at BRI is the Extreme Value Theory (EVT) and Loss Distribution Approach (LDA). In order to calculate capital charges of operational risk with the AMA method, BRI has developed a gap analysis related to its application.

The following is a table of capital charges and RWA of operational risk with the Basic Indicator Approach (BIA) in accordance with the regulations of Bank Indonesia.

Disclosure of Operational Risk using BIA method– Bank Only

(Rp Million)

No.	Approach used	31 December 2016			31 December 2015		
		Gross Revenues (Average in Last 3 Years)	Capital Change	RWA	Gross Revenues (Average in Last 3 Years)	Capital Change	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Basic Indicator Approach	59,679,413	8,951,912	111,898,899	51,310,332	7,696,550	96,206,873
	Total	59,679,413	8,951,912	111,898,899	51,310,332	7,696,550	96,206,873

Disclosure of Operational Risk using BIA method– Bank Consolidated with subsidiaries

(Rp Million)

No.	Approach used	31 December 2016			31 December 2015		
		Gross Revenues (Average in Last 3 Years)	Capital Change	RWA	Gross Revenues (Average in Last 3 Years)	Capital Change	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Basic Indicator Approach	61,248,577	9,187,287	114,841,081	52,616,452	7,892,468	98,655,847
	Total	61,248,577	9,187,287	114,841,081	52,616,452	7,892,468	98,655,847

LIQUIDITY RISK

Management of liquidity risk undertaken by

Disclosure of Rupiah Maturity Profile - Bank Only

No	Portfolio Category	31 December 2016					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I BALANCE SHEET							
A. Assets							
1	Cash	24,156,773	24,156,773	-	-	-	-
2	Placement with BI	57,980,634	57,980,634	-	-	-	-
3	Placement with Other Bank	2,855,000	2,065,000	790,000	-	-	-
4	Marketable Securities	77,853,365	40,578,310	3,944,084	-	5,745,247	27,585,725
5	Loans	557,732,494	13,749,614	37,493,300	41,011,842	68,085,053	397,392,685
6	Other Receivables	52,343,902	44,029,468	3,881,640	4,372,293	1,547	58,954
7	Others	42,564,932	1,809,589	826,521	633,133	9,063,481	30,232,208
	Total Assets	815,487,101	184,369,388	46,935,545	46,017,268	82,895,328	455,269,572
B. Liabilities							
1	Third Party Funds	672,145,745	622,748,521	33,643,139	1,894,442	11,693,960	2,165,683
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	1,246,199	1,214,099	32,100	-	-	-
4	Marketable Securities Issued	18,214,916	-	807,927	-	4,110,712	13,296,277
5	Fund Borrowings	28,197	-	515	7,573	-	20,109
6	Other Liabilities	23,892,393	14,910,461	1,387,992	2,159,012	670,000	4,764,928
7	Others	5,099,498	4,112,136	932,229	19,661	-	35,471
	Total Liabilities	720,626,948	642,985,218	36,803,902	4,080,688	16,474,672	20,282,468
	Assets and Liabilities Difference on Balance Sheet	94,860,153	(458,615,830)	10,131,643	41,936,580	66,420,655	434,987,104
II Off Balance Sheet							
A. Off Balance Sheet Receivables							
1	Commitment	12,761,146	12,219,746	-	-	-	541,400
2	Contingencies	1,462	-	-	-	-	1,462
	Total Off Balance Sheet Receivable	12,762,608	12,219,746	-	-	-	542,862
B. Off Balance Sheet Liabilities							
1	Commitment	94,333,231	27,104,327	5,640,842	157,985	23,140,637	38,289,440
2	Contingencies	11,919,411	2,289,130	1,753,356	1,474,858	2,103,786	4,298,281
	Total Off Balance Sheet Liabilities	106,252,642	29,393,458	7,394,197	1,632,844	25,244,423	42,587,721
	Difference of Assets and Liabilities in Off Balance Sheet	(93,490,034)	(17,173,712)	(7,394,197)	(1,632,844)	(25,244,423)	(42,044,859)
	Difference [(IA-IB)+(IIA-IIB)]	1,370,119	(475,789,541)	2,737,445	40,303,736	41,176,233	392,942,245

(Rp Million)

	31 December 2015					
	Balance	Maturity				
		≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 2 years	> 2 years
(3)	(4)	(5)	(6)	(7)	(8)	
	27,887,778	27,887,778	-	-	-	-
	14,491,144	14,491,144	-	-	-	-
	5,341,000	5,101,000	140,000	100,000	-	-
	81,376,739	39,329,424	4,036,066	-	7,618,038	30,393,211
	484,939,750	15,710,851	20,609,546	46,590,099	57,464,177	344,565,077
	57,163,778	55,521,391	837,701	434,745	369,941	-
	25,256,209	2,753,357	515,610	6,778,373	2,014,690	13,194,179
	696,456,398	160,794,945	26,138,923	53,903,217	67,466,846	388,152,467
	554,720,550	366,175,229	138,241,169	15,223,724	9,969,933	25,110,495
	-	-	-	-	-	-
	5,390,185	5,308,985	81,200	-	-	-
	3,678,123	263,775	-	-	714,227	2,700,121
	27,434	-	-	-	-	27,434
	18,531,128	9,303,597	5,137,191	429,710	1,216,048	2,444,582
	4,224,928	1,876,261	1,826,335	-	-	522,332
	586,572,348	382,927,847	145,285,895	15,653,434	11,900,208	30,804,964
	109,884,050	(222,132,902)	(119,146,972)	38,249,783	55,566,638	357,347,503
	3,499,635	3,499,635	-	-	-	-
	1,801	1,801	-	-	-	-
	3,501,436	3,501,436	-	-	-	-
	79,982,534	2,966,834	16,008,375	117,826	27,873,329	33,016,170
	7,851,216	2,094,322	1,004,430	1,018,900	1,229,997	2,503,567
	87,833,750	5,061,156	17,012,805	1,136,726	29,103,326	35,519,737
	(84,332,314)	(1,559,720)	(17,012,805)	(1,136,726)	(29,103,326)	(35,519,737)
	25,551,736	(223,692,622)	(136,159,777)	37,113,057	26,463,312	321,827,766

Disclosure of Rupiah Maturity Profile – Bank Consolidated with subsidiaries

No	Portfolio Category	31 December 2016					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I BALANCE SHEET							
A. Assets							
1	Cash	24,499,503	24,499,503	-	-	-	-
2	Placement with BI	59,320,550	59,320,550	-	-	-	-
3	Placement with Other Bank	2,534,921	2,404,921	130,000	-	-	-
4	Marketable Securities	89,593,795	45,852,085	5,385,436	-	7,853,783	30,502,491
5	Loans	584,372,002	15,146,308	40,345,333	42,932,430	70,602,703	415,345,228
6	Other Receivables	54,737,943	46,369,540	3,930,101	4,377,801	1,547	58,954
7	Others	39,451,093	1,814,202	826,521	642,580	10,864,270	25,303,520
Total Assets		854,509,807	195,407,109	50,617,391	47,952,811	89,322,303	471,210,193
B. Liabilities							
1	Third Party Funds	702,826,660	649,857,693	36,663,313	2,379,948	11,756,638	2,169,069
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	1,690,805	1,647,425	42,057	1,323	-	-
4	Marketable Securities Issued	18,078,967	-	807,927	-	4,110,712	13,160,328
5	Fund Borrowings	128,197	-	515	7,573	100,000	20,109
6	Other Liabilities	24,334,040	15,296,147	1,438,445	2,164,520	670,000	4,764,928
7	Others	11,537,849	4,876,591	993,476	19,661	163,437	5,484,684
Total Liabilities		758,596,519	671,677,856	39,945,733	4,573,025	16,800,787	25,599,118
Assets and Liabilities Difference on Balance Sheet		95,913,288	(476,270,747)	10,671,658	43,379,786	72,521,516	445,611,076
II Off Balance Sheet							
A. Off Balance Sheet Receivables							
1	Commitment	12,761,146	12,219,746	-	-	-	541,400
2	Contingencies	42,214	40,752	-	-	-	1,462
Total Off Balance Sheet Receivable		12,803,360	12,260,498	-	-	-	542,862
B. Off Balance Sheet Liabilities							
1	Commitment	95,431,290	27,394,518	5,795,888	281,467	23,496,759	38,462,658
2	Contingencies	11,979,117	2,348,836	1,753,356	1,474,858	2,103,786	4,298,281
Total Off Balance Sheet Liabilities		107,410,407	29,743,355	7,549,243	1,756,326	25,600,545	42,760,939
Difference of Assets and Liabilities in Off Balance Sheet		(94,607,047)	(17,482,856)	(7,549,243)	(1,756,326)	(25,600,545)	(42,218,077)
Difference [(IA-IB)+(IIA-IIB)]		1,306,241	(493,753,603)	3,122,414	41,623,460	46,920,971	403,392,999

(Rp Million)

	31 December 2015					
	Balance	Maturity				
		≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(3)	(4)	(5)	(6)	(7)	(8)	
	28,186,686	28,186,686	-	-	-	-
	17,013,095	17,013,095	-	-	-	-
	5,229,145	4,989,145	140,000	100,000	-	-
	89,168,380	42,983,507	4,241,486	-	9,258,291	32,685,096
	507,038,810	16,300,307	21,448,415	48,089,606	59,619,198	361,581,284
	58,826,848	57,159,660	862,502	434,745	369,941	-
	22,476,153	4,410,722	529,114	6,780,258	2,200,881	8,555,178
	727,939,117	171,043,122	27,221,517	55,404,609	71,448,311	402,821,558
	580,437,917	372,746,624	156,680,282	15,722,491	10,178,025	25,110,495
	-	-	-	-	-	-
	6,212,855	5,656,779	554,757	-	-	1,319
	3,668,172	253,824	-	-	714,227	2,700,121
	127,434	-	-	-	-	127,434
	18,876,879	9,593,908	5,182,867	429,710	1,225,812	2,444,582
	8,461,374	1,922,094	1,959,591	7,674	3,996,634	575,381
	617,784,631	390,173,229	164,377,497	16,159,875	16,114,698	30,959,332
	110,154,486	(219,130,107)	(137,155,980)	39,244,734	55,333,613	371,862,226
	3,499,635	3,499,635	-	-	-	-
	44,486	44,486	-	-	-	-
	3,544,121	3,544,121	-	-	-	-
	80,966,976	3,229,035	16,180,197	545,668	27,923,518	33,088,558
	7,895,388	2,151,016	1,005,331	1,018,900	1,216,142	2,503,999
	88,862,364	5,380,051	17,185,528	1,564,568	29,139,660	35,592,557
	(85,318,243)	(1,835,930)	(17,185,528)	(1,564,568)	(29,139,660)	(35,592,557)
	24,836,243	(220,966,037)	(154,341,508)	37,680,166	26,193,953	336,269,669

Disclosure of Foreign Currency Maturity Profile – Bank Only

No	Portfolio Category	31 December 2016					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I BALANCE SHEET							
A. Assets							
1	Cash	708,360	708,360	-	-	-	-
2	Placement with BI	13,471,984	13,471,984	-	-	-	-
3	Placement with Other Bank	3,266,628	3,266,628	-	-	-	-
4	Marketable Securities	46,525,305	27,070,776	502,673	-	1,023,818	17,928,038
5	Loans	55,614,356	2,455,617	2,821,807	1,261,097	6,629,540	42,446,295
6	Other Receivables	26,888,883	23,731,791	1,861,568	1,000,275	295,249	-
7	Others	2,038,074	756,250	953,333	312,215	-	16,276
Total Assets		148,513,589	71,461,406	6,139,381	2,573,587	7,948,607	60,390,609
B. Liabilities							
1	Third Party Funds	51,699,713	47,384,044	4,264,075	26,958	24,636	-
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	538,733	538,733	-	-	-	-
4	Marketable Securities Issued	6,721,814	-	-	-	-	6,721,814
5	Fund Borrowings	34,571,441	320,647	6,201,529	7,525,315	371,400	20,152,550
6	Other Liabilities	3,867,322	601,438	1,880,317	523,657	682,985	178,925
7	Others	517,001	352,366	22,301	142,334	-	-
Total Liabilities		97,916,024	49,197,228	12,368,222	8,218,264	1,079,021	27,053,289
Assets and Liabilities Difference on Balance Sheet		50,597,565	22,264,178	(6,228,841)	(5,644,677)	6,869,586	33,337,320
II OFF BALANCE SHEET							
A. Off Balance Sheet Receivables							
1	Commitment	6,869,963	-	-	-	-	6,869,963
2	Contingencies	2,994	-	-	-	-	2,994
Total Off Balance Sheet Receivable		6,872,957	-	-	-	-	6,872,957
B. Off Balance Sheet Liabilities							
1	Commitment	48,878,719	7,772,681	17,991,065	9,126,448	7,890,659	6,097,867
2	Contingencies	12,543,898	1,120,488	898,064	1,542,575	6,462,176	2,520,594
Total Off Balance Sheet Liabilities		61,422,617	8,893,169	18,889,129	10,669,023	14,352,835	8,618,461
Difference of Assets and Liabilities in Off Balance Sheet		(54,549,660)	(8,893,169)	(18,889,129)	(10,669,023)	(14,352,835)	(1,745,504)
Difference [(IIA-IB)+(IIA-IIIB)]		(3,952,095)	13,371,009	(25,117,970)	(16,313,700)	(7,483,249)	31,591,816

(Rp Million)

31 December 2015						
Balance	Maturity					
	≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month	
(3)	(4)	(5)	(6)	(7)	(8)	
582,538	582,538	-	-	-	-	
21,021,365	21,021,365	-	-	-	-	
6,571,059	6,571,059	-	-	-	-	
40,055,099	20,721,951	-	-	686,151	18,646,997	
56,465,914	2,511,388	6,019,263	2,187,487	12,462,535	33,285,241	
23,709,867	21,651,906	1,262,798	626,565	168,598	-	
1,136,139	28,826	442,418	471,288	177,164	16,443	
149,541,981	73,089,033	7,724,479	3,285,340	13,494,448	51,948,681	
88,053,454	38,255,257	27,315,008	14,550,817	7,138,221	794,151	
-	-	-	-	-	-	
4,975,047	4,975,047	-	-	-	-	
6,854,258	-	-	-	-	6,854,258	
35,352,924	3,629,831	6,896,284	5,996	-	24,820,813	
11,312,603	1,629,994	4,499,741	899,609	2,904,759	1,378,500	
485,947	-	195,634	-	290,313	-	
147,034,233	48,490,129	38,906,667	15,456,422	10,333,293	33,847,722	
2,507,748	24,598,904	(31,182,188)	(12,171,082)	3,161,155	18,100,959	
10,913,879	10,913,879	-	-	-	-	
3,011	3,011	-	-	-	-	
10,916,890	10,916,890	-	-	-	-	
56,748,976	13,915,816	22,694,609	4,632,444	3,570,916	11,935,191	
15,758,764	908,599	1,552,247	3,113,550	6,637,537	3,546,831	
72,507,740	14,824,415	24,246,856	7,745,994	10,208,453	15,482,022	
(61,590,850)	(3,907,525)	(24,246,856)	(7,745,994)	(10,208,453)	(15,482,022)	
(59,083,102)	20,691,379	(55,429,044)	(19,917,076)	(7,047,298)	2,618,937	

Disclosure of Foreign Currency Maturity Profile – Bank Consolidated with subsidiaries

No	Portfolio Category	31 December 2016					
		Balance	Maturity				
			≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
I BALANCE SHEET							
A. Assets							
1	Cash	712,521	712,521	-	-	-	-
2	Placement with BI	13,471,984	13,471,984	-	-	-	-
3	Placement with Other Bank	2,815,299	2,815,299	-	-	-	-
4	Marketable Securities	46,764,575	27,075,920	504,355	-	1,023,061	18,161,239
5	Loans	56,241,764	2,459,607	2,853,377	1,396,320	6,698,566	42,833,894
6	Other Receivables	27,050,430	23,893,338	1,861,568	1,000,275	295,249	-
7	Others	2,078,046	756,250	953,333	312,215	39,972	16,276
Total Assets		149,134,619	71,184,919	6,172,633	2,708,810	8,056,848	61,011,409
B. Liabilities							
1	Third Party Funds	51,699,713	47,384,044	4,264,075	26,958	24,636	-
2	Liabilities to BI	-	-	-	-	-	-
3	Liabilities to Other Banks	538,733	538,733	-	-	-	-
4	Marketable Securities Issued	6,721,814	-	-	-	-	6,721,814
5	Fund Borrowings	34,879,973	320,647	6,201,529	7,525,315	371,400	20,461,082
6	Other Liabilities	3,869,674	601,438	1,882,309	523,657	682,985	179,285
7	Others	525,410	352,366	22,301	142,334	366	8,043
Total Liabilities		98,235,317	49,197,228	12,370,214	8,218,264	1,079,387	27,370,224
Assets and Liabilities Difference on Balance Sheet		50,899,302	21,987,691	(6,197,581)	(5,509,454)	6,977,461	33,641,185
II OFF BALANCE SHEET							
A. Off Balance Sheet Receivables							
1	Commitment	6,869,963	-	-	-	-	6,869,963
2	Contingencies	2,994	-	-	-	-	2,994
Total Off Balance Sheet Receivable		6,872,957	-	-	-	-	6,872,957
B. Off Balance Sheet Liabilities							
1	Commitment	48,939,965	7,772,681	18,018,522	9,126,448	7,924,448	6,097,867
2	Contingencies	12,543,898	1,120,488	898,064	1,542,575	6,462,176	2,520,594
Total Off Balance Sheet Liabilities		61,483,863	8,893,169	18,916,586	10,669,023	14,386,624	8,618,461
Difference of Assets and Liabilities in Off Balance Sheet		(54,610,906)	(8,893,169)	(18,916,586)	(10,669,023)	(14,386,624)	(1,745,504)
Difference [(IIA-IB)+(IIA-IIIB)]		(3,711,604)	13,094,522	(25,114,167)	(16,178,477)	(7,409,163)	31,895,681

(Rp Million)

	31 December 2015					
	Balance	Maturity				
		≤ 1 month	> 1 month - 3 months	> 3 months - 6 months	> 6 months - 12 months	> 12 month
(3)	(4)	(5)	(6)	(7)	(8)	
	584,949	584,949	-	-	-	-
	21,021,365	21,021,365	-	-	-	-
	6,571,059	6,571,059	-	-	-	-
	40,366,250	20,777,977	-	-	686,151	18,902,122
	56,541,299	2,511,388	6,021,555	2,217,187	12,505,928	33,285,241
	24,071,396	22,013,435	1,262,798	626,565	168,598	-
	1,330,877	223,261	442,721	471,288	177,164	16,443
	150,487,195	73,703,434	7,727,074	3,315,040	13,537,841	52,203,806
	88,557,462	38,386,648	27,682,161	14,556,281	7,138,221	794,151
	-	-	-	-	-	-
	4,952,218	4,952,218	-	-	-	-
	6,852,931	-	-	-	-	6,852,931
	35,352,924	3,629,831	6,896,284	5,996	-	24,820,813
	11,312,603	1,629,994	4,499,741	899,609	2,904,759	1,378,500
	486,364	179	195,634	-	290,551	-
	147,514,502	48,598,870	39,273,820	15,461,886	10,333,531	33,846,395
	2,972,693	25,104,564	(31,546,746)	(12,146,846)	3,204,310	18,357,411
	10,913,879	10,913,879	-	-	-	-
	3,011	3,011	-	-	-	-
	10,916,890	10,916,890	-	-	-	-
	56,812,635	13,936,493	22,717,051	4,652,956	3,570,944	11,935,191
	15,773,520	908,599	1,555,768	3,123,438	6,638,884	3,546,831
	72,586,155	14,845,092	24,272,819	7,776,394	10,209,828	15,482,022
	(61,669,265)	(3,928,202)	(24,272,819)	(7,776,394)	(10,209,828)	(15,482,022)
	(58,696,572)	21,176,362	(55,819,565)	(19,923,240)	(7,005,518)	2,875,389

LEGAL RISK

Legal Risk is risk arising from legal claims and/or juridical weaknesses. The Legal Division coordinates the Legal Risk Management implementation in BRI. To support the Legal Risk Management process in all BRI operating units, the Legal Division coordinates with Legal Officers (LO) assigned in all Regional Offices. In addition, all Risk Management Functions (RMF) in Branch Offices (RMF in Operational Division, RMF in Marketing Division, RMF in Micro Division and RMF Sub-Branch Offices) also monitor Legal Risk in each operating unit and coordinate with legal officers (LO) in the Regional Offices.

The Legal Division as Legal Risk Coordinator in BRI reviews the changes of laws and regulations to ensure that BRI's internal policies are fully compliant with prevailing laws and regulations.

The Legal Division provides legal advice/opinion on agreements between BRI and third parties, to protect BRI's legal interests prior to the signing of agreement by BRI authorized executives. All banking transactions in BRI, which consists of operations, loans and manpower affairs, are conducted pursuant to prevailing laws and supported by adequate legal documents.

The Legal Division coordinates with Legal Officer (LO) in Regional Offices to monitor legal risk across all BRI operating units through reporting and legal case documentation mechanisms, as well as socialization of criminal modus operandi followed by legal settlement procedures to minimize legal risk.

The Legal Division formulates legal guidelines, such as agreement guidelines and legal booklets for operations and loans activities. Employees' development in Operating Units in Regional Offices is conducted to improve competency in controlling legal risk in the respective operating areas through socialization, discussion on legal opinions or an event from the prevailing legal aspects.

In the event of legal cases in the Operating Units, Legal Officers (LO) in Regional Offices provide legal assistance in accordance with its authority and coordinates with Legal Division. Legal Division provides legal assistance in accordance with its authority if legal cases occur. If required, the Operating Units may consult with Legal Division regarding legal issues.

In the event that a lawsuit may cause significant losses potential to the Bank and or significant adverse impact to the Bank's reputation, a contingency plan must be put in place to minimize legal risk, including by engaging legal assistance from attorneys and reporting developments to the Board of Directors.

As part of legal risk monitoring, Legal Division coordinates with Risk Management Division related to BRI legal risk profile monthly reporting to the Board of Directors through the Risk Profile Dashboard.

Aside from the abovementioned efforts to improve legal risk awareness, the Legal Division has issued a compendium of Regulation Summary. The compendium contains summaries of legal references such as: Collateral and Loan Activities, Operational Activities, Legal Manual and Legal Booklet. The Operating Units may benefit from the compendium to consistently ensure compliance with regulatory requirements to protect BRI from legal risk.

STRATEGIC RISK

The main objective of Strategic Risk Management is to minimize the potential negative impacts from inaccuracy in decision-making and failure in anticipating changes in business environment.

Formulation and monitoring of strategic implementation, includes corporate and business planning, are managed by BRI's Corporate Development and Strategy. BRI's Strategic Risk Management is periodically evaluated by the Board of Directors through a forum that discuss strategy and strategic risk policy, including the Risk Management Committee, Asset Liability Committee (ALCO), Retail Banking Forum and Bank Business plan Workshop, which is used to coordinate strategy between all BRI's Operating Units.

BRI also has business plans formulated in the Corporate Plan, Business Plan and Work and Budget Plan. The Business Plan and the Work and Budget Plan are reviewed annually in order to align with the changes in business environment and Company Plans. Meanwhile, the Corporate Plan serves as guidance in the annual planning and may be reviewed in the event of significant changes to the business environment or company resources.

All product development plans, determination of new target markets and decisions on target markets that should be avoided, as well as corporate actions such as mergers and acquisitions, are carefully formulated by taking into account BRI's resources. Corporate Strategy is defined to support BRI's vision and mission, and further translated into strategy and work programs from Division levels in the Head Office, to operating units. The work programs alignment is required to create mutual support between units to achieve the Company's targets.

The determination of appropriate strategy in IT development and maintenance, HR management, new product development, service development, network expansion, target market penetration and marketing communication will prevent BRI from failure to maintain its competitiveness, thereby ensuring the Company's business continuity.

Strategic risk management culture is reflected and documented in monthly Risk Profiles and communication forums in Regional Offices. Strategic Risk assessment among others is conducted through analysis and comparison of risk exposure with predetermined limits, including asset achievements, lending expansion, third-party funds and fee-based income. The formulation and implementation of follow-up on significant risk exposure is documented in monthly Risk Profiles and in the Risk Management Committee.

To mitigate strategic risk, BRI periodically employs monitoring process on strategy implementation and target achievements. Through parameters presented in the Risk Profile, particularly with respect to Strategic Risk, the strategic planning of initiatives related to business lines and their supports are monitored in order to ensure target achievements for short term and long term periods. Moreover, BRI has reporting mechanisms to measure the Bank's performance progress, including business planning realization, functional work plans, and budget plans which reported quarterly by the operating units.

COMPLIANCE RISK

Compliance Risk is risk arising from the Bank's failure to comply with prevailing laws and regulations and other legal provisions. As banking is a highly regulated industry, BRI constantly monitors its compliance with regulations issued by Bank Indonesia or other authorities. Regulatory sanctions for violations range from warnings to fines and penalties and license revocation. Compliance Risk management is carried out across the Bank's operational activities, credit and non-credit in accordance with prevailing regulations.

Through the Compliance Division and Risk Management Division, the Compliance Director coordinates and manages BRI's Compliance Risk. In addition, there are other functions such as Risk Management Group in Regional Office and Head of Operating Units that has the role in managing and fostering risk awareness culture. To monitor the Bank's exposure to Compliance Risk, the Compliance Division provides reports on the Bank's Compliance Risk Profile through a Risk Profile Dashboard reported to the Board of Directors.

The Risk-Based Approach methodology set forth in policies and Standard Operating Procedure (SOP) on APU and CTF is also applied in BRI to protect the Bank from money laundering practices and being used in terrorism activities. This is reinforced by the implementation of the Anti-Money-Laundering system to monitor suspicious transactions (CTR and STR).

BRI develops Compliance Risk management processes through Incident Management and Key Risk Indicators. Through these measures, BRI is able to identify and monitor potential sanctions, fines or penalties resulting from violations of regulations, so that steps to control risk can be performed. The Bank's Risk Management and Compliance Division monitor this process by keeping track of the Compliance Risk Profile. At operating unit level, Regional Office and Risk Management Division carry out this activity.

Moreover, Risk Management Division in Head Office and Risk Management Group in Regional Offices monitor compliance level with critical aspects stipulated by the regulators, such as planning, opening and reporting of new Operating Units.

REPUTATION RISK

Reputation risk is risk arising from diminishing stakeholders' trust due to negative perception towards the Bank. The Corporate Secretary Division as BRI's public relations controls the reputation risk function. Periodically, the Corporate Secretary Division evaluates reputation risk parameters and reports the results to the Board of Directors with copy to the Risk Management Division to be incorporated in BRI's corporate risk and reported to the Financial Services Authority.

BRI's public relations' extensive experience in handling negative publicity at both national and local scale has proven as highly effective resource to support the Bank's efforts in maintaining public trust and BRI's customers in particular. Presently, BRI maintains an outstanding reputation, however, negative publicity with respect to all of BRI's operational aspects shall be managed according to prevailing policies and procedures.

The customer complaints or legal cases that pose reputation risk exposure are immediately followed up and responded by BRI. In addition, mitigation of reputation risk or events that pose reputation risk is carried out by considering material principles of problems and cost.

Reputation risk management at a time of crisis is regulated in BRI's Business Continuity Management policy, which aim to minimize the impacts of reputation risk during disruption or disaster. To this end, BRI has in place a Crisis Management Team that undertakes critical role during disruption and disaster. The team is responsible to carry out necessary actions, including reputation risk management. The Crisis Management Team structure is established in all BRI's Operating Units, namely at Head Office, Regional Offices and Branch Offices. The strategic aspect that needs to be

prioritized in reputation risk management during crisis is to maintain the trust of customers, stakeholders and the public in BRI's reputation.

In order to increase better control of reputation risk in the future, the prevention and recovery actions conducted on reputation risk are accompanied by improvements on control weakness and procedures that expose reputation risk.

Steps taken by BRI on reputation risk management include ensuring consistent communication, by maintaining information transparency to all stakeholders, as well as maintaining harmonious relationships with the media to maintain BRI's corporate brand. These efforts aim to prevent and minimize stakeholder complaints that may result in negative publicity.

Business Prospects in 2017

In 2017, Indonesia's economy is predicted to have better growth potential compared to 2016. 2017 forecast for Indonesia's GDP growth is in the range of 5.00% -5.20%. A number of factors are expected to contribute to GDP growth, including an increase in commodity prices which will boost export performance and the government's plan to accelerate the disbursement of state spending in the first half which is expected to drive the growth of the real sector.

Along with the growth expectations of the real sector in Indonesia, lending by the banking sector in 2017 is expected to grow in the range of 9% -12% and third party funds collection will expand in the range of 8% -11%. Banking liquidity will still be quite tight as the ratio of government debt to GDP is expected to continue to rise.

Expectations of growth in the real sector provide a basis for optimism on the prospects of BRI businesses in 2017. Furthermore, the optimism is supported by the government's economic policy related to the development of the micro enterprise sector as seen from, among others, plans to increase the distribution of KUR amounting Rp110 trillion in 2017. This is an opportunity for BRI, which already has an advantage in market penetration in the micro segment through KUR and Kupedes.

The potential of Indonesia's GDP growth in 2017 is also expected to have a positive impact on the domestic household consumption sector with increased purchasing power. It is a prospect for BRI to increase lending to the Consumer Business segment, especially the segment of fixed income employees, by optimizing cross-sell to the corporate and SOEs segments.

Any increase in the loan portfolio will be balanced with growth of third party funds (DPK) through effective marketing strategies of superior products such as Simpedes and Britama. Credit quality and will be managed by a continuing strategy of debt restructuring in the Micro and Medium Enterprises segments.

Business prospects as described above have been listed in the Bank's business plan in 2016 which also considered the strategic BRI goals for the short, mid and long terms.

The BRI 2017 Business Plan also contains a number of targets:

- Loan Growth 12%-14%
- LDR maintained at a level of 90% +/-2%
- NPL maintained at a level 2.2%-2.4%
- CAR above 17.5%

Bank Strategic Plan

At this time BRI is at the end of Long-Term Plan 2013-2017 with the aspiration to become the Most Valuable Bank in Indonesia in 2017. The roadmap launched is as follows:



Toward the end of the Corporate Plan, the Board of Directors of BRI has initiated the process of preparing the Corporate Plan 2018 - 2022, which will be the guidelines of the BRI transformation process, 'From Good to Great'.

In preparing the Corporate Plan 2018-2022, in addition to referring to BRI vision and mission statements, the BRI Directors also considered a number of factors that will influence the development of the banking industry in Indonesia in the future, among other things:

- Indonesia's demographic conditions with an increasing productive age population within the middle class with higher purchasing power and as increasingly dominated by the millennial generation who are familiar with digital technology;
- Government policy direction for national development through infrastructure and energy sector developments which will require financing from banks;

- Economic integration in the ASEAN Economic Community (AEC) with free trade between the ASEAN countries which will affect competition by banks in mobilizing funds and in financing.

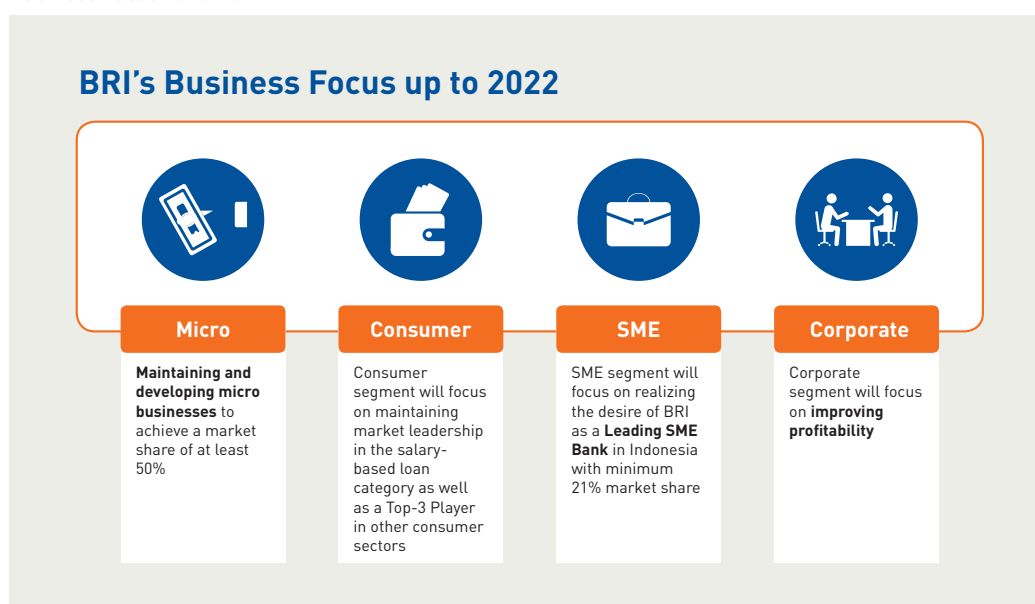
Long-Term

Toward the end of the Long-Term Plan for the 2013-2017 year, the Board of Directors has initiated the process of preparing the Long-Term Plan for Years 2018-2022. Preparation of the new Long Term Plan will be the guideline process of a BRI transformation. By the year 2022, BRI has aspirations to be the Most Valuable Bank in South East Asia as well as the Home to The Best Talent.

To support these aspirations, the Bank will have to engage the following segments:

- Micro segment will focus on maintaining and developing micro businesses of the Bank to achieve a market share of at least 50%
- Consumer segment will focus on maintaining market leadership in the salary-based loans as well as a Top Player in other consumer sectors
- SME segment will focus on realizing the desire of BRI as a Leading SME Bank in Indonesia
- Corporate segment will focus on improving profitability.

Business Focus 2018-2022



BRI's Long Term Plan will be implemented in three transformation waves:



Strategies in the Long Term Plan Year 2018-2022 can be described as follows:

Maintaining Competitive Advantage in Micro, Small and Medium Enterprises Segment

Since its inception, the Bank has a strategic role in the economic development of Indonesia, with total financing to over 8 million micro customers. Following the development of the domestic economy, the Bank is determined to continuously make SME and consumer segments an anchor of long-term business strategy. To maintain dominance in the micro segment, BRI currently is digitizing business processes, as well as improving monitoring, collection and underwriting capabilities.

Answering Challenges of Savings Business by Developing Wholesale Transaction Banking and Retail Payment

To meet the challenges of technological change and to explore the potential of the increasing middle class, BRI is strengthening ability in terms of retail payment and transaction banking. Retail payment will focus on potential individual customers. To do this, BRI will further strengthen the penetration and productivity of BRILink Agents, introduced in 2014. In addition, BRI is focused on improving the management of merchant services as a driver in raising savings.

For the development of wholesale transaction banking, the Bank will focus on targeting both state-owned and private institutions. This effort was started in 2016 through the establishment of Commercial Transaction Banking under the coordination of the Transaction Banking Division.

Increasing HR Productivity and Service Quality Via Information Technology

To prepare long-term strategy execution, in terms of support, the Bank will strengthen the capabilities of information technology in supporting business and operations, more efficient risk management, capacity building efforts in data analytics and performance-driven culture as well as in strengthening leadership capability.

Medium-Term

BRI strategy for the next three years will be directed toward Competitive Growth Strategy which will be done by:

- **Improving Balance Sheet and Income Structure**

Improvement of balance sheet structure will be carried out through:

- Improvement of the liabilities structure, mainly to focus on low-cost funds,
- Increased earning asset composition,
- Diversification of income, especially with the increased focus on fee/income ratio
- Earning asset quality control.

- **Increase Productivity of Work Unit Network**

The strategy includes the establishment of clear and measurable KPIs as well as effective and efficient organizational structure for business and operational work units. It also aims to improve the performance evaluation system aimed at increasing the accountability of the BRI Performance Management system by aligning individual employees' KPIs with working unit KPIs. Efforts are also made to improve Human Resources management by developing a clear and more focused recruitment process, development, placement and career paths to improve employee engagement.

- **Applying Operational Excellence**

To implement the strategy to achieve the level of operational excellence, BRI has carried out Business Process Re-engineering, especially in the micro and medium-sized retail segment, by improving the ability of MIS as a source of reliable data and decision support, as well as setting a minimum Service Level Agreement based on industry standards.

- **Building SOE Synergy to Improve Competitiveness**

The Company strives to create value for stakeholders, including the government. One thing to do is to strengthen the synergy among SOEs to improve competitiveness. Some things underway are the implementation of ATM and EDC Red and White, the SOE House of Creativity and syndicated financing of infrastructure.

Short-Term

Various short-term strategies have been described in the analysis and discussion of management per segment, which in essence is:

- **Maintain Focus on Assets Growth in the MKM Segment**

BRI will prioritize strategic business asset growth in the MKM segment to increase market penetration through KUR and Kupedes products as well as managing the business market, especially for groups of retail fixed income employees through optimized cross-selling with corporate and SOE segments.

- **Maintaining Asset Quality**

Credit quality will be managed by continuing a loan restructuring strategy in Micro and Medium Enterprises. For the corporate segment and state enterprises, efforts to maintain credit quality will be realized by focusing on the potential growth of BRI businesses related to government projects and sectors that are driven by the domestic economy.

- **Boosting Growth of Low Cost Funds and Maintaining CASA Composition**

Meanwhile for liabilities, the Bank will implement a strategy of deposit growth through an effective marketing strategy both for the micro and retail segments by offering products such as Simpedes and Britama, increasing penetration of BRILink to build on retail payment services, as well as develop business opportunities within wholesale transaction banking in the corporate segment.



Operational Support Review

Human Resources

Competent employees are essential to BRI's success and the continual improvement of its business performance. Therefore, BRI consistently and continuously seeks to enhance the management of its human resources, among others, through aligning human resource requirements with its general business plan, including the Work and Budget Plan and the Long Term Corporate Plan.

RECRUITMENT OF HUMAN RESOURCES

BRI's recruitment process aims to optimize the intensity of the recruitment process and selection of candidate employee, in line with BRI HR Architecture, which was established in a comprehensive, systematic and measurable manner. BRI HR Architecture covers the areas of planning, acquiring (recruitment, selection and placing), developing (HR Development), retaining, performance management and terminating.

In 2016, BRI recruited new employees to replace employees who either resigned or retired. BRI's strategy, in 2016, focuses on the development of employee productivity in order to optimize the performance and competence of the employees in meeting the Bank's targets.

HUMAN RESOURCES OPERATIONAL STRATEGY

The dedication and hard work of all BRI's employees has provided a firm foundation for maintaining business growth. To this end, BRI encourages its employees to pursue personal development initiatives, individually or together with fellow employee, in order to benefit the Bank, customers and all other stakeholders.



BRI is committed to providing the best possible working conditions for its employees, and has acquired ISO 9001:2008 certification for its quality management system when it comes to compensation and benefits, employee data management, as well as fast, correct and accurate IT based HR communication. The ISO 9001: 2008 is an international standard that rewards quality management systems, which is awarded to various organizations and businesses. The implementation of the said certificate is expected to improve the quality of HR management services, enhancing the satisfaction and engagement of all employees, and eventually employee productivity.

EMPLOYEE COMMUNICATION MANAGEMENT

Effective communication between the Management and the employees supports and contributes to the improvement of the employees' performance. Effective communication by the Management, in particular, assists the employees to execute

the Bank's strategy, optimally improving its performance. To this end, BRI utilizes internal media to encourage effective communication between the Management and the employee, such as face-to-face meetings, video conferencing, the HR Portal Information System (BRISTARS), e-learning media and audio-visual media. The Bank's internal media is also used to disseminate its HR Policies.

BRI has established a HR help desk that provides counselling services on various employment issues in its effort to enhance effective communication between the Management and employees. This service is provided in the form of counselling or face-to-face meetings, as well as through online communication using BRISTARS and the HR call center. The BRI HR call center is supported by highly trained staff with knowledge of the latest HR policies.

INDUSTRIAL RELATIONSHIP MANAGEMENT

Building harmonious industrial relationships is instrumental to enhancing working conditions, productivity and work quality. BRI upholds the following industrial relations principles:

- **Respecting the Rights of Employees**
BRI guarantee its employees' freedom of association, assembly and speech.
- **Applying Egalitarian Principles**
In managing human resources, BRI gives equal opportunities and rights to all employees - disregarding their ethnicity, religion, race, class, gender and physical characteristics – right from the recruitment process, and competence and expertise development to remuneration.

Harmonious industrial relations are increasingly more important to growing a competitive environment in the banking industry. To enhance its performance, and strengthen its position in the banking landscape, BRI has to enhance the productivity of each employee while maintaining a balance between their rights and obligation.

BRI's commitment to maintaining harmonious relationships with employees is achieved through the following:

- a. By following the Bipartite Collaboration Forum and Dispute Resolution in Industrial Relations policies, which uphold the principles of good communication between BRI and its employees, and the head office and branch offices.

The Bipartite Collaboration Forum policy has been drafted to communicate the Bank's policies and/or accommodate the employees' aspirations/ideas for the Bank's progress; align the interests of BRI (through the Management as its representative) with that of the employees; and detect any issues in Operating Units to avoid industrial relations disputes.

- b. Routine/periodic meetings between the National Union Board and Management at the Head Office (central level) to discuss the Bank's policies and/or accommodate all aspirations/ideas of its employees.
- c. Head Office Management's monitoring of the Bipartite Forum between the National Union Board and Management at the Regional level to detect any potential issues in each Corporate Operating Unit and avoid any industrial relations disputes.

Collective Labor Agreement

BRI regularly conducts discussions with the Labor Union to develop the Collective Labor Agreement which is valid for a 2-year period with a maximum one year extension, in order to outline the rights and obligations of the employees, the Company and the Union. Pursuant to the prevailing regulations, the BRI Collective Labor Agreement is based on discussions between the employees, who are represented by the Labor Union, and the Bank, which is represented by the Management. The current applied Collective Labor Agreement is for the period of 2015-2017.

The current prevailing BRI Collective Labor Agreement has been ratified by the Manpower and Transmigration Ministry of the Republic of Indonesia as the authorized institution to ensure compliance with the legislation.

In communicating the Company's HR policies, particularly regarding employee rights and obligation, as well as other industrial relationships, the Management always works hand in hand with the Union. This highlights the Bank's support and appreciation of the union, and its acknowledgement of the union as a business partner that helps the Bank realize its business objective by balancing the interests of all parties.

Employee Complaint Handling Mechanism

BRI Management believes that employee complaints can lead to Company improvements. In addition, employee complaints that are well managed and followed up by the Management can help maintain a harmonious relationship between BRI Management and its employees.

BRI Management's commitment to handling employee complaints is realized through the Whistleblowing System (WBS) policy, a monitoring tool utilized directly by the Bank's senior management. The WBS mechanism functions via Short Message Service/SMS, or written letters, addressed directly to the Bank's President Director. In addition to the WBS, BRI also has the HR Call Center where employees can file their job or non-job related complaints that might have a direct or an indirect impact on the Company.

Monitoring Breaches of Discipline Resolution

Discipline is necessary to encourage employees to carry out their duties and responsibilities in a professional manner, and to create a healthy and conducive working environment. To this end, BRI monitors the settlement of cases of discipline violations committed by employees in relation to their job duties and responsibilities.

In order to monitor, and accelerate the resolution process of breaches of discipline conducted by employees, the Management has developed the Industrial Relationship application system, an automated, web-based portal that integrates BRI's operating units across Indonesia in resolving breach of discipline cases. This application also enables Head Office Management to monitor the resolution of breaches in the operating units, and ensure that they adhere with employee rights and responsibilities.

HUMAN RESOURCES DEVELOPMENT IN 2016

To develop an HR plan that aligns HR requirements with the Company's plan and strategy requirements, the processes for HR development requirements and planning should take into account the Company's long-term business plan as stipulated in BRI's corporate plan, the mid-term business plan as stipulated in the Bank Business Plan and the short-

term business plan as stipulated in the Work and Budget Plan of the Company.

Aligning BRI's development with business growth targets requires the support of effective and efficient HR Management. To this end, BRI HR Management observes the BRI HR Architecture that consists of several pillars.

BRI HR Architecture

The pillars of BRI HR architecture are a system of human resources management aimed at realizing BRI Human Capital Management, a cycle that starts from planning, acquiring (recruitment, selection and placement), developing (human resources development), retaining and maintaining, performance management, and termination (PHK). All these processes are supported by an effective management information system. The foundation of BRI HR architecture includes Corporate Culture and Good Corporate Governance (GCG), which guide employee attitude.

HR management, which is referred to in HR architecture, is set forth in the roadmap for the work program of HR management and is reviewed every 5 (five) years and tailored to the needs of the Bank.

Learning & Developing

BRI continuously coaches and develops employees to achieve skills and work competencies that can address the Bank's current and future business needs and challenges. Through training programs, BRI's employees are encouraged to learn, be motivated, innovate and provide creative input into the Bank's progress.



Windi Prima Saputra
(PPS Class 3)

“ Having a career in a bank is my childhood dream and choosing a career with BRI is something I feel so grateful and proud of. I joined BRI through the Staff Development Program (PPS). This program provided me with a chance to learn about banking and leadership, as well as given a comprehensive education and diversified skills thanks to the on-the-job orientation. The knowledge and skill I gained from this program is instrumental for the development of my career, beginning with credit analyst, account officer, until reaching managerial level as marketing manager and sub-branch manager. BRI also gave me an opportunity to further pursue my study in USA through Post-Graduate Scholarship Program. With such a full support, I am competent enough as a professional banker. By joining BRI, the Best Microfinance Bank in Indonesia, I now have a promising career path and have gone through personal development to become a better person. ”

Operational Support Review

The training programs provided to BRI's employees aim to increase their competency in three core areas relating to applicative, technical and analytical skills, as well as harnessing employees' managerial capabilities.

In addition, regarding the BRI Satellite Program – BRISat, BRI has sent teams of employees to an overseas satellite training program in order to gain the optimum results from the utilization of BRISat

The learning and development program also aims to create high leadership competency. BRI believes that good leadership and managerial skills, especially at the management level, lead to good corporate governance, including the achievement of the Bank's vision and mission. As such, BRI incorporates leadership training in its employee development program and curriculum for certain job role levels, and enrolls employees in leadership development programs delivered by external parties.

BRI has delivered the following three training programs in order to enhance the capacity of its employees:

1. Orientation Program (Recruitment)

An education program provided to BRI employee candidates, or BRI employees in certain roles, to build their competence level in specific tasks.

2. Application Education Program (Enhancement)

An education program to build BRI employees' competence level in specific tasks. The programs are either run internally by BRI or externally by a third party.

3. Development Program (Development)

An education program to prepare BRI's employees for senior job roles.

In 2016, BRI organized a variety of training programs, with the following numbers of participants:

Training Program

Type of Education	2014	2015	2016
Orientation	27,090	21,001	12,717
Development	729	663	2
Formal Education	39	14	50
Applicative	172,192	464,349	1,198,412
Socialization	150,886	173,323	149,144
Public Courses	4,113	3,883	3,158
Performance Enhancement Forum and Focus Group Discussion	112,250	124,502	128,163
Certification and Support	763	2,042	795
Number of Participant	468,062	789,777	1,492,423

BRI Learning Center

To develop human resources with integrity and competence in the banking business, BRI established the BRI Corporate University in 2015. This education facility is a realization of BRI's commitment to enhancing its employees' capacity through quality education programs in line with the Bank's business growth and strategic goals.

BRI Corporate University is composed of 6 academies, namely:

1. Microfinance Academy
2. Retail & Consumer Banking Academy
3. Wholesale Academy
4. IT Operation & Support Academy
5. Leadership & Human Capital Academy
6. Subsidiary Management Academy



Agustinus Dwiatmojo Nugroho
(Best Commercial AO)

“ For me, BRI is everything! My job and the good fortune for my family are from BRI. So, serving as AO at BRI is Thy blessing for me and that means I shall do my best, as a way to thank God for His blessing upon me. ”

The establishment of BRI Corporate University is one of the strategies of the BRI Learning Center to support the Bank as it faces an increasingly competitive business environment. The BRI Learning Center aims to enhance BRI's HR competency both in hard and soft skills, and develop highly qualified and competitive HR, as well as provide added value to ensure BRI's increased presence in the banking sector as well as future business performance.

In order to realize these goals, the BRI Learning Center has taken the following steps:

- a. Building BRI Corporate University
- b. Establishing Digital Learning Infrastructure
- c. Developing Digital Learning System
- d. Obtaining ISO 9001:2008 Certification on learning operations

Performance-Based Career Development

Employees are allocated to managerial roles based on recommendations by competency-based assessment centers, and in accordance with the Bank's regulations and requirements.

Employee transfers are based on Bank's requirements, as well as each employee's work performance and years of service. Career development also includes special training sessions, job enrichment and job enlargement. BRI does not discriminate employees in terms of ethnicity, beliefs, race, group or gender when it comes to promotion and career development.

BRI realizes the importance of the Bank's strategy and target alignment, instilling them in each department and each employee. As such, BRI is currently perfecting its performance management system in order to achieve the Bank's targets through the establishment of individual employee targets. Performance management is conducted through electronic-based or online systems to accelerate the process, and assist employees and BRI management to access information.

HR Competency Development Budget

The education and development budget in 2016 amounted to Rp577.1 billion, or 3.12% of the total HR management budget of Rp18,525,833 million.

EMPLOYEE WELFARE

Remuneration and Benefits

BRI's remuneration strategy focuses on the following goals:

1. Attracting potential candidates;
2. Retaining competent employees;
3. Improving employee motivation.

BRI provides fair and competitive compensation that is aligned with the Bank's strategy and business development. In addition, BRI's payment structure is designed to compensate employees based on their competency and role, so that each employee is motivated to work to the best of his or her ability.



Dody Isnanto
(Head of Colo Unit)

“ BRI unit Colo is the Best Unit of BRI, located at the edge of Gunung Muria, 18km away from Kudus and is the only bank that serves local resident. However far and remote the unit is not a big deal for BRI since we have solid means and infrastructure. With BRInets express, we can minimize the potential error made by our teller, and hence we can have a better working procedure.

As of me, the success of a unit is derived from a solid teamwork and the right direction provided by the team leader. As the Head of BRI unit, I always encourage my team not to give up without a fight, never grumble, always work smart, work hard and work sincerely. ”

Compensation is made in a fair and competitive manner, and in accordance with the Bank's capability and requirements. There are two types of compensation:

- Fixed Compensation, which consists of Basic Salary and Allowances; and
- Variable Compensation, given to employees based on performance achievements.

BRI applies a salary increase policy based on merit, in which employees with better performance receive salary increases. To optimize work performance, BRI also provides variable compensation to employees who succeed in achieving and/or exceeding their performance targets. On the other hand, low-performing employees receive low variable compensation, or may not receive variable compensation at all.

To provide job security, BRI also provides various employee benefits during the work tenure, such as health care, and post-tenure benefits such as pensions, as well as other benefits commonly provided in the banking industry. These benefits serve to facilitate employees in conducting their duties and responsibilities.

BRI also takes into account the differences in the cost of living in the areas where its work units are located. Therefore, BRI ensures that the employees' minimum salary from the beginning of their tenure is above the minimum wage standards in the Bank's operational regions.

BRI does not discriminate on the basis of gender, with each employee in the same role receiving the same remuneration.

An increase in the number of employees, and benefits, has led to an increase in the budget allocated to HR. BRI views this increase as an investment in developing employee competence.

EMPLOYEE PENSION PROGRAM

To provide peace of mind to its employees, BRI has put in place pension programs, with the employees receiving the benefits at the completion of their tenure, thus ensuring continuity of income

BRI's pension programs include:

- Defined Benefit Pension Plan
- Defined Contribution Pension Plan
- Annuity Program
- Jamsostek Pension Plan Program
- BPJS Pension Program
- Pension Healthcare Program

To provide employees with knowledge, vision and skills hence ensuring employees' readiness in carrying out productive activity after retirement, BRI provides an entrepreneurship education program for employees approaching retirement.



Alit Dirga
(Best Innovator in IT)

“ I joined BRI in 2012 as outsourced employee and now I am a permanent employee. I gained a lot of experience, such as drafting concept for activity, promotion, field execution, and evaluation at every end of activities. It encouraged me to come up with new ideas, in order to give maximum results for the Company. I have gone through many things but still I am passionate to prove my self to the Management who has given me the chance to work at my hometown.

BRI really supports the ideas generated by its employees. For example, when I was one of PPS participants, many of my fellow employees final tasks were realized and became business supporting BRI performance. And now we have BRI Innovation Center as a means to support employees who have innovative ideas for the Company. ”

CORPORATE CULTURE REVITALIZATION

Consistent implementation of BRI's work culture is one of the main cornerstones of successfully achieving the Bank's vision and mission. In the light of this, BRI is focused on implementing a strong work culture that integrates ways of thinking, behavior and attitude, as well as strengthening team collaboration and perseverance when facing internal and external challenges.

The revitalization of BRI's Work Culture has been formulated in:

- Five core values of Work Culture known as BRILiaN. The core values serve as important guidelines for the employees' attitude and behavior, whether in relation to customers, fellow employees or external parties.
- Ten core attitudes and behaviors of BRI Individual.
- Twenty Behavior Indicators.

Work Culture Revitalization - scope of work:

1. BRI Corporate Culture Architecture
2. BRI Corporate Culture Organization
3. Formulation of BRI Corporate Culture
4. BRI Corporate Culture Core Values
5. BRI Corporate Culture Actions
6. BRI Corporate Culture Internalization and Externalization Program
7. BRI Corporate Culture Indicators and Assessment Tools
8. BRI Corporate Culture Media Communication

The implementation of the Corporate Culture Revitalization Program, which is in line with the corporate culture annual schedule, is an effective communication tool in the implementation of BRI's Corporate Culture policy.

The Corporate Culture Revitalization Program consists of the following two programs:

- Corporate Culture Internalization Program; and
- Corporate Culture Externalization Program.

Corporate Culture Internalization Program

The BRI Work Culture Internalization Program aims to instill the core values of the BRI Work Culture in all BRI employees through activities that support the improvement of the Bank's performance. Internalization of Work Culture programs aim to support the achievement of the Company's strategy, and are organized after the Strategic Forums at the Head Office and Communication Forums at Regional Offices.

BRI Work Culture Internalization Programs include:

- a. Performance Enhancement Forum
- b. Focus Group Discussion (FGD)
- c. Family Gathering (FG)
- d. Change Agent Forum (CAF)
- e. The Best Change Agent
- f. New Employee Mentoring
- g. Innovation Day (InnoDay)

Corporate Culture Externalization Program

The BRI Work Culture Externalization Program aims to introduce BRI Corporate Culture to external parties through socialization activities and publications.

BRI Work Culture Externalization Programs include:

- a. BRI Communities (BRIComm)
- b. Business Gatherings
- c. Corporate Social Responsibility Activities (BRI Peduli)
- d. Religious and Educational Activities



Roy Salat
(Best Innovator in Non-IT)

“ Innovation is not always about technology. Innovation is also about breakthrough in working procedures or business scheme. My 4.5 years working in the Credit Department of BRI has made me more responsive to the development and the needs of customers in credit. So, when I have the chance to come up with idea and innovation for BRI, I came up with new scheme of financing for e-commerce which growing fast in recent day.

Thanks God, I am really grateful working in BRI since I always receive very well attention and reward as employee, among other named as the best in innovation for non-IT. It's beyond my expectation. ”

Corporate Culture Implementation Monitoring

The implementation of BRI Corporate Culture has generated results such as:

1. Corporate Value Self-Assessment (CVSA) of each BRI Operating Unit across Indonesia reflects all BRI employees' application of the Bank's Corporate Culture values, namely Integrity, Professionalism, Leadership, Customer Satisfaction and Respect for Individuals. Assigned Change Agents (CA) at each Operating Unit submits the report in real time and online.
2. BRI Internal Service Survey (BISS) at each BRI Operating Unit across Indonesia is a customer survey, both internal and external, concerning BRI's Service Quality, which encompasses service aspects such as: Substance, Reliability, Responsiveness, Assurance and Empathy.
3. Corporate Culture Index (CCI) at each BRI Operating Unit across Indonesia reflects the ratio between the performance of each BRI Operating Unit and the Corporate Value Self-assessment (CVSA) and BRI Internal Service Survey (BISS). CCI value is a measurement index that identifies the relations between Bank performance and organization culture, which theoretically should be in-line.

Innovative Culture through the Innovation Day (InnoDay) Program

BRI launched the Innovation Day Program as a part of the internalization of BRI Corporate Culture that aims to nurture an innovative climate and exceed performance targets. Innovation Day (InnoDay) is expected to accommodate BRI employees' aspirations to create breakthroughs that can

improve business, accelerate the attainment of targets, encourage employee engagement and enhance BRI values for stakeholders. Innovation Day (InnoDay) has been held since 2014.

Innovation Day is organized to reward employees who come up with innovative ideas, in the form of product design, and tools or processes that can generate added value and support the achievement of the Company's targets. The objective is to give employees the opportunity to contribute to the advancement of the Company, improve employee creativity, show the Company's appreciation, and produce innovations that support and facilitate a more effective and efficient working environment.

In 2016, the program was expanded to become one of the categories in BRI Excellence Award 2016, namely the "BEST Innovator" category. There are two classifications in this category, namely IT and Non IT Innovation, with further sub classification into Individual Innovation and Work Unit Innovation.

HUMAN RESOURCES INFORMATION SYSTEM MANAGEMENT

BRI has developed reliable and accurate Human Resources Management Information System (HR MIS) to manage its employees. The HR MIS has been developed as an information technology platform that is integrated into the HR management processes, starting from HR planning to termination of work. The IT system is also complemented by a dual control feature capable of generating accurate and comprehensive information.



Debi Fausiana
(Best Kupedes Account Officer)

“ As a marketer I need to learn about local culture and custom to be able to communicate with the people, our prospect. Besides that, I also consider customers as my relatives and hence I always maintain relationship even when their loan from BRI are paid.

Working at BRI has taught me to never give up and always be patient which became my key to succeed at my job and named as the BRI Best Kupedes Account Officer. ”

The IT system is continually improved to increase the effectiveness and efficiency of HR Management through the development of automation and Employee Self Service (ESS) supported by the BRISTARS web-based application. All employees are able to access BRISTARS to manage HR business processes and services.

Through this technology support, BRI has been able to ensure that HR management is more effective and efficient. This has led to accelerated business processes, increased data accuracy, paperless systems and a decreased number of business process officers since the automated services can now be accessed directly by employees.

The various applications within BRISTARS that have been developed to support HR Management in planning, acquiring (recruitment, selection and allocation), developing, retaining and maintaining, performance management and work termination, include:

1. e-Recruitment

The e-Recruitment online application is a tool for candidates interested in joining BRI. This application has increased the number of potential candidates and accelerated the selection process.

2. Digitized Assessment

Employee competence assessment is conducted online via a digitized assessment application with real-time results and job profile requirements.

3. Career Development

Employee transfer between operating units, which is a part of BRI's career development strategy, is supported by e-Transfer applications that can automate, simplify and accelerate job transfers in accordance with corporate requirements.

4. Automated Compensation and Benefit Payments

a. e-Loan Facility for Employees

e-Loan Facility for Employees is a simple and prompt online application for employees who wish to request loans.

b. e-Medical Insurance

e-Medical Insurance is an online application for employees who wish to claim a reimbursement of medical expenses with an automated payment process. All applications for compensation and benefit payments are self service-based to accelerate the process, as well as integrated with the bookkeeping application, allowing an effective and efficient monitoring of HR expenditure.

5. Automated Online Performance Management System

The Performance Management System (SMK) is an online application that encompasses the processes of target setting, mentoring and evaluation of performance achievements. This application is integrated with business applications, which enable the system to automatically calculate each employee's business performance achievements and provides employees with a self-service access.

6. Automated Industrial Relationship Management

The Industrial Management Portal application has been developed, and integrated with BRI operating units across Indonesia, to monitor the resolution process of breach of discipline cases. The application helps to resolve cases in a prompt manner, giving employees legal certainty regarding the alleged discipline breach.

7. e-Retirement

Employees can access the e-Retirement application to gain information about the estimated benefits received by employees of normal retirement age. Employees can also submit online applications for benefit disbursement and payment of pension funds, etc.

8. e-Corporate Culture

The e-Corporate Culture application has been developed to monitor the implementation of BRI Corporate Culture, and ensure that all employees internalize BRI's core work culture values. With this application, the Bank can measure the success of work culture values implementation in each operating unit and analyse this information against each unit's performance achievements.

Operational Support Review

9. HR Consultation and Information

HR Consultation and Information application is an effective communication tool between the management and the employees. Employees can access the application to quickly and accurately search for the latest information related to HR in the form of documents, Frequently Asked Questions (FAQ) and presentation slides. In addition, employees can submit online questions/inputs for HR Helpdesk agents.

10. e-Filing: Automated Tax Reports

The e-Filing application was developed to help taxpayers monitor their annual income tax (PPH 21) online. It is integrated with the Directorate General of Taxation, allowing BRI employees to report their tax return forms in real time.

11. e-Office: Digital Office

Digital Office was developed to increase the effectiveness and efficiency of internal electronic correspondence. It has accelerated the exchange of written communication in real time, which is courierless and paperless, and can be monitored and archived on secure servers with minimum space requirements.

EMPLOYEE TURNOVER

In 2016, the turnover rate of BRI HR stood at 1.11%, which is lower than the industry average of 18% and considered to fall into the low-rate category.

This figure reflects a favorable work environment, which nurtures each employee's spirit to work and innovate.

EMPLOYEE ENGAGEMENT

In 2016, the BRI employee engagement survey, which is conducted annually, garnered the score of 3.2 out of 4. The engagement survey is conducted to measure the employees' sense of belonging to the company. The result matched BRI's low employee turnover rate.

BRI HUMAN RESOURCES PROFILE

As of the end of 2016, by generation, BRI's HR profile totalled 3,859 (2,95%) baby boomer employees, 24,262 (18,6%) generation X employees and 10,613 (78,5%) generation Y employees.

Number of Employees by Position

The composition of BRI's employees according to their position in the organization is as follows:

Number of Employees by Position

Position	2014	2015	2016
Senior Executive Vice President	-	4	4
Executive Vice President	64	50	86
Vice President	166	198	193
Assistant Vice President	440	395	380
Senior Manager	685	738	747
Manager	652	731	1.248
Assistant Manager	3,770	4,331	4,992
Officer	12,212	11,837	12,214
Assistant	73,375	74,290	73,469
Total	91,364	92,574	93,333

* exclude outsourcing employee

Number of Employees by Employment Status

By employment status, BRI's employees consist of 59,071 permanent employees (including trainees), 34,262 non-permanent employees and 36,197 outsourced employees as follows:

Number of Employees by Employment Status

Status	2014	2015	2016
Permanent Employee	48,814	54,859	59,007
Non Permanent Employee	41,739	37,451	34,262
Trainee	811	264	64
Total	91,364	92,574	93,333

Number of Employees (Permanent, Contractor, Trainee) Based on Education Level

Based on education level, the majority of BRI's employees hold Bachelor Degrees and Diplomas. Below are the profiles and numbers of BRI employees based on education and job level:

Number of Employees Based on Education Level

Education Level	2014	2015	2016
Doctorate Degree	10	7	5
Master Degree	1,165	1,195	1,212
Bachelors Degree	57,393	67,953	67,805
Diploma	28,327	19,769	21,261
High School/Equivalent	4,469	3,650	3,050
Total	91,364	92,574	93,333

* exclude outsourcing employee

Number of Employees (Permanent, Contractor, Trainee) Based on Age

The majority of BRI's employees fall into the Generation Y category, and account for over 78.5% of the total number of the Company's employees, or 102,613. The following table outlines the composition of BRI's employee profiles based on age:

Number of Employees Based on Age

Age	2014	2015	2016
< 25	16,778	11,824	8,279
> 50	4,434	4,649	4,805
25 - 30	43,120	47,232	48,882
31 - 35	11,367	12,548	14,291
36 - 40	5,301	6,440	7,615
41 - 45	4,813	4,344	4,125
46 - 50	5,551	5,537	5,336
Total	91,364	92,574	93,333

No	Item	Budget 2016	Realization of Budget 2016	Achievement %	Number of Participant	Rp/ Participant
1	Orientation Program	114,295,620,000	87,197,943,387	76.29%	12,717	6,856,801
2	Applicative	388,006,650,000	253,852,345,908	65.42%	1,198,412	211,824
3	Development	59,607,400,000	694,068,500	1.16%	2	347,034,250
4	Socialization	13,072,680,000	5,628,742,403	43.06%	149,114	37,748
5	Formal Education	89,233,710,000	43,333,920,622	48.56%	50	866,678,412
6	Certification	13,808,000,000	5,245,314,207	37.99%	807	6,499,770
7	Education Support	6,452,500,000	3,955,428,989	61.30%	-	-
8	Public Courses	108,080,000,000	38,660,714,582	35.77%	3,158	12,242,152
9	FPK - FGD	153,361,000,000	138,102,950,518	90.05%	128,163	1,077,557
	Provisions for Development	13,156,838,500	-	-	-	-
	Provisions for Enhancement	61,404,601,500	-	-	-	-
	Educational Literation	2,500,000,000	423,600,226	16.94%	-	-
Total		1,022,979,000,000	577,095,029,343	56.41%	1,492,423	386,683

Number of Employees (Permanent, Contractor, Trainee) Based on Gender

BRI supports gender equality in the recruitment of its employees, which is reflected in a balanced composition between female employees (43.8%) and male employees (56.2%) with the following details:

Number of Employees Based on Gender

Gender	2014	2015	2016
Female	51,030	40,707	40,859
Male	40,334	51,867	52,474
Total	91,364	92,574	93,333

EXPENSES ON EMPLOYEE CAPACITY DEVELOPMENT

In 2016, Bank BRI's expenses for the employee competencies development amounted to Rp570.09 billion or 56.41% of the total budget of Rp1.02 trillion. The cost per employee amounted to Rp386.683.

EMPLOYEE COMPETENCY DEVELOPMENT AND EQUALITY OF OPPORTUNITY TO ALL EMPLOYEE

The objective of competence development is to create human capital capable of learning, willing to change, innovative and creative for the sake of the Company. To this end, BRI conducted training program for the enhancement of the competence.



Information Technology and Operations

In an era of digital technology, customers' increasing expectations of safe, fast and convenient banking services are transforming banking processes. This is being demonstrated by the growing use of e-channels, such as mobile banking and internet banking, which now exceeds the growth in the number of conventional transactions.

Various innovations in the banking sector, especially in the development of smartphone banking applications, as well as the digital integration of banking services, have marked the transformation of conventional banking into digital banking. Digital banking is conducive to improved efficiency, increased productivity and better services. While digital technology developments are inevitable, they can present risk management challenges for the banking sector.

INFORMATION TECHNOLOGY

BRI's information technology (IT) developments are made in a targeted, measurable manner that conforms with the principles of Good Corporate Governance (GCG). Such developments support BRI's short, medium and long-term goals, and business strategies, by improving the efficiency of the Bank's operations, customer service, as well as risk management practices.

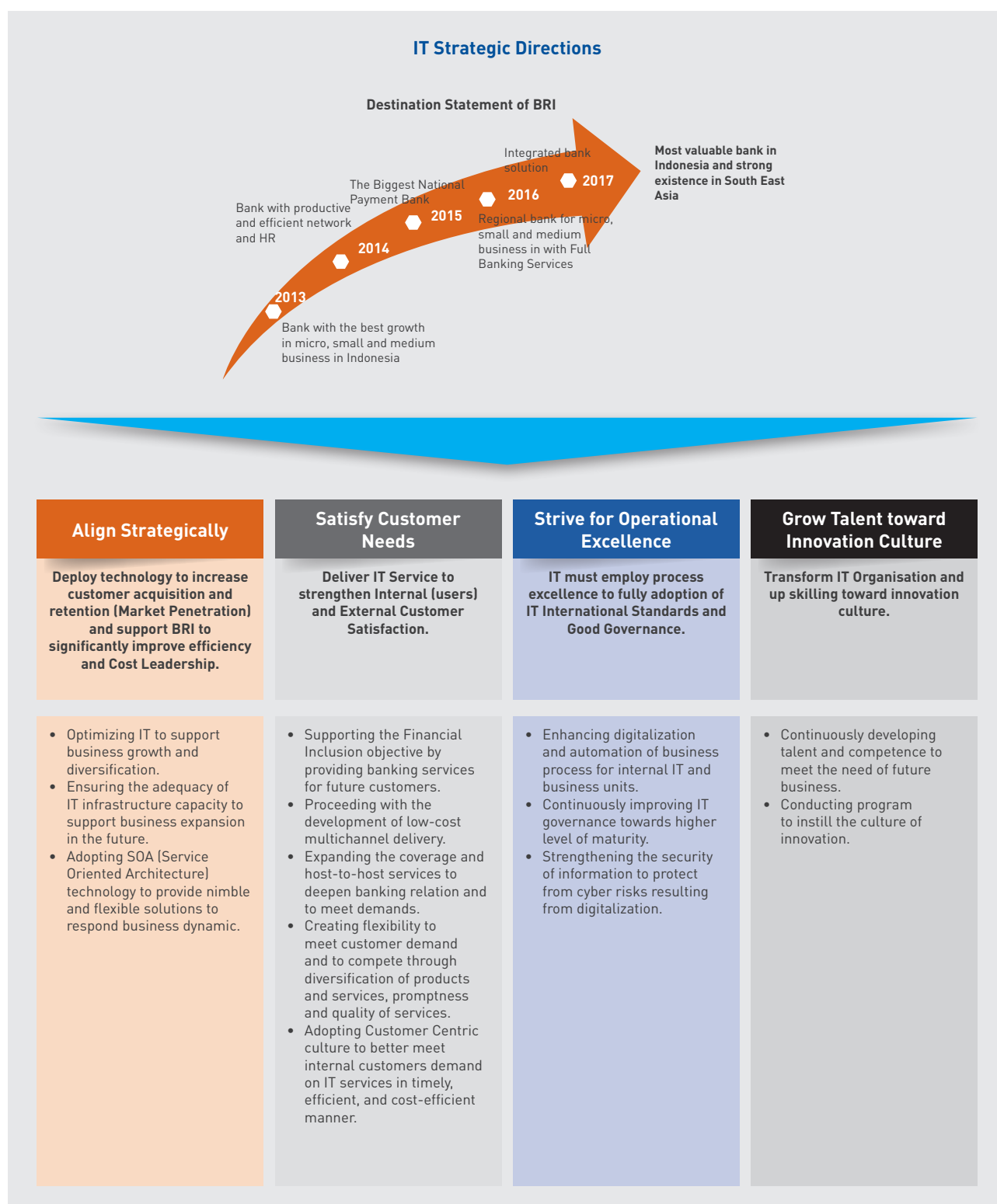
Vision and Mission

BRI's 2014 – 2018 IT vision is focused on ensuring that the Bank remains at the forefront of the banking sector by combining technology expertise and business strategy. The Bank aims to achieve customer satisfaction through implementing effective and efficient IT solutions that strengthen BRI's focus on its customer based on competitive service level agreement (SLA); ensuring that BRI is able to obtain information and data easily, in a timely manner, and in accordance with all systems; continuously improving the professionalism and performance of its IT through good governance; and implementing innovation in IT culture to strengthen BRI's competitiveness.

IT Development Roadmap

The BRI IT development roadmap, which encompasses a plan for the next five years, is based on the Bank's business goals, and proposed vision and mission. The target for 2017 is to ensure that BRI ranks as the most valuable bank in Indonesia and one of the top banks in Southeast Asia.

Below are BRI IT's strategic directions based on its business goals, and vision and mission:



IT Operational Performance in 2016

As BRI's IT commitment to continuously support business operations, BRI frequently takes initiatives on infrastructure renewal. In 2016, BRI renewed the Core Banking infrastructure with the most up-to-date technology in its class. It was one of the efforts to meet the needs due to the increase in the number of accounts and transaction volumes from 10,643 work units, 283,453 e-channels (ATM, CRM, EDC and E-Buzz), and all transactions originating from other access channels.

In addition, in 2016, BRI also frequently reviews and improves the process and use of IT technology to maintain and improve IT operational performance in achieving customer satisfaction, which increasingly has the behavior of Digital Banking. BRI not only chooses leading technology, but also provides convenience, comfort, and security in running its operations.

The renewal of BRI's Disaster Recovery Plan strategy in 2016 has also become an important point to BRI's awareness of the continuous availability of IT services in support of bank operations.

Execution of IT Initiatives in 2016

In line with BRI's 2016 Business Plan as a regional bank that provides comprehensive services for micro, small and medium-sized enterprises, BRI's IT division has been implementing a strategic plan to improve its end-to-end banking service solutions. Therefore, in 2016, BRI focused on several initiatives that support IT business solutions with comprehensive features and flexibility, and improved the efficiency and effectiveness of the information management system.

In 2016, BRI IT also supported the Bank's cooperation with various strategic partners in the development of IT initiatives through host-to-host cooperative projects and the implementation of 74 applications detailed in following table:

Applications	Total
Cooperation with insurance companies	3
Cooperation with Government	36
Cooperation with corporations	21
Cooperation with universities	10
Cooperation with hospitals	4
Total	74

In line with BRI's focus on IT application development, several applications have been implemented to support end-to-end business solutions, including second generation of BRIPENS as a TASPEN pensions payment business solutions; BRISMART as a planning and operational solution for BRI Corporate University; Trust Management System as a corporate cash management solution; D-Nets as a solution for the opening of BRI's overseas branches; BANSOS (social assistance) application as a solution for the distribution of social assistance to Indonesian people, such as Indonesia Pintar program; TANI card; Online SKPP application as a complementary solution for BRI's retail, commercial and micro credit businesses; Consumer LAS application as a complementary solution for BRI's consumer credit business; BRI's E-Tilang to assist the National Police and Indonesian Attorney General in implementing ticketed payment operations; and Laku Pandai services for BRILINK agents to support financial inclusions by BRI.

BRI IT has also undertaken initiatives to improve the Bank's customer services, including internet banking for payments (Jakarta taxation, Pelindo 4, Employment Permit System-Test of Proficiency in Korea (EPS-TOPIK), SPP UnSoed, TV Transvision and Pupuk Indonesia); Go Pay top-up; iBank clearing, live chat, transfer and RTGS with notifications; BRI's Reward Program information points; E-Form implementation for opening savings accounts that can be carried out in the work units; BRI's EDC online driving license payments; payment receipts from BRI Agro and BRI Syariah and the

purchase of subsidized fertilizers; Microsite for Pension Fund and Credit Card businesses; BRI Cash Management System for Cash Pooling (company and subsidiaries fund adjustment); Cash Card (in the form of corporate cards that include corporate checking account facilities with certain limit adjustments); additional payment features via BRIZZI card for E-Toll payments; as well as Tabungan Usaha Rakyat feature development.

To maximize business flexibility, BRI also set up a BRIFast Cash Integration System v2, which offers more flexibility when it comes to remittance transactions with foreign partners and BRILINK agents; KSEI payment bank application to facilitate BRI's customers in capital market transactions, BRI's e-Catalogue application to promote BRI's point reward program; additional features in BRI Mobile Banking (GoPay top up, info point, mobile cash, etc) to support customers' lifestyles and increase cooperation with merchants; as well as developed a JCB acquiring facility to expand the network and capability of BRI's EDCs; and ATM Cash Recycling Machine to increase BRI's operational flexibility and efficiency.

In terms of Management Information System, BRI IT conducted several initiatives to improve the effectiveness and efficiency of its internal processes, including the development of Customer Portfolio Management, BRIEx Settlement, Tax Amnesty, Web Corporate, Merchant Management System Mobile, BRISIM-Integrated Management Information System, Balance Scorecard, BRISTARS (HBK Portal, SMK Online, HC Metrics and Analysis, Performance Achievement Monitoring, and Digital Assessment) and BRISMILE.

BRI IT regularly implements infrastructure update initiatives as a part of its commitment to support business operations. In 2016, BRI updated its Core Banking infrastructure with the latest and most advanced technology to accommodate the increasing number of accounts and volume of transactions made by the 10,643 working units, 283,453 e-channels (ATM, CRM, EDC and E-Buzz) plus transactions originating from other access channels.

BRI-sat

On June 18, 2016, at 18:38 in Kourou, French Guiana, or June 19, 2016, at 04:38 Indonesian time, BRI-sat was launched following a 24-month manufacturing process by Space System Loral, LLC (SSL), as per contractual agreement. This marked an important historical moment, with BRI becoming the first bank in the world to have a satellite. After reaching the 150.5 ° East orbital slot, BRI-sat entered a one month In-Orbit Test phase to ensure that all systems and sub-systems were running in accordance with the requirements stipulated in the contract.



Specification of BRI-sat

Type	: Communication Satellite
Manufacturer	: Space Systems/Loral (SSL), Palo Alto CA, US
Type of Bus	: LS-1300 with 122-inches central cylinder
Power	: 9.541 Kw
Massa	: 1,887 kg (dry mass), 3,540 kg (wet mass)
Location	: 150,5° BT orbit Geostationer
Lifetime (performance)	: 15.1 years (contract), 18.7 years
Transponder	: 24 C-Band, 12 Extended C-Band, 9 Ku-Band
Contract Date	: 2 May 2014
Launch Date	: 19 June 2016
Launch Vehicle	: Ariane 5 ECA Lower Position
Coverage Area	: Indonesia, South East Asia and North East Asia

By August 3, 2016, SSL handed over the complete control of BRI-sat to BRI. BRI-sat is controlled by BRI from the ground stations in Ragunan, Jakarta, as the Primary Satellite Control Facility (PSCF), and Tabanan, Bali, as a Backup Satellite Control Facility (BSCF).



Primary Satellite Control Facility (PSCF), Jakarta



Backup Satellite Control Facility (BSCF), Bali

The next stage involves the utilization of BRIsat transponder at all of BRI's working units through 3 (three) integrated stage phases. Phase I, which involves the repointing of 11,539 VSAT antennas belonging to providers, from non-BRIsat satellite to BRIsat; Phase II that involves the installation of new BRI VSAT devices in 8,232 locations; and Phase III, or consolidation of all installed communication networks with the Integrated Network Management System (INMS) equipment.

With BRIsat, BRI is able to develop a variety of new services, among others, Digital Banking; Video Banking; exclusive WiFi Zone for BRI customers; E-Channel in Ships/Cruises, Railways and Aircrafts; Video Contact Center and Video/Audio Conferences for BRI's internal communication; as well as the expansion of BRI's network coverage throughout Indonesia.

The management of BRIsat is supported by the Satellite and Network Infrastructure Division team. To prepare the team, BRI enrolled its engineers and project team members in a variety of training courses, ranging from base satellite course run by the Indonesian Satellite Association (ASSI) to six weeks of training by TSTI (Teaching Science and Technology, Inc), a US-based training provider. This was followed by a year-long internship for 17 BRIsat engineers in the SSL office in Palo Alto, CA, and special training for 24 satellite operators by the SSL team. BRI also recruited three senior satellite operators, as well as consultants who specialize in handling satellite sub-systems. They have been assisting BRI's

operational activities for over a year since the handover. SSL is contractually obligated to also assist BRI for 15.1 years. BRI operates BRIsat in a professional manner, and with the support of competent professionals.

IT Human Resources Development

In 2016, 427 people played a role in BRI's strategic and operational IT initiatives, including:

Number of Organic Non Permanent Employee	Total
Planning and IT Development Division	173
TSI Operation Division	193
Satellite Division	61
Total	427

Various training, both technical and managerial, as well as risk management certification, have been implemented to improve the competence of the employees, including: IT Architecture, IT Capacity Management, IT Security 27001, IT Project Management, IT Infrastructure Library, Retail Banking Technologies, IT Secure Programming, CompTia+ Network, Office Management, Data Center Best Practices, Certified Ethical Hacking, Red Hat Enterprise Linux System Administration, Inventory & Warehouse Management, Big Data Administration, DBMS Administration, Network Security Administration, Computer Hacking Forensic Administration, and Management training (Leadership, Communication Excellence, Office Management).

IT Governance

BRI developed its IT Governance policy in line with the State-Owned Enterprises (SOEs) Ministerial Regulation No. PER-02/MBU/2013 on Guidelines for SOEs Information Technology Development and Management, and Bank Indonesia Regulation No. 9/15 / PBI / 2007 on the Implementation of Risk Management in Technology Information Utilization by Commercial Banks. BRI's IT governance policy aims to manage risk in the field of IT, and provide strategic value in terms of effectiveness and efficiency for companies as outlined in the IT governance framework.

In 2016, BRI endeavored to make the Bank the regional bank of choice for micro, small and medium-sized enterprises with a full range of banking services. BRI also focused on IT initiatives, with an emphasis of aligning its various business areas and IT systems, to meet the requirements of its customers and achieve operational excellence, as well as foster a culture of innovation among BRI's human resources.

BRI divides IT governance into two domains, namely strategic control and operational control, and implements best practices based on strategic and operational principles.

IT Investment

In 2016, BRI realized an IT investment budget of around Rp2 trillion, which was distributed among 41 projects. These projects resulted in improved customer services, and contributed to an increase in the Bank's income and a reduction in its operation costs.

IT Strategy And Development Plan In 2017

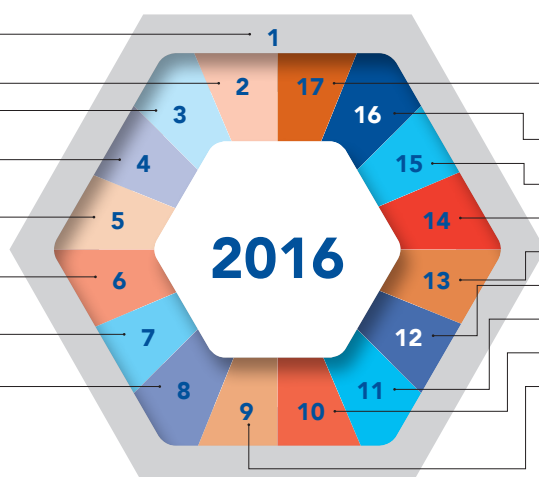
In line with Bank's Business Plan, in 2017, BRI will continue to develop IT systems to support the realization of the Bank's goals and strategies. The BRIsat project will focus on integrating the BRIsat system with the Bank's existing systems. The Bank will also carry out a number of digital banking developments, and optimize business process in BRI.

BRI's IT management will continue to be implemented in accordance with best practices, and its IT Governance will utilize the following strategies and operational principles:

IT Governance Framework

Strategic Principles

1. Determining the Role of IT in the Company
2. IT Planning
3. IT Proces Framework and Organization
4. Management of IT Investment
5. Management of IT Resources
6. Management of IT Risk
7. Projek Management
8. Managing Needs and Identifying Solution



Operational Principles

9. Management of IT Services
10. Management of IT Security
11. Management of Third Parties Services
12. Management of Operational
13. Management of Quality
14. Knowledge Transfer
15. Monitoring and Evaluating IT Performance
16. Management and Evaluation of Internal Control
17. Managing compliance external regulation

Strategic Principles

<p>1. Setting the Company's IT Role</p> <p>BRI's IT role should be based on its strategic IT goals and IT Values.</p>	<p>5. IT Resources Management</p> <ul style="list-style-type: none"> IT resources should be managed to produce reliable, effective and efficient IT products. Resource management policies and procedures must include at least the following: <ul style="list-style-type: none"> Human resources Data/Information Software/Application Infrastructure The governance of IT resource procurement (including the control of the procurement process, the selection of suppliers and contract management)
<p>2. IT Planning</p> <ul style="list-style-type: none"> BRI has an IT Strategic Plan (ITSP) for a period of 3-5 years to ensure that its IT strategy is aligned with its business requirements. ITSP should be reviewed periodically, for example, annually. 	<p>6. IT Risk Management</p> <ul style="list-style-type: none"> IT risk management should be implemented with reference to Bank risk. IT risk assessment should be performed for all BRI's IT processes. Renewal of BRI's IT risk profile should be done to reflect changes.
<p>3. IT Process And Organization Framework</p> <ul style="list-style-type: none"> IT process and organization framework should be codified in the Bank's policies and procedures. The framework includes the following IT processes: <ul style="list-style-type: none"> IT investments management IT services management End User Computer Use (EUC) management IT risk management Third party services management Quality management Project management IT security management Monitoring and evaluation of IT performance Identification of IT solutions Operational management Internal control management and evaluation External regulatory compliance management These policies and procedures should be reviewed periodically (at least annually) and updated in accordance with any changes in business processes and organizational structure. There is a rule of separation of duty according to function or Segregation of Duties (SOD) 	<p>7. Project Management</p> <ul style="list-style-type: none"> IT projects must be managed consistently to ensure each IT project delivers prompt results, in accordance with the budget and expected quality. IT project management procedures must be codified in BRI's policies and procedures. IT project portfolios should be created, maintained and reviewed periodically (at least every six months).
<p>4. IT Investment Management</p> <ul style="list-style-type: none"> IT investment management must be aligned with BRI's business initiatives. IT investment strategy should be established by BRI IT. 	<p>8. Handling of Requirements and Solution Identification</p> <ul style="list-style-type: none"> There is a procedure for reviewing the definition of practical and technical business requirements. There is a risk identification and analysis procedure to fulfill BRI's practical and technical business requirements.

Operational Principles

<p>9. IT Service Management</p> <ul style="list-style-type: none"> IT services should be listed in the IT service catalogue and disseminated to all IT users. Assessments of service level achievements should be conducted regularly, with the results reported to IT management and the IT steering committee. 	<p>14. Knowledge Transfer</p> <ul style="list-style-type: none"> Enforcement to all parties of BRI's IT for knowledge transfer to all business units. The process of knowledge transfer should relate to the system's functionality, the use of the system in business management, end users and operations staff.
<p>10. IT Security Management</p> <ul style="list-style-type: none"> Risks related to IT security should be identified, managed, monitored and mitigated in accordance with the risk management policy. IT security policies and procedures should be introduced on ongoing basis to all parties in the IT environment and to related parties outside the IT environment. 	<p>15. IT Performance Monitoring and Evaluation</p> <ul style="list-style-type: none"> IT performance management should be supported by policies, procedures and Key Performance Indicators (KPI). IT monitoring and performance evaluation should at least include the following: <ul style="list-style-type: none"> Setting approaches and methods of IT performance monitoring Defining and collecting data as IT performance assessment material IT performance reporting on periodic basis The planning and remediation process on the deviated result of IT performance and evaluation (I don't understand) Monitoring and assessment of IT performance should be conducted in line with KPI and SLA on regular basis (for example, annually).
<p>11. Third Party Services Management</p> <ul style="list-style-type: none"> Procurement and monitoring of suppliers/vendors should be done with reference to BRI's goods and services procurement strategy. There should be an assessment of the suppliers/vendors' performance, and the goods and services provided. There should be a risk assessment made in related to BFRI's business relationships with IT suppliers/vendors. 	<p>16. Internal Control Management and Evaluation</p> <ul style="list-style-type: none"> Internal control management and evaluation control policies and procedures should include procedures for monitoring and reporting of control exceptions, remediation processes and assessment of third party services. Internal supervision of all policies and procedures relating to IT processes should be carried out regularly (for example, annually).
<p>12. Operational Management</p> <ul style="list-style-type: none"> Operational management should be codified in BRI's policies and procedures. Policies and procedures of IT operation management must at least include the following: <ul style="list-style-type: none"> Duties and responsibilities of the parties involved The transition shift (formal handover of activities, status updates, operational problems and escalation procedures) Job scheduling The monitoring of IT infrastructure utilization Backup IT infrastructure maintenance 	<p>17. Management of Compliance with External Regulations</p> <ul style="list-style-type: none"> There should be policies and procedures pertaining to the management of compliance with external regulations that govern the process of identifying compliance requirements. BRI should ensure that the Bank's IT processes comply with all applicable laws, regulations and agreements. The IT Architecture Steering Committee (IT Architecture Board) provides guidance about the application of architectural development plans, and ensures compliance with all processes and practical rules, as well as information sharing.
<p>13. Quality Management</p> <ul style="list-style-type: none"> IT Quality Assurance (IT QA) coordinates and monitors quality management, both of system development and IT processes. IT quality and IT performance must be managed simultaneously. This includes measuring achievements. 	

Operations

OPERATIONAL CENTER

BRI established an operational center to ensure the smooth running of transactions across its 10,643 conventional networks and 283,453 e-channel networks connected in real time online. The operational center is responsible for managing and monitoring the banking operational transaction process across BRI networks, both conventional and e-banking. To ensure that its operational center is aligned with global banking standards, BRI established and developed a centralized, fast, and low risk operational system, which has an integrated control system based on BRI's requirements.

BRI's operational center is now able to process millions of complex transactions per day, which involve a massive customer database.

Business Process Improvement and Efficiency of Operations

The business process improvement program is a strategic step to improve the quality of BRI's banking services through optimizing its effectiveness and efficiency.

The program's implementation will improve the Bank's customer satisfaction. Therefore, BRI is committed to implementing the program by improving internal business processes at all offices, as well as through enterprise reconciliation.

BRI's goal of increasing operational efficiency is aimed at reducing costs while simultaneously minimizing risks through the implementation of paperless settlements, e-banking transactions and centralized settlement of ATM cash difference

BRI's operational efficiency program has enable it to control operational costs that have impacted its financial performance, in line with the spirit of green banking as one of the parameters in banking industry operational performance.

ISO 9001: 2008 Certification - Quality Management System

BRI's Operational Center initiatives undertaken to support good corporate governance have been certified with ISO 9001:2008 (Quality Management System) from the LRQA (Lloyd's Register Quality Assurance) Certification Agency, accredited by the International Accreditation Agency - UKAS (United Kingdom Accreditation Service) and the Committee for National Accreditation (KAN), within the scope of:

- Operation Centre for Settlement System RTGS and Clearing
- Remittance
- Complaint Resolution
- Card Perso Processing
- e-Banking Reconciliation
- ATM Reconciliation
- Settlement Treasury & e-Banking

Operational Center Development in 2017

BRI has prepared a strategy to improve the Bank's operational performance and customer service in 2017 through a number of projects, including:

1. ISO Recertification of the Operational Center Division to ISO 9001: 2015

The recertification aims to improve the quality of STO Division's operational services, including in relation to risk management.

2. Physical Cash Management

Another strategy taken is to propose 25 Branch Offices of BRI to become Bank Indonesia's deposit cash managers

3. Enhancement of the Centralized Operation/Payment System

The Operation Center Division continuously coordinates with other divisions about application development/enhancement to facilitate/improve the efficiency of operational processes, both in the STO division or other BRI work units.

4. Buffer stock cards and slips

In a bid to provide better services to BRI's cardholders, and security in work units, the STO division continues to maintain the availability of Cheque & BG, so that the work units can successfully perform their duties.

5. STO Live during Holidays

The STO's LIVE DURING HOLIDAYS program allows the division to settle complaints and transactions on daily basis regardless of whether it is a work day or a holiday (not just weekdays, but also public holidays).

6. E-Banking Fraud Investigation

Two Factor Authentication is being developed in CS and Teller work unit as a form of internet fraud prevention at BRI work units..

MANAGEMENT OF FIXED ASSETS & PROPERTY PROCUREMENT

The Fixed Assets and Property Procurement Management (MAT & PP) work unit is responsible for property procurement (construction and renovation, rent and purchase), and building facilities (generators, air conditioning, etc.), fixed asset maintenance and optimization, fixed asset information systems, policy, as well as planning and monitoring.

BRI's Fixed Asset Management refers to General Policy of Fixed Assets and Logistics Management (KEMAL) as determined by the Board of Directors. BRI's KEMAL was approved by the Board of Directors in 2011 and appointed in 2012. KEMAL is based on SOE's Minister Regulation No. PER-05 / MBU / 2008 dated September 3, 2008, on General Guidelines for Goods and Services Procurement in SOEs. The goals of KEMAL include:

1. Provide guidelines about fixed assets and logistics service management to all BRI working units.
2. Provide guidelines about the process of procurement of goods and services so that it can be performed efficiently and effectively, and meet the Bank's good corporate governance requirements.

KEMAL is continuously enhanced to fulfill its goals while taking into account the Company's control mechanisms and any potential challenges. It is expected that BRI's goods and services procurement process is aligned with its business needs, priorities and budget efficiency.

The MAT & PP Work Unit uses the BRISMILE application, BRI's integrated logistics management application pertaining to fixed assets requirement planning, proposed budget, procurement, distribution, and payment management

(depreciation, insurance, relocation and write-offs). BRISMILE simplifies the monitoring process, from proposed budgets for fixed assets to write-offs and fixed asset recording, and provides fixed asset data quickly and accurately.

Fixed Assets and Logistics Management Strategies In 2017

The MAT & PP Division has a vision to support BRI's business as efficiently and effectively as possible, and mission to carry out well planned, integrated, target-oriented and timely fixed assets and logistics management. To achieve its vision and mission, the MAT & PP Division focuses on the acceleration of the procurement process and the utilization of the integrated BRISMILE application. This is in line with the duties and responsibilities of the MAT & PP Division to conduct the procurement process, especially when it comes to property (land / buildings), as well as building supporting facilities and monitoring BRI's property.

A Procurement Plan List (DRP) was developed in 2016, along with the user divisions, in order to obtain information about goods and services required by working units at the beginning of the year. Thus, procurement can now be more targeted and timely. In addition, other initiatives that were implemented in 2016 include: improvement of BRISmile apps (budget module, fixed assets revaluation module, vendor partner report and evaluation module); and the implementation of an umbrella contract for the procurement of money counting machine, generator of 12.5 KVA and passbook printer. The strategy adopted by the MAT & PP Division in 2016, which will be continued in 2017, focused on the completion of the umbrella contract and blanket order of goods and services procurements; completion of building construction business processes; completion of BRISmile application (additional modules on lease amortization costs and upgrading buildings for rent); preparation and update of the standardization of goods and services provisions; completion of the Procurement Plan List (DRP) implementation, as well as online partner registration

Information Systems: Portal Logistics Applications

Asset management – including budgeting, procurement, insurance, relocation, reclassification and write-offs of fixed assets – is implemented via the Portal Logistics application, which was developed in-house by BRI's technology and information system division.

The Portal Logistics application is accessible to branch offices and education centers so that fixed asset management can be conducted more efficiently and effectively as follows:

1. Monitoring the position of fixed assets can be done online to minimize the difference between the physical fixed assets and the data recorded in the system.
2. Automated charging of fixed asset depreciation in order to avoid manual bookkeeping errors.
3. Increased flexibility during the relocation process (displacement) of fixed assets between units.
4. Acceleration of the process of insurance closing and insurance claims payment for loss of assets.
5. Acceleration and facilitation of the process of budget submission. Proposed budgets can be submitted online so that the process of analysis, and determining budget requirements, can be done directly by the Head Office.
6. The process of fixed asset procurement, starting from the procurement principle permit to the distribution of assets to the working units, can be monitored, ensuring that any potential process improvements can be easily identified.
7. Accessible information facilitates quick decision-making.

Optimization of the Performance of Non-Productive Assets In 2016

Number of Abandoned Properties

Type	2015	2016	Delta
Land	225	203	-22
Building	171	162	-9
Total	396	365	-31

The settlement of abandoned properties in 2016 amounted to 16 units, and consists of 11 land properties and five building properties.

Of the total abandoned land properties, six units were converted into working units and five were converted into operational activity support facilities.

Of the total abandoned building properties, three units were converted into work units and two were converted into operational activity support facilities.

Revaluation of Non-Productive Fixed Assets in 2016

BRI has carried out asset revaluation on April 1, 2016, through the Office of Public Appraisal Services (KJPP) on 2,523 land assets, increasing the value of land assets by Rp 14,315,527 million. The revaluation of land assets had directly increased BRI's capital (revaluation assets surplus) by Rp13,824,692 million.

PROCUREMENT OF GOODS AND SERVICES

PBJ Division Strategy and Work Program in 2016

The Goods and Services Procurement (PBJ) Division provides support for BRI's operational activities and business performance in general. BRI is committed to apply secure, effective and efficient procurement processes in order to provide the best services within the corridor of Good Corporate Governance principles.

Strategies implemented in 2016 include:

- **Implementation of multi-vendor procurement**
Multi-vendor procurement strategy allows BRI to obtain more competitive prices in the interest of cost efficiency.
- **Implementation of blanket-order procurement**
The blanket-order method facilitates the procurement of relatively large amounts of routine goods and services.
- **Utilization of Portal Logistics application**
The application enables online monitoring of the procurement processes.

Transparency of Goods and Services Procurement and Implementation of e-Procurement

Implementation of Good Corporate Governance principles is important to ensure the quality of procurement processes. Accordingly, BRI has taken care to maintain the transparency of each process in the procurement of goods and services.

Work programs to maintain transparency of procurement processes include:

- Implementation of Financial Assessment using the e-Auction module of the e-Procurement application;
- Public announcement of procurement tender in print and electronic media;
- ISO 9001:2008 certification.

ISO 9001:2008 certification was obtained for the procurement administration processes in the Procurement Payment, Administration and Distribution unit. The certification is expected to improve the level of confidence in the part of vendors regarding the transparency of procurement procedures at BRI.

Buka Deposito Semakin Mudah Via Internet

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Based on BRI's commitment to keep improving the quality of GCG practices, BRI has been awarded with "Most Trusted Company" from Corporate Governance Perception Index (CGPI) and "Leadership in Corporate Governance" according to ASEAN Corporate Governance Scorecard (ACGS) 2016."

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Good Corporate Governance

Company sustainability is important in creating value for stakeholders. Company sustainability has been achieved through a commitment to exercise Good Corporate Governance in accordance with provisions and best practices applied in the financial industry and capital markets, sourced both domestically and internationally.

The Company implements Good Corporate Governance (GCG) and Prudential Banking principles in managing the Company's risks. The Company continuously assesses the implementation of GCG, both by independent parties and through self-assessment.



Good Corporate Governance Execution and Implementation

FOUNDATION OF GOOD CORPORATE GOVERNANCE EXECUTION

GCG implementation refers to several regulations and provisions of the Financial Services Authority (OJK), Bank Indonesia, and the Ministry of SOEs as well as other prevailing laws and regulations for banking industry in particular and public companies in general.

To adjust GCG implementation with the updated situation, BRI references prevailing best practices in industry in general as well as in the banking industry. Several principles for BRI's references are:

- Principles of Corporate Governance by Organization for Economic Cooperation and Development (OECD),
- ASEAN Corporate Governance Scorecard,
- CGC Indonesia Guidelines by National Governance Policy Committee (KNKG).

As a company which has been operating more than 120 years and in its attempt to become a world-class living company, BRI continuously implements basic GCG principles in order to support financial and business sustainability, among others are:

Good Corporate Governance Principles



1. **Transparency**, promoting openness in the decision-making process and willingness to disclose material and relevant information regarding the Bank.
2. **Accountability**, promoting clarity of functions, implementation and accountability of the organs to ensure the Company’s effective management.
3. **Responsibility**, highlighting the consistency between the Company’s management practices and the prevailing laws and regulations whereby the Company is professionally managed, free from conflict of interests and influence of pressure from any parties that is inconsistent with prevailing laws and regulations and sound corporate principles.
4. **Independency**, a condition whereby the Bank is professionally managed, free from conflict of interests and influence/pressure from any parties that is inconsistent with prevailing laws and regulations and sound corporate principles.
5. **Fairness**, namely fair and equal treatment in fulfilling the rights of stakeholders arising from agreements and applicable laws and regulations.

- Maximize Company value,
- Improve shareholders’ and stakeholders’ trust toward the Company,
- Guarantee the sustainability of the Bank’s health and progress,
- Support efficient and effective management of Bank resources,
- Optimize consistent risk-return relationship with business strategy,
- Support the creation of decision making by all Bank’s personnel based on GCG principles to achieve good corporate citizenship.

OBJECTIVES OF GOOD CORPORATE GOVERNANCE IMPLEMENTATION

The implementation of sustainable and consistent governance is aiming to:

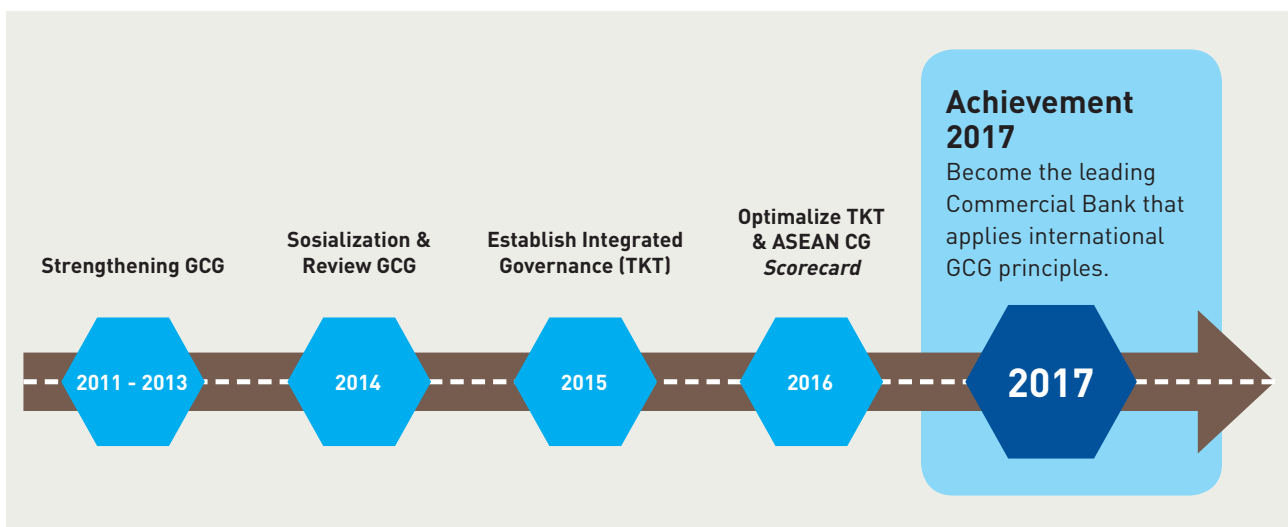
- Support achieving the Bank’s Vision and Mission
- Support Bank goals through significant performance improvement,

GOOD CORPORATE GOVERNANCE IMPLEMENTATION ROADMAP

The Company’s roadmap of GCG implementation began in 2001 with the Joint Decision of the Board of Directors and Board of Commissioners regarding Good Corporate Governance principles, updated most recently in 2013.

In 2015, the Company issued an integrated governance policy and, in 2016, BRI strengthen the implementation of GCG in accordance with ASEAN Corporate Governance Scorecard. In the future, the Company will strengthen the implementation of GCG by referring to international standards governance principles.

Roadmap Good Corporate Governance



GOOD CORPORATE GOVERNANCE IMPLEMENTATION

In order to improve the quality of GCG implementation, BRI implements GCG through four phases: Formulation, Implementation, Monitoring & Evaluation, and Objectives, aligned in achieving the expected result of the GCG Roadmap: that of Excellent GCG.

Implementation in 2016

1. General Meeting of Shareholders (GMS)

The GMS was conducted according to procedures and guidelines based on the Articles of Association and prevailing provisions. One of the efforts to maintain the independency of the GMS is to use electronic tools for voting as well as to involve an independent party.

2. Reporting LHKPN

To improve the quality of GCG implementation, BRI complies with the State Officials Asset Declaration (LHKPN) in accordance to the Corruption Eradication Commission's (KPK) provision.

Officials Requiring LHKPN

As a concrete form to improve transparency, corruption prevention and support operations clear from a corruption, collusion and nepotism culture, the members of Board of Directors and Board of Commissioners, SEVP and echelon 2 officials are required to report their assets in accordance to Board of Directors Letter No.B.193-DIR/KPS/03/2015 dated 31 March 2015 and Board of Directors Letter No.B.815-DIR/KPS/11/2015 dated 23 November 2015.

The data reported consists of assets prior and after serving a position. Provisions on reporting LHKPN are being updated regularly to comply with prevailing regulations.

Coordinator for Reporting LHKPN

The coordinator for LHKPN reporting appointed by BRI to manage and monitor the process of LHKPN reporting is the Head of Secretariat and Protocol and the Head of Policy and Human Resources Development Division. According to BRI's current organization structure, there are 264 employees (outside Directors, Board of Commissioners and Subsidiaries) who are required to report their assets to KPK. The majority from these positions have reported their assets in accordance to LKHPN reporting requirement.

LHKPN Reporting

No.	Work Unit	Total LHKPN Subject	Total Subject that has Reported		Total Subject that has not Reported	
			Total	%	Total	%
1	Board of Commissioners	8	8	100.00	0	0.00
2	Board of Directors	11	11	100.00	0	0.00
3	BRI Employee	264	215	81.44	49	18.56
4	Subsidiaries	12	7	58.33	5	41.67
Total		295	241	81.70	54	18.30

The Implementation of GCG Tools in Company Business and Operational Activities

In implementing corporate governance, BRI utilizes the following tools and systems:

1. Know Your Employee

The implementation of the Know Your Employee principle is to prevent fraud through internal human resources monitoring.

2. Know Your Customer

BRI has implemented the Know Your Customer policy as an effort to identify, verify, and monitor to ensure each transaction is matched with the customer's profile.

3. Anti-Money Laundering (AML) and Counter Terrorist Funding

The implementation of Anti-Money Laundering and Counter Terrorist Funding (APU & PPT) on Customer Due Diligence is carried out across all business units in order to minimize risks and for the implementation of prudential principle.

4. Cash Transaction Report

BRI submits Cash Transaction Reports (CTR) to PPATK online as one of the requirements on identifying any indicated banking fraud transaction.

5. Suspicious Transaction Report

BRI submits Suspicious Transaction Reports (STR) to PPATK online as one of the requirements on identifying any indicated bank fraud transaction.

6. Operation Risk Assessor (OPRA) – The Incident Management Module

Information system on incident management (risk and near misses incident) is implemented in all business units, thus each risk and near-miss incident is documented in an accurate and responsible manner.

7. Knowledge Management System

BRI implements KMS to facilitate the accumulated management expertise of each BRI employee; hence, minimize dependence on only one employee, ease transfer of knowledge among employees, and improve transparency on various internal and external policies which influence Bank operations.

8. Management Information System

BRI's financial performance is managed by MIS under the Directorate of Finance. The data presented by MIS is accessible in all business units hence creating equal information access on Bank performance. With this equal access, related business units are expected to continuously improve data accuracy.

9. Balanced Score Card (BSC)

In 2016, BRI implemented BSC-based performance evaluations. This BSC is a revision of the Performance Management System (SMK) and is being implemented and expected to increase fairness in each performance evaluation.

The Most Trusted Company



Leadership in Corporate Governance



GCG ASSESSMENT

To facilitate the identification process, the harmonization and updating of GCG policies with the Bank's operational policies as well as updating the best practices and maintaining relationship with stakeholders, corporate governance is implemented in a directional, systematic, and measurable manner.

In exercising the harmonization and updating, BRI periodically assesses the Company's GCG implementation. The assessment is carried out by two evaluation methods: self-assessment and external assessment.

Legal Basis of GCG Assessment External Regulations

- POJK No. 4/POJK/03/2016 dated 26 January 2016 on Health-Level Assessment of Commercial Banks
- POJK No. 55/POJK/03/2016 on Implementation of Governance for Commercial Banks
- SE BI No. 15/15/DPNP dated 29 April 2013 on the Implementation of GCG for Commercial Banks
- SE BI No.13/24/DPNP dated 25 October 2011 on Health-Level Assessment on Commercial Banks.

Internal

- Joint Decision of the Board of Commissioners and Board of Directors of BRI No.05-KOM/BRI/12/2013 and Nokep: S.64-DIR/DPK/12/2013 dated 16 December 2013 on PT Bank Rakyat Indonesia (Persero) Tbk GCG Policy.
- Circular Letter No S.18-DIR/DMR/07/2015 dated 22 July 2015 on Guideline Health-Level Assessment on Risk Based Banks (Risk Based Bank Rating) PT Bank Rakyat Indonesia (Persero) Tbk.

GCG Assessment Result

Assessment by Independent Party

1. Corporate Governance Perception Index (CGPI) 2016

One of the assessments on GCG implementation was through the Company's participation in the CGPI in 2016. CGPI assesses the quality of GCG implementation on 13 aspects, including:

- | | |
|---------------------|--------------------|
| 1. Commitment | 8. Capability |
| 2. Transparency | 9. Strategy |
| 3. Accountability | 10. Risk |
| 4. Responsibilities | 11. Ethics |
| 5. Independency | 12. Culture |
| 6. Fairness | 13. Sustainability |
| 7. Leadership | |

This assessment program consists of 4 phases: Self-Assessment, Documentation System, Written Policy and Observation, with the assessment result below:

GCG Assessment by Corporate Governance Perception Index (CGPI)

No	Phase	2015	2016
1.	Self Assessment	17.72	25.90
2.	Documents Assessment	23.56	22.85
3.	Paper Assessment	21.91	13.46
4.	Observation	23.74	25.53
Total		86.92	87.74

With the total score of 87.74, BRI is in the Most Trusted Company category. BRI has maintained this rating since 2013.

Recommendation from Assessment	Follow-Up Action	Status
BRI needs to update the policies and guidelines related to description of duties and responsibilities of different organ and the management.	A review has been conducted, and published in the same year, concerning the Board Manual for the Board of Directors in 2015.	Completed

2. ASEAN Corporate Governance Scorecard 2016

In the ASEAN CG Scorecard (ACGS) assessment 2016 by Corporate Governance Experts, BRI secured "Leadership in Corporate Governance" Award with the total score above average of 100 public companies and 15 banking companies. The award was a result of assessment of these components:

- Rights of Shareholders
- Equitable Treatment of Shareholders

- c. Role of Stakeholders
- d. Disclosure and Transparency
- e. Responsibilities of the Board.

According to ASEAN CG Scorecard in 2016, BRI was above the average score of 100 listed companies with the details as follow:

GCG Score by ACGS

2016 ACGS Score 102,05
(Leadership In Corporate Governance)

2015 ACGS Score 88,56 Point (Good)

Details of score based on ACGS:

Principles	2015	2016
Shareholders Rights	7,60	8,80
Equal Treatment for Shareholders	10,83	12,50
Role of Stakeholders	9,05	9,52
Disclosure and Transparency	22,56	24,39
Responsibility of BoC and BoD	33,51	37,84
Bonuses	7,00	9,00
Penalties	(2,00)	-
Total	88,55	102,05

Self Assessment

1. GCG Self-assessment According to Bank Indonesia's Criteria

Several elements considered in this consolidated GCG implementation assessment are:

- Consolidated assessment on GCG implementation which only involves the implementation of GCG in Subsidiaries considered having significant influence on BRI's GCG: BRI Syariah and BRIArgo.
- Calculation of assessment share on Subsidiaries' GCG is carried out according to assets managed.

According to those assessment guidelines, the result of the BRI GCG self-assessment for 2016 is "Good" with general conclusion as follows:

SA Score of GCG According to OJK

Period	Result *	
	BRI	Consolidated
Semester I 2016	1,17 (PK-1)	1,18 (PK-1)
Semester II 2016	2,00 (PK-2)	2,00 (PK-2)

*) OJK has not sent GCG score

2. Self-Assessment on Integrated Governance according to OJK Criteria

According to OJK assessment guidelines, the result of BRI's integrated governance as parent company for 2016 is "Very Good" with general conclusions as follows:

Period	RESULT
	BRI
Semester I 2016	1 (PK-1)
Semester II 2016	1 (PK-1)

3. Self-Assessment according to the Ministry of SOE Criteria:

Superior Performance Assessment Criteria The Ministry of SOE undertakes assessment of Directors' performance through Superior Performance Assessment Criteria (KPKU) in line with the Ministry of SOE Letter No. S-153/5. MBU/2012 dated 19 July 2012 on Performance Report based on Superior Performance Assessment Criteria Approach.

The Performance Assessment for SOEs is carried out by an independent external assessor team. The result of the implementation according to KPKU SOE 2016, BRI is in "Industry Leader" category.

This assessment consists of 6 process categories of process and 1 results category:

- a. Leadership process
- b. Strategic Planning process
- c. Customer Focus process
- d. Measurement, Analysis and Knowledge Management process
- e. Employment process
- f. Operation Focus process
- g. Result.

With assessment stages as follows:

1. KPKU self-assessment implementation carried out by the Company according to the criteria imposed by the Ministry of SOE
2. Assessor team then conducts off-site and on-site reviews and gives score and feedback on self-assessment report of the Company.

According to the results of KPKU assessment implementation, BRI is considered as Industry Leader (score of 682.25) by measuring 531 Company performance indicators and shows a good performance based on these assessments:

- a. 460 performance indicators (87%) in the position of Excellent and Good
- b. 445 performance Indicators (84%) shows sustain and favorable trend
- c. 105 performance indicators (20%) are above the comparative element.

STRUCTURE AND RELATIONSHIPS OF COMPANY GOVERNANCE

The Bank's governance structure includes the main organs of GMS, Board of Commissioners and Board of Directors, as well as supporting organs of committees of the Board of Commissioners, committees of the Board of Directors, and Support Work Units which assist in the implementation of GCG.

BRI's Corporate Governance Structure



General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is the highest Company organs, and pursuant to the laws, regulations, and the Bank's Articles of Association, has exclusive authority that is not transferable to the Board of Commissioners and Board of Directors. Through the GMS, shareholders exercise their rights equally in casting votes for important decision-making that will determine the course of the Bank's development and future.

SHAREHOLDERS

Shareholders are individuals or legal entities that are the legitimate owners of the Bank's shares. Shareholders do not intervene with the functions, duties, and authorities of the Board of Commissioners and Board of Directors.

The GMS is the forum for shareholders to make decisions in a fair and transparent manner for the long term interest of the Bank. In the GMS, shareholders have the authority to exercise their rights pursuant to the Articles of Association and prevailing laws and regulations.

AUTHORITY OF GMS

The authority of GMS are:

1. Appoint members of the Board of Commissioners and Board of Directors;
2. Approve or reject reports from the Board of Commissioners and Board of Directors, including the approval of annual report;
3. Endorse amendments to the Articles of Association;
4. Determine the remuneration for the Board of Commissioners and Board of Directors;
5. Appoint a Public Accounting Firm;
6. Determine the Bank's retained earnings usage.

GMS LEGAL REFERENCE

In general, the GMS is held by referring to:

1. The Bank's Articles of Association;
2. Law No. 40 of 2007 on Limited Liability Companies;
3. Law No. 19 of 2003 on State-Owned Enterprise, Financial Services Authority (OJK); and
4. Regulation No. 32/POJK.04/2014 on the Plan and Implementation of Public Companies' GMS.

SHAREHOLDERS' RIGHTS AND RESPONSIBILITIES

BRI seeks to always protect the interest of shareholders by observing the prevailing laws and regulations.

Shareholders' Rights and Authority

BRI has 2 (two) types of shares, namely Series A Dwiwarna shares and Series B shares. The Series A Dwiwarna shareholders are the controlling shareholders, which have the following privilege:

1. Owned only by the Government of Indonesia.
2. Nominate members of the Bank's Board of Directors or Board of Commissioners;
3. Approve the appointment and dismissal of members of the Board of Directors or Board of Commissioners;
4. Approve amendments to the Articles of Association including capital amendment
5. Approve merger, consolidation, acquisition, and divestment of the Bank; file for bankruptcy; and liquidation of the Bank;
6. Request and/or receive reports from the Board of Commissioners;
7. Request reports and elaboration on certain matters from the Board of Directors and/or Board of Commissioners by taking into account the prevailing laws and regulations.

The shareholders of Series A Dwiwarna and Series B shares have equal rights aside from the privileges reserved for the shareholders of Series A Dwiwarna shares, except otherwise specified by the Articles of Association, among others:

1. Attend, express opinion, and cast a vote in the GMS, based on the principles of 1 (one) share, 1 (one) vote;
2. Receive corporate information in timely, proper, and regular manner, unless concerning confidential matters, allowing shareholders to make investment decisions based on accurate information;
3. Receive share of the Bank's profits appropriated for shareholders in the form of dividends and other profit sharing, correspondent to the number of shares owned;
4. Request to convene a GMS by one or more shareholders, who either alone or jointly represent 1/10 (one-tenth) or more of the total shares issued by the Company with valid voting rights, as long as carried out in good faith, for the Company's interests and not in conflict with laws and regulations and the Articles of Association of the Company;
5. Receive comprehensive and accurate information concerning the procedures of the GMS, so that shareholders can participate in decision-making, including decisions on matters that affect the Company's on-going performance and rights of shareholders;
6. In the event that there is more than one type and class of shares in the Company, then each shareholder has the right to be treated equally and to vote according to the type, classification and the number of shares owned.

Shareholders' Responsibilities and Obligations

1. All shareholders shall:
 - a. Separate the ownership of Company assets from personal assets;
 - b. Separate their function as shareholders and as members of the Board of Commissioners or Board of Directors in the event the shareholder holds a position in either of the Bank's organs;
2. The controlling shareholders shall:
 - a. Take into account the interest of minority shareholders and stakeholders pursuant to the prevailing laws and regulations;

- b. Disclose the ultimate shareholders of the Bank to the law enforcement agency, where suspicion of legal breach arises or is requested by a competent authority.
 - c. Exert accountability and a transparent relationship between companies, where the shareholders are also the controlling shareholders of several other companies.
3. The minority shareholders are responsible to exercise their rights pursuant to the Bank's Articles of Association and prevailing laws and regulations.

INFORMATION ACCESS FOR SHAREHOLDERS

BRI provides the following information access and channels to enable the shareholders to exercise their rights and responsibilities:

1. GMS, as the medium for the Bank to communicate with shareholders, to present the corporate information and the possibility of shareholders' participation in decision making that requires the shareholder approval;
2. Electronic media, such as:
 - a. Stock Exchange website
 - b. Corporate website, which is accessible in both Indonesian and English with the availability of various reports and publications that are easily downloaded by the shareholders and the public;
3. Corporate email and official telephone number as a channel to disseminate and stay updated with the latest corporate information;

Other communication media for shareholders to access the latest information among others conference call, investor/analyst meeting, non deal roadshow, conference, public expose and investor/analyst gathering.

INVITATION FOR PUBLIC SHAREHOLDERS TO COME AND TO CAST VOTE

A number of efforts undertaken by BRI to invite shareholders to come to the GMS and to cast vote were:

1. Submit notification on the plan to convene the GMS at the latest 14 (fourteen) days prior to the date of GMS invitation and publish the GMS invitation at the latest 21 (twenty one) days prior to the date of the GMS.
2. Submit notification and invitation to the GMS through publication media that is easy to be accessed by shareholders namely national newspapers, stock exchange website and BRI website.
3. Up load materials of the GMS to the BRI website during invitation period.
4. Send email and BRI contact details that can be easily accessed to answer questions or handle information request from the shareholders.

GMS CODE OF CONDUCT

1. The GMS code of conduct will be circulated to all attending shareholders prior to the commencement of the GMS.
2. GMS Chairperson extends the opportunity to shareholders or their proxies to pose questions/responses and/or proposals to the GMS agenda
3. GMS Chairperson or a Director appointed by the GMS Chairperson will answer or address the questions/comments from the shareholders.
4. Voting commences after all questions/comments are addressed; only the shareholders or their legitimate proxies have the right to cast a vote.
5. Vote counting and/or validation in a GMS are conducted by an independent party, namely a notary, assisted by the Company-appointed Share Registrar.

GMS CHAIRMAN

1. The GMS is led by a member of the Board of Commissioners who is appointed by the Board of Commissioners.
2. In the event that all members of the Board of Commissioners are unavailable to attend the meeting, the GMS is led by one of the Board of Directors members appointed by the Board of Directors.
3. In the event that all members of the Board of Commissioners and Board of Directors are unavailable to attend the GMS, an attending shareholder, appointed from among and by the GMS participants, may lead the meeting.
4. The GMS chairperson should be independent towards the GMS' agenda. In the event of all members of the Board of Commissioners and Board of Directors have a conflict of interest in the GMS, a non-controlling shareholder leads the meeting based on the majority of votes

GMS RESOLUTIONS

1. GMS resolutions are resolved based on amicable deliberation to reach a mutual consensus.
2. Voting is in order if the resolutions failed to reach consensus. Voting observes the requirements of quorum in terms of attendance as well as in terms of passing the GMS resolutions, pursuant to the Articles of Association and prevailing laws and regulations.

GMS ATTENDANCE AND DECISION QUORUM

GMS resolutions on certain material agenda items need to meet quorum and voting threshold:

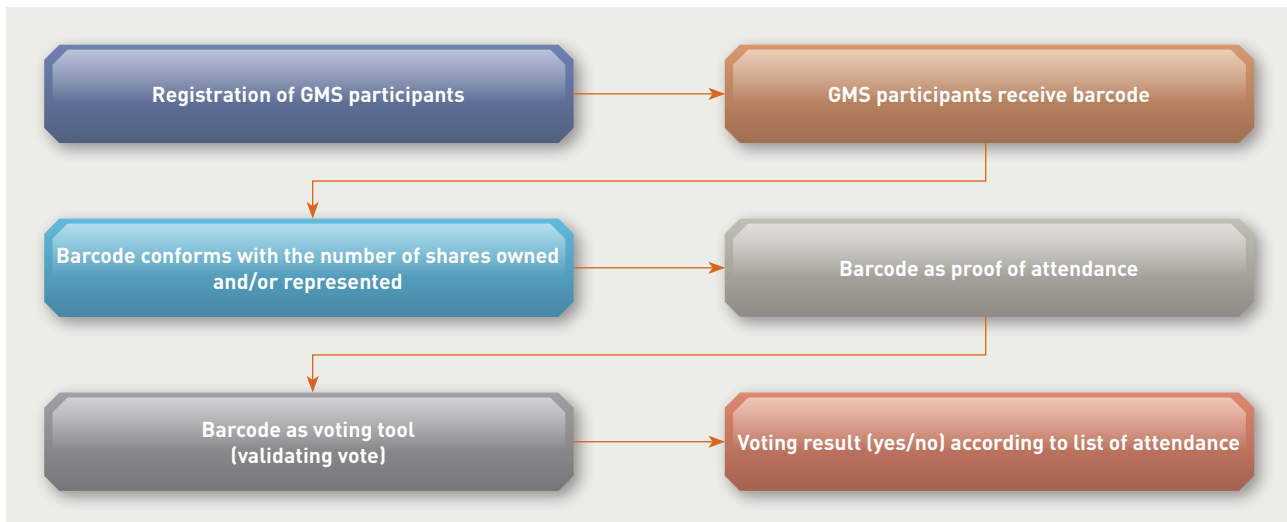
No	Agenda	Attendance Quorum	Decision Quorum
1	Transfer or placement as collateral assets that represent 50% or more of the Bank's net assets in 1 (one) transaction or several related or separate transactions.	Attended by shareholders that represent at least 3/4 (three-fourths) of total shares with legitimate voting rights.	Approved by more than 3/4 (three-fourths) of total shares with voting rights that attend the meeting.
2	Approval of transactions carrying conflict of interests. • Votes of shareholders with conflict of interest are deemed the same as votes approved by independent shareholders, or shareholders without conflict of interest.	Attended by independent shareholders that represent at least 1/2 (one-half) of total shares with voting rights of independent shareholders.	Approved by more than 1/2 (one-half) of total shares with voting rights owned by independent shareholders that attend the GMS.
3	Changes of the Board of Directors and Board of Commissioners, changes in Articles of Association that does not require ministerial approval, issuance of equity securities and or increase of issued and paid-up capital.	Attended by Shareholders of Series A Dwiwarna and ordinary shareholders representing more than 1/2 (one half) of total shares with legitimate voting rights.	Approved by the Shareholders of Series A Dwiwarna and ordinary shareholders that represent more than 1/2 (one half) of total shares with voting rights that attend the meeting.
4	Changes to Articles of Association that require ministerial approval.	Attended by Shareholders of Series A Dwiwarna and ordinary shareholders representing more than 2/3 (two-thirds) of total shares with legitimate voting rights.	Approved by the Shareholders of Series A Dwiwarna and ordinary shareholders that represent more than 2/3 (two-thirds) of total shares with voting rights that attend the meeting.
5	Resolution on corporate merger, consolidation, acquisition, spin-off, bankruptcy filing, or dissolution.	Shareholders of Series A Dwiwarna and ordinary shareholders representing more than 3/4 (three-fourth) of total shares with legitimate voting rights.	Approved by the Shareholders of Series A Dwiwarna and ordinary shareholders that represent more than 3/4 (three-fourth)s of total shares with voting rights that attend the meeting.
6	Other agenda items other than agenda 1 to 5 above.	Shareholders of Series A Dwiwarna and ordinary shareholders representing more than 1/2 (one-half) of total shares with legitimate voting rights.	Approved by the Shareholders of Series A Dwiwarna and ordinary shareholders that represent more than 1/2 (one-half) of total shares with voting rights that attend the meeting.

GMS VOTING

Conditions for Voting in the GMS

1. Every 1 (one) share extends its holder 1 (one) voting right.
2. Voting mechanism in GMS:
 - a. Shareholders or their proxies that abstain and that are against the proposed agenda are requested to raise their hands to submit their votes;
 - b. Shareholders or their proxies that do not raise their hands are deemed in favor of the proposed agenda or item in discussion;
 - c. Shareholders or their proxies that abstain will be counted as the same votes with the majority of shareholders who cast their votes;
 - d. The voting result is announced by the GMS Chairman.
3. The attendance of a shareholder in the GMS can be represented by other shareholders or by a third party authorized by a Power of Attorney. Members of the Board of Directors, Board of Commissioners, Secretary to the Board of Commissioners, and the Bank employees can represent a shareholder in the GMS; however, they shall not cast a vote on behalf of the shareholders.
4. A proxy holder that is authorized by a shareholder to abstain in a vote, or to vote against, but fails to raise hands to express the abstention or disagreement during voting led by the GMS Chairperson, will be regarded as in favor of the item in discussion.

GMS Voting Method with Electronic Tools



GMS Voting Method Involving Independent Parties

In conducting a GMS, BRI invites not only shareholders but also third parties in monitoring voting and vote counting. The third parties are a notary and the Share Registrar.

Notary

The minutes or reports of the GMS must be authenticated by a notary. As such, in every GMS, BRI invites a notary to witness the GMS process firsthand. The notary may also provide opinion/suggestions/correction necessary for the GMS.

Share Registrar

The Share Registrar of the Bank is tasked to administer the registry of shareholders and to periodically update the list for the Bank. The Registrar's involvement in a GMS serves a number of purposes:

1. To issue written meeting confirmation (KTUR) for employee and other holders of shares registered in the omnibus account and to be distributed to the address of employee or other holders of shares.
2. To register and validate shareholders that attend the GMS.
3. To perform an electronic count for attendance quorum and votes for each agenda item.
4. To provide printed materials relating to voting administration.

Besides the notary and Datindo, the GMS also invites other independent parties, according to the agenda of the GMS, among others:

- **Public Accounting firm**
Public Accounting Firm as independent party conducting the audit on the financial statements of BRI in an independent manner and providing constructive input and advice for the management.
- **Independent Appraiser Consultant And Legal Consultant**
Independent Appraiser Consultants and Legal Consultants are two independent parties involved in corporate actions, such as issuance of debt securities, mergers, acquisitions, takeovers, and more. The Independent Appraiser Consultant is in charge of ensuring the fairness of the transaction value while Legal Consultant ensuring that all transactions to be conducted are in compliance with the processes and procedures based on prevailing laws and regulations.

PREVIOUS YEAR GMS RESOLUTIONS

In 2015, BRI convened 3 (three) GMS, with resolutions and realizations/follow ups as follows:

Resolutions of the 2015 Annual GMS

The 2015 Annual GMS was convened on March 19, 2015.

Resolutions of 2015 Annual GMS

AGENDA 1	
Approval of the Annual Report and ratification of the Financial Statements and Supervisory Report of the Board of Commissioners in the Fiscal Year 2014, and ratification of the Annual Report and Financial Statement of the Partnership and Community Development Program in the fiscal year of 2014.	
Resolutions	<ol style="list-style-type: none"> 1. Approved the Annual Report 2014 2. Ratified the Supervisory Report from the Board of Commissioners and Financial Statements of the Company for the fiscal year 2014. 3. Ratified the Annual Report of the Partnership and Community Development Program 2014, including the audited Financial Statement 2014.
	<ol style="list-style-type: none"> 4. Gave full release and discharge (acquit et de charge) to the Board of Directors and the Board of Commissioners for their management and supervision during the financial year 2014.
Voting Results	Affirmative vote : 20,814,803,678 votes (99.68%) Non Affirmative Vote : 10,645,700 votes (0.05%) Abstain : 56,148,200 votes (0.27%)
Realization/Follow Up	Approved by GMS.
Status of Realization	Completed

AGENDA 2	
Approve the distribution of the Net Profit of the Company for the financial year 2014	
Resolutions	<ol style="list-style-type: none"> 1. Approved the distribution of Net Profit of the Company for the financial year of 2014 as follows: <ol style="list-style-type: none"> a. Rp7,272,494,930,031.00 or amounting to 30% was designated as the 2014 Financial Year dividend b. Rp2,666,581,474,344.00 or amounting to 11% will be used for Appropriated Reserve c. The rest is allocated as the Company's Retained Earnings 2. Granted authority to the Board of Directors to set the schedule and the procedure of cash dividend payment of the financial year of 2014 in accordance with the prevailing laws and regulations. 3. Ratified the Annual Report of the Partnership and Community Development Program for fiscal year 2014 including Audited Financial Statements 2014 of the financial year 2014
Voting Results	Affirmative Vote : 20,791,712,256 votes (99.57%) Non Affirmative Vote : 28,036,514 votes (0.13%) Abstain : 61,848,808 votes (0.30%)
Realization/Follow Up	The allowance and retained earnings components in the capital structure was increased. The dividend payout mechanism was announced on 23 March 2015 in Kompas and Bisnis Indonesia newspapers, on the Indonesia Stock Exchange and the Bank website. The dividend payout was implemented on 22 April 2015.
Status of Realization	Completed

AGENDA 3	
Approval on the salaries/honorarium including facilities and other allowances in 2015, as well as tantiem for financial year of 2014 for the members of the Board of Directors and the Board of Commissioners	
Resolutions	Granted power and authority to the Company's Board of commissioners with prior approval from Series A Dwiwarna Shareholders to determine tantiem for the 2014 Financial Year to all members of the Board of Directors and Board of Commissioners who served during financial year 2014, as well as the salary/honorarium, allowances and also other facilities for the members of the Board of Directors and the Board of Commissioners for the year of 2015.
Voting Results	Affirmative vote : 19,678,152,578 votes (94.24%) Non Affirmative vote : 814,944,752 votes (3.90%) Abstain : 388,500,248 votes (1.86%)
Realization/Follow Up	The amount of bonus, salary, honorarium, allowances and other facilities were established based on the Letter of the Ministry of SOEs No. S-88/D5.MBU/06/2016 dated 27 June 2016 on the Determination of honorarium/salaries, allowances and facilities for 2015 as well as annual bonus based on the performance of the financial year 2014.
Status of Realization	Completed

AGENDA 4**Appointment of Public Accountant Firm to audit the Company's Financial Statements and the Partnership and Community Development Program's Financial Statements for the financial year of 2015**

Resolutions	Granted the authority to the Board of Commissioners to appoint Public Accountant Firm and a substitute Public Accountant Firm in the event that the appointed Public Accountant Firm for any reasons whatsoever fails to complete the audit of the Company's Financial Statements and the Financial Statements of the Partnership and Community Development Program for the financial year of 2015, as well as to determine the honorarium and other terms applicable to the appointed Public Accountant Firm and the substitute Public Accountant Firm.
Voting Results	Affirmative Vote : 19,849,223,908 vote (95.06%) Non Affirmative Vote : 620,218,244 vote (2.97%) Abstain : 412,155,426 vote (1.97%)
Realization/Follow Up	KAP Purwanto, Sungkoro, Surja (Ernst & Young) was appointed by the Board of Commissioners and reported of OJK through Letter B.107-SKP/DHI/07/2016 and disclosed in www.idx.co.id on 7 July 2016.
Status of Realization	Completed

AGENDA 5**Amendment of the Bank's Articles of Association**

Resolutions	Approved the changes of the Company's Articles of Association, among others, to comply with the Indonesia Financial Services Authority (OJK) Regulation No. 32/POJK.04/2014 regarding the Plan and Implementation of General Meeting of Shareholders for Issuers or Public Companies and Financial Services Authority Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of the Issuers or Public Companies.
Voting Results	Affirmative vote : 15,442,686,103 votes (73.95%) Non Affirmative vote : 4,401,674,336 votes (21.08%) Abstain : 1,037,237,139 votes (4.97%)
Realization/Follow Up	BRI Articles of Association has been in compliance with the OJK Regulation No. 33/POJK.04/2014, and was stated in the Notarial Deed of Fathiah Helmi S.H. No. 1 dated 1 April 2015.
Status of Realization	Completed

AGENDA 6**Changes in the Company's Board of Commissioners and Board of Directors**

Resolutions	<ol style="list-style-type: none"> Honorably discharged members of the Board of Commissioners: <ul style="list-style-type: none"> Mr. Bunasor Sanim: President Commissioners/Independent Commissioners Mr. Adhyaksa Dault: Independent Commissioner Mr. Hermanto Siregar: Independent Commissioner Mr. Heru Lelono: Commissioner Ms. Dwijanti Tjahjaningsih: Commissioner Reassigned Mr. Mustafa Abubakar from Vice President/Independent Commissioners to President/Independent Commissioners with terms of office continuing that of Vice President/Independent Commissioners Appointed members of Board of Commissioners: <ul style="list-style-type: none"> Mr. Gatot Trihargo: Vice President Commissioner Mr. Fuad Rahmany: Independent Commissioner Mr. Sonny Keraf: Independent Commissioner Mr. Adhyaksa Dault: Independent Commissioner Mr. Jeffrey W. Wurangian: Commissioner Mr. Gatot M. Suwondo: Commissioner Approved the dismissal as member of the Board of Directors of the following: <ul style="list-style-type: none"> Mr. Sofyan Basir and Mr. Sarwono Sudarto effective since appointed as President Director and Director of PT Perusahaan Listrik Negara (Persero) on 2 January 2015; Ms. Lenny Sugihat effective since appointed as President Director of Perusahaan Umum Badan Urusan Logistik on 2 January 2015. Honorably discharged the following members from the Board of Directors <ul style="list-style-type: none"> Mr. Djarot Kusumayakti: Director Mr. Sulaiman Arif Arianto: Director Mr. Suprajarto: Director
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AGENDA 6	
Changes in the Company's Board of Commissioners and Board of Directors	
	6 Reassigned Mr. Asmawi Syam from Director to President Director, with terms of office continuing that of Director
	7 Appointed as member of Board of Directors: <ul style="list-style-type: none"> • Mr. Sunarso: Vice President Director • Mr. Djarot Kusumayakti: Director • Mr. Mohammad Irfan: Director • Mr. Haru Koesmahargyo: Director • Mr. Donsuwan Simatupang: Director • Mr. Susy Liestiwaty: Director • Mr. Zuhelfi Abidin: Director
Voting Results	Affirmative Vote : 15,119,190,736 votes (72.40%) Non Affirmative Vote : 5,084,434,194 votes (24.35%) Abstain : 677,972,648 votes (3.25%)
Realization/Follow Up	Members of Board of Commissioners: <ul style="list-style-type: none"> • Mr. Gatot Trihargo passed Fit & Proper test based on the Letter of OJK No. SR-99/D.03/2015 dated 1 June 2015 • Mr. Fuad Rahmany passed Fit & Proper test based on the Letter of OJK No. SR-85/D.03/2015 dated 19 May 2015 • Mr. Sonny Keraf passed Fit & Proper test based on the Letter of OJK No. SR-98/D.03/2015 dated 1 June 2015 • Mr. Adhyaksa Dault: Independent Commissioner passed Fit & Proper test based on the Letter of Bank Indonesia No. 12/95/GBI/DPIP/Rahasia dated 20 July 2010 • Mr. Jeffry W. Wurangian: Commissioner passed Fit & Proper test based on the Letter of OJK No. SR-137/D.03/2015 dated 3 July 2015 • Sdr. Gatot M. Suwondo: Commissioner, resigned with information disclosure of the Company No. B.119-SKP/DHI/05/2015 dated 29 May 2015. Member of Board of Directors: <ul style="list-style-type: none"> • Mr. Sunarso: Vice President Director passed Fit & Proper test based on the Letter of OJK No. SR-01/D.03/2015 dated 16 April 2015 • Mr. Djarot Kusumayakti: Director passed Fit & Proper test based on the Letter of Bank Indonesia No. 12/95/GBI/DPIP/Rahasia dated 20 July 2010 • Mr. Mohammad Irfan: President Director passed Fit & Proper test based on the Letter of OJK No. SR-108/D.03/2015 dated 8 June 2015 • Mr. Haru Koesmahargyo: Director passed Fit & Proper test based on the Letter of OJK No. SR-109/D.03/2015 dated 8 June 2015 • Mr. Donsuwan Simatupang: Director passed Fit & Proper test based on the Letter of OJK No. SR-101/D.03/2015 dated 1 June 2015 • Ms. Susy Liestiwaty: Director passed Fit & Proper test based on the Letter of OJK No. SR-108/D.03/2015 dated 8 June 2015 • Mr. Zuhelfi Abidin: Director passed Fit & Proper test based on the Letter of OJK No. SR-138/D.03/2015 dated 3 July 2015 • Mr. Asmawi Syam as President Director passed Fit & Proper test based on the Letter OJK of No. SR-01/D.03/2015 dated 16 April 2015.
Status of Realization	Completed

Realization of Resolutions of Extraordinary GMS I 2015

Extraordinary GMS I was held on August 12, 2015.

Resolution of Extraordinary GMS I 2015

Agenda 1	
Change of Members of BoD and/or BoC of the Company	
Resolutions	1. Approved the dismissal of Mr. Djarot Kusumayakti as the Director of PT Bank Rakyat Indonesia (Persero) Tbk effective since 8 June 2015. 2. Appointed Mr. Kuswiyoto as Director
Voting Results	Affirmative Vote : 15,015,915,024 Vote (73.29%) Non Affirmative Vote : 4,544,906,063 Vote (22.18%) Abstain : 926,828,494 Vote (4.52%)
Realization/Follow Up	Mr. Kuswiyoto as Director has passed the Fit & Proper test based on the Letter of OJK No. SR-207/D.03/2015 dated 4 November 2015.
Status of Realization	Completed

Realization of the Resolutions from Extraordinary GMS II 2015

II GMS was convened on December 14, 2015.

Resolutions from the Extraordinary GMS II 2015

AGENDA 1	
Approval of the Acquisition of PT Asuransi Jiwa Bringin Jiwa Sejahtera ("BJS") including approval of Draft of Acquisition	
Resolutions	<ol style="list-style-type: none"> 1 Approved the maximum acquisition of 2,002,022 (two million two thousand and twenty-two) shares of PT Asuransi Jiwa Bringin Jiwa Sejahtera ("BJS"), or equivalent to 91.001% (ninety one point zero zero one percent) of the total shares issued and paid-up capital of BJS exercised directly from BRI Pension Fund. 2 Approved the acquisition deed draft. Approved and granted authority with substitution right to the Company's Board of Directors to perform all necessary actions related to the approval above.
Voting Results	Affirmative vote : 17,293,825,735 votes (83.41%) Non Affirmative vote : 3,333,222,446 votes (16.07%) Abstain : 104,625,500 votes (0.50%)
Realization/Follow Up	BRI completed the acquisition of BJS shares with the approval of OJK No.S-151/PB.31/2015 dated 23 December 2015 and Notarial Deed of Acquisition of Shares No. 41 Year 2015 by Notary Fathiah Helmi, S.H.
Status of Realization	Completed

AGENDA 2	
Approval on the enactment of Regulation of Ministry of State-Owned Enterprises PER-09/MBU/2015 on the Partnership Program and Community Development Program	
Resolutions	Approval on the enactment of Regulation of Ministry of State-Owned Enterprises PER-09/MBU/2015 on the Partnership Program and Community Development Program to be enacted in 2016.
Voting Results	Affirmative vote : 20,712,392,481 votes (99.90%) Non Affirmative Vote : 0 votes (00.00%) Abstain : 19,281,200 votes (0.09%)
Realization/Follow Up	The implementation of the Partnership and Community Development Program is based on the Regulation of the Minister of SOEs No. PER-09/MBU/2015 dated July 3, 2015.
Status of Realization	Completed

GMS IN 2016

Throughout 2016, BRI convened 1 (one) Annual General Meeting on March 23, 2016 with the following explanation:

Implementation of Resolution of GMS 2016

Notification	Announcement	Invitation	Execution	Announcement of Results
GMS notification submitted to the Financial Services Authority (OJK) on 4 February 2015	Published on 15 February 2015 on BRI website in Indonesian and English, and published in Bisnis Indonesia daily newspaper.	Published on 1 March 2015 on BRI website in Indonesian and English, and published in Bisnis Indonesia daily newspaper.	Date: 23 March 2016 Venue: BRI Head Office Gedung BRI I Fl. 21	Published on 24 March 2015 on BRI website in Indonesian and English, and published in Kompas and Bisnis Indonesia daily newspaper.
	37 (thirty seven) calendar days prior to the GMS	22 (twenty two) calendar days prior to the GMS		1 (one) calendar day after the GMS

ATTENDANCE OF SHAREHOLDERS, DIRECTORS, AND COMMISSIONERS IN THE GMS

All members of the Board of Commissioners and Board of Directors attended the AGM 2016, with the following information:

Shareholders	Board of Directors	Board of Commissioners
The meeting was attended by shareholders and/or their proxy/representatives representing 20,426,943,365 shares of total shares with valid voting rights that have been issued by the Company.	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • A. Toni Sutirto • Randi Anto • Gatot Mardiwastito • Mohammad Irfan • Zulhelfi Abidin • Susy Liestiwaty • Donsuwan Simatupang • Haru Koesmahargyo • Kuswiyoto 	<ul style="list-style-type: none"> • Gatot Trihargo • Ahmad Fuad • Adhyaksa Dault • A. Fuad Rahmany • Sonny Keraf • Vincentius Sonny Loho • Jeffry J. Wurangian
83.55%	100%	100%

RESOLUTIONS OF GMS FOR 2016

Resolutions of the Annual GMS 2016

AGENDA 1	
Approval of the Annual Report including the ratification of the Company's Consolidated Financial Statements and the Board of Commissioners Supervisory Actions Reports as well as the ratification of the Annual Report including the Financial Report of the Partnership and Community Development Program for the financial year of 2015.	
Explanation	A regular agenda of Annual GMS in accordance with the Articles of Association and prevailing rules and regulations.
Resolutions	<ol style="list-style-type: none"> 1. Approved and ratified the 2015 Annual Report of the Company, including the Board of Commissioners Supervisory Actions Reports for fiscal year 2015 and consolidated Financial Statements of the Company for the fiscal year ended December 31, 2015, audited by Public Accounting Firm Purwantono, Sungkoro and Surja based on Report No. RPC-250/PSS/2016 dated 29 January 2016. 2. Approved and ratified the 2015 Annual Report of the Partnership and Community Development Program, which is an integral part of the Annual Report of the Company including the Financial Report of the Partnership and Community Development Program for the financial year ended December 31, 2015, audited by Public Accounting Firm Purwantono, Sungkoro and Surja based on Report No. RPC-119/PSS/2016/DAU dated 23 January 2016. 3. Granted the full release and discharge (acquitt et de charge) to all members of the Company's Board of Directors and Board of Commissioners for their management and supervision during the financial year ended December 31, 2015, including management and supervision on the Partnership and Community Development Program, provided that such action is not categorized as a criminal action and is reflected in the Company's Annual Report and consolidated Financial Statements and the Annual Report of the Partnership and Community Development Program for the Fiscal Year ended December 31, 2015.
Voting Results	Affirmative Vote : 20,400,391,665 votes (99.87%) Non Affirmative Vote : 2,148,800 votes (0.01%) Abstain : 24,402,900 votes (0.11%)
Realization/Follow Up	Approved by GMS.
Status of Realization	Completed
Question & Answer	No response/question from shareholders

AGENDA 2**Approval of the use of the Net profit of the Company for the financial year of 2015**

Explanation	The use of Company's net profit was decided in the Annual General Meeting to be allocated among others, for distribution of dividends, allowance for Partnership Program and Community Development (PKBL) funds and for retained earnings, in accordance with the Articles of Association and the Regulation of Minister of SOEs No. PER-09/MBU/07/2015.	
Resolutions	<ol style="list-style-type: none"> Approved the use of the Company's consolidated net profit of the Fiscal Year 2015 amounting to Rp25,397,740,886,903.00 as follows: <ol style="list-style-type: none"> 30.00% or a sum of Rp7,619,322,266,071.00 is allocated as Dividend for the Fiscal Year 2015. The remaining balance will be used as Retained Earnings. <p>The fund allocated for the Community Development Program in 2016, which was amounted to Rp253,977.42 million, is provided at the Company expenses.</p> Granting power and authority to the Board of Directors to determine the schedule and procedure for the distribution of Dividend for Fiscal Year 2015 in comply with the legislation in force. 	
Voting Results	Affirmative Vote : 20,327,067,643 votes (99.51%) Non Affirmative Vote : 73,237,022 votes (0.13%) Abstain : 26,638,700 votes (0.35%)	
Realization/Follow Up	<ul style="list-style-type: none"> The allowance and retained earnings are increased. The mechanism for the payment of dividend was published on March 24, 2016 in Bisnis Indonesia Newspaper, Indonesia Stock Exchange website and the Company's website, in bahasa Indonesia and English. Distribution of Dividend was carried out on 22 April 2016. 	
Status of Realization	Completed	
Question & Answer	Question/Response	Answer
	1. How much is the nominal of Dividend per Share?	Dividend to be paid is Rp311.66 per share
	2. Is the 30% dividend is in accordance with what was articulated in BRI's IPO prospectus in 2003?	<ul style="list-style-type: none"> It is true that the BRI's prospectus during IPO in 2003 stated that Dividend to be distributed was 50%, but by taking into account the Company's financial condition and business development plan. The approval on the amount of dividend pay-out ratio and/or the amount of dividend each year is given in the GMS.
	3. The economic slowdown affecting the credit decline, will the government plans to a single digit be a challenge/opportunity? How many % was the reserve for the credit decline?	With the increasing competition among banks, as well as the efficiency, the gradual decline in interest rates towards the single digit will eventually happen. For BRI, single digit has been started with KUR.

AGENDA 3**Approval on the salary, honorarium, and tantiem for member of the Board of Directors and Board of Commissioners.**

Explanation	In accordance with Company's Article of Association, salary/honorarium and allowance for the members of the Board of Directors and the Board of Commissioners shall be determined by the General Meeting of Shareholders, where the authority of the General Meeting of Shareholders may be delegated to the Board of Commissioners.	
Resolutions	Granted the power of attorney to the Board of Commissioners upon gaining approval from Series A Dwiwarna Shareholders to determine the tantiem of the fiscal year 2015 for members of BoD and BoC who served in 2015, as well as determine the amount of salary, honorarium, facilities and/or other allowance for members of BoD and BoC in 2016.	
Voting Results	Affirmative Vote : 19,062,472,700 votes (93.32%) Non Affirmative Vote : 1,013,517,937 votes (4.96%) Abstain : 350,952,728 votes (1.72%)	
Realization/Follow Up	Minister of SOE Letter No. S-88/D.5-MBU/06/2016 dated 27 June 2016 on honorarium/salary/benefits and facilities for fiscal 2016 and tantiem for fiscal 2015.	
Status of Realization	Completed	
Question & Answer	No response/question from shareholders	

AGENDA 4

Appointment of Public Accountant Firm to audit the Company's Financial Report and the Financial Report on the Partnership and Community Development Program for the financial year of 2016.

Explanation	In accordance with Company's Article of Association, the Annual General Meeting of Shareholders determines the Public Accountant Firm to audit on going Company Report based on proposal from Board of Commissioners or conferral of power on the Board of Commissioners to determine Public Accountant Firm.
Resolutions	Granted power of attorney to the Board of Commissioners to appoint Public Accounting Firm (KAP) or alternate KAP in the event that the appointed KAP for whatever reason failed to accomplish the audit on the Financial Statements of the Company and the Financial Statements of Partnership and Community Development Program for fiscal year 2016 and determine the honorarium and other requirements for the said KAP and alternate KAP.
Voting Results	Affirmative Vote : 19,377,485,540 votes (94.86%) Non Affirmative Vote : 965,520,331 votes (4.73%) Abstain : 83,937,494 votes (0.41%)
Realization/Follow Up	Board of Commissioner Letter No. R.25-KOM/06/2016 dated 14 June 2016 regarding the Approval on RKAP for Fiscal Year 2016.
Status of Realization	Completed
Question & Answer	No response/question from shareholders

AGENDA 5

Approval of the Management and Employee Stock Ownership Program using the treasury stock.

Explanation	The implementation of the Regulation of Minister of SOE No. PER-04/MBU/2014 on guidelines for the Determination of the Remuneration for the Board of Directors, Board of Commissioners and Board of Trustees of SOEs, as well as a follow up of the implementation of the OJK Regulation No. 2/POJK.04/2013 on Buyback of Shares Issued By Public Company In a Significantly Fluctuating Market Condition.
Resolutions	Approved the transfer of shares to be recorded as treasury stock, for the exercise of MESOP, as well as granted BoC the power of attorney to decide the MESOP upon gaining written consent from Series A Dwiwarna Shareholders.
Voting Results	Affirmative Vote : 14,936,398,153 votes (73.12%) Non Affirmative Vote : 4,648,552,386 votes (22.76%) Abstain : 841,992,826 votes (4.12%)
Realization/Follow Up	MESOP Program is still waiting for the decision from the Ministry of SOE regarding the additional long-term benefit for the management of the Company.
Status of Realization	Still processing
Question & Answer	No response/question from shareholders

AGENDA 6

Change of the Management of the Company

Explanation	The implementation of the Regulation of Minister of SOE No. PER-04/MBU/2014 on guidelines for the Determination of the Remuneration for the Board of Directors, Board of Commissioners and Board of Trustees of SOEs, as well as a follow up of the implementation of the OJK Regulation No. 2/POJK.04/2013 on Buyback of Shares Issued By Public Company In a Significantly Fluctuating Market Condition.
Resolutions	1. Dismissed with honor the following members from the Board of Directors: Mr. A. Toni Soetirto : as Director Mr. Randi Anto : as Director Mr. Gatot Mardiwasisito : as Director The dismissal of the said members of the BoD is in effect from the close of this meeting, by thanking them for their contribution during their service as members of the BoD.

AGENDA 6

Change of the Management of the Company

2. Proposed the following to be appointed as members of Board of Directors:

Mr. Randi Anto	: as Director
Mr. Sis Apik Wijayanto	: as Director
Mr. Priyastomo	: as Director

The newly appointed members of the BoD can discharge their duties and function after obtaining approval from the Financial Services Authority and meeting all prevailing rules. The terms of office of the newly appointed members of the BoD is until the close of the 5th GMS following the appointment of said persons, by observing the rules and regulations in the capital market and without prejudice to the rights of GMS to dismiss them at any time.

3. Appointed Mr. Mahmud as Commissioner of the Company.

The newly appointed member of the BoC can discharge his duties and function after obtaining approval from the Financial Services Authority and meeting all prevailing rules. The terms of office of the newly appointed member of BoC is until the close of the 5th GMS following the appointment of said person, by observing the rules and regulations in the capital market and without prejudice to the rights of GMS to dismiss him at any time.

4. With the above dismissals and appointments, the composition of Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner/Independent Commissioner	: Mustafa Abubakar
Vice President Commissioner	: Gatot Trihargo
Independent Commissioner	: Ahmad Fuad
Independent Commissioner	: Adhyaksa Dault
Independent Commissioner	: A. Fuad Rahmany
Independent Commissioner	: A. Sonny Keraf
Commissioner	: Vincentius Sonny Loho
Commissioner	: Jeffry J. Wurangian
Commissioner	: Mahmud

Board of Directors

President Director	: Asmawi Syam
Vice President Director	: Sunarso
Director	: Mohammad Irfan
Director	: Zulhelfi Abidin
Director	: Susy Liestiowaty
Director	: Donsuwan Simatupang
Director	: Haru Koesmahargyo
Director	: Kuswiyoto
Director	: Randi Anto
Director	: Sis Apik Wijayanto
Director	: Priyastomo

5. Granting power of attorney to the Board of Directors with rights of substitution to take any necessary measures related to the resolutions of this agenda in compliance with the prevailing rules and regulation, including to state in separate Notarial Deed and submit the composition of the Boards to the Ministry of Law and Human Rights, and request the Financial Services Authority to conduct the Fit & Proper Test on the candidate of Directors and Commissioners in accordance with the prevailing rules and regulations.

Voting Results	Affirmative Vote : 14,936,398,153 votes (73.12%) Non Affirmative Vote : 4,648,552,386 votes (22.76%) Abstain : 841,992,826 votes (4.12%)
Realization/Follow Up	Board of Directors <ul style="list-style-type: none"> Mr. Randi Anto passed the Fit & Proper as Director based on the Letter of Bank Indonesia No. 13/68/GBI/DPIP/Rahasia dated 4 July 2011 Mr. Sis Apik Wijayanto passed the Fit & Proper as Director based on the Letter of OJK No. SR-85/D.03/2016 dated 20 May 2016 Mr. Priyastomo passed the Fit & Proper as Director based on the Letter of OJK No. SR-105/D.03/2016 dated 21 June 2016 Board of Commissioners Mr. Mahmud is still undergoing Fit & Proper Test as Commissioner.
Status of Realization	Still processing
Question & Answer	No response/question from shareholders

REALIZATION OF GMS RESOLUTIONS AND REASONS BEHIND UNREALIZED RESOLUTIONS

As shown the above table, the status of GMS resolutions are as follows:

1. Previous GMS

All resolutions from the 2015 GMS, of the Annual GMS and two Extraordinary GMS, were fully realized (100%) and consequently there was no resolution from 2015 GMS that needs to be further realized.

2. GMS for the fiscal year

All resolutions of the 2016 GMS for the Agenda 1 (one) to Agenda 4 (four) were fully realized (100%). 2 (two) agenda items have not been fully realized, namely:

- Agenda 5 regarding the "Approval on transfer of Stock from Buyback to exercise to be used in Management and Employee Stock Ownership Program" is still in approval process of Dwiwarna Series A Shareholder.
- Agenda 6 regarding "Change of Board membership of the Company", is still waiting for the result of Fit and Proper test of Mr. Mahmud, which is still in progress as of end of Fiscal Year 2016.

Board of Commissioners

RESPONSIBILITIES OF THE BOARD OF COMMISSIONERS

Collegial Representative System

The Board of Commissioners is collectively and collegially responsible to monitor and provide advice to the Board of Directors.

Check and Balance

The Board of Commissioners shall provide advice and guidance to the Board of Directors if required or deemed necessary.

Main Duties of the President Commissioner

- Lead the Board of Commissioners meetings and the meetings with the Board of Directors.
- Lead the General Meeting of Shareholders (GMS).
- Coordinate and monitor the implementation of the work program of the Board of Commissioners.
- Coordinate the activities of the Board of Commissioners to supervise the implementation of the tasks and responsibilities of the Board of Directors.

Scope of Responsibility of the Board of Commissioners

The scope of responsibilities of the Board of Commissioners include:

- **Strategy and Policy**

Provide opinion and approval of the Company's work plan consisting of the Company's Long Term Plan (RJPP), the Bank's Business Plan (RBB), the Company's Work Plan and Budget (CBP), the Work Plan and Budget of the Partnership Program and Community Development (PKBL) as well as direct, monitor and evaluate the implementation of the Bank's strategic policies.

- **Corporate Governance**

The Board of Commissioners performs the role to ensure the implementation of Good Corporate Governance in each of the Company's business activities at all of the levels of the organization and monitor the implementation of Integrated Governance.

In order to implement Good Corporate Governance, the Board of Commissioners is responsible among others to:

- Propose the appointment of a Public Accountant to the GMS.
- Report the results of monitoring conducted to the GMS.
- Investigate and examine the periodic reports and the Annual Report.
- Provide explanations, opinions and suggestions to the General Meeting of Shareholders regarding the Annual Report when requested.

- **Risk Management**

Perform active monitoring on risk management by approving and evaluating the Risk Management General Policy in accordance to the applicable regulations and evaluate the accountability of the Board of Directors on the implementation of risk management policy in accordance to applicable regulations.

Moreover, within the Bank, the Board of Commissioners is also responsible to maintain and monitor the Bank's health level and take the steps necessary to maintain and improve the health level of the Bank.

- **Compliance**

Notify regulators of violation to legislation arising in the field of finance and banking, and/or a condition or potential condition that could endanger the Company's business, which is not or was not yet reported by the Company and/or by the Director of Compliance to the regulators and evaluate the implementation of the Bank's Compliance Function.

Composition and Duties of Board of Commissioners

The number of members of the Board of Commissioners is 8 (eight) which consists of 5 (five) independent commissioners and 3 (three) commissioners. This composition complies with the provisions of the Financial Services Authority Regulation No. 55/POJK-03/2016 on the Board of Directors and Board of Commissioners of Public Company in which the regulation requires the Board of Commissioners to have a minimal 2 (two) members.

Based on the decision of the Annual General Meeting of Shareholders 2016 held in March 23, 2016, the AGM appointed Mr Mahmud as Commissioner. As of December 31, 2016, Mr Mahmud's appointment was not yet effective and he was still undergoing the fit and proper test.

In order for the tasks of each member of the Board of Commissioners to be effectively implemented, the Board of Commissioners set the following job description of each member of the Board of Commissioners:

Job Description Based on Committee Membership

No	Commissioner	Position	Age	Fit and Proper Test Status	Date of Appointment	Job Description
1	Mustafa Abubakar	President Commissioner/ Independent Commissioner	67	Passed	28 March 2012	<ul style="list-style-type: none"> Chairman of Nomination & Remuneration Committee Member of Risk Management Monitoring Committee
2	Gatot Trihargo	Vice President Commissioner	56	Passed	19 March 2015	<ul style="list-style-type: none"> Member of Nomination & Remuneration Committee Member of Integrated Governance Committee
3	Adhyaksa Dault	Independent Commissioner	53	Passed	20 May 2010	<ul style="list-style-type: none"> Member of Nomination & Remuneration Committee Member of Audit Committee
4	Ahmad Fuad	Independent Commissioner	62	Passed	28 March 2012	<ul style="list-style-type: none"> Member of Nomination & Remuneration Committee Chairman of Risk Management Monitoring Committee Chairman of Integrated Governance Committee
5	A. Fuad Rahmany	Independent Commissioner	62	Passed	19 March 2015	<ul style="list-style-type: none"> Member of Nomination & Remuneration Committee Member of Risk Management Monitoring Committee Chairman of Audit Committee
6	A. Sonny Keraf	Independent Commissioner	58	Passed	19 March 2015	<ul style="list-style-type: none"> Member of Nomination & Remuneration Committee Member of Audit Committee
7	Vincentius Sonny Loho	Commissioner	59	Passed	28 March 2012	<ul style="list-style-type: none"> Member of Nomination & Remuneration Committee Member of Integrated Governance Committee
8	Jeffry J. Wurangian	Commissioner	62	Passed	19 March 2015	<ul style="list-style-type: none"> Member of Nomination & Remuneration Committee Member of Risk Management Monitoring Committee
9	Mahmud	Commissioner	58	Fit and Proper Test process	23 March 2016	During this period, job description has not been determined, as still in the Fit and Proper Test process

Job Description Based on the Focus Area

In order to achieve effectiveness of the monitoring process in the region, the Board of Commissioners divides the focus into areas as follows:

Commissioners	Position	Supervised Region
Mustafa Abubakar	President Commissioner/Independent Commissioner	Yogyakarta and Padang
Gatot Trihargo	Vice President Commissioner	Jakarta 3
Ahmad Fuad	Independent Commissioner	Bandar Lampung, Palembang and Pekanbaru
A. Fuad Rahmany	Independent Commissioner	Banda Aceh, Medan and Bandung
Adhyaksa Dault	Independent Commissioner	Semarang, Surabaya and Malang
A. Sonny Keraf	Independent Commissioner	Denpasar, Banjarmasin and Jayapura
Vincentius Sonny Loho	Commissioner	Jakarta 1 and Jakarta 2
Jeffry J. Wurangian	Commissioner	Makassar and Manado

Prohibitions for the Board of Commissioners

- **Make Decisions Related to the Operational Activities of the Company**

Except for the provision of funds to related parties and other matters specified in the Articles of Association or applicable laws and regulations.

- **Concurrent Positions**

As a Board of Directors of a State-owned Enterprise, Regional-owned Enterprise or Private Enterprise; political party official or candidate/member of the legislative and/or candidate of regional head/deputy regional head; or other position which may give rise to a conflict of interests. Data on the concurrent positions of the Board of Commissioners is presented in the section on Independence of the Board of Commissioners in this Corporate Governance Report.

APPOINTMENT OF THE BOARD OF COMMISSIONERS

Nomination of the Candidates for the Board of Commissioners

1. The Nomination and Remuneration Committee

- Evaluates the track record/resume of the candidates for the Board of Commissioners and selects those meeting the qualifications and competency requirements.
- Proposes the prospective candidates to the Board of Commissioners.

2. Board of Commissioners

Determine prospective members through meeting of the Board of Commissioners. The decision of the meeting becomes the basis for the formulation of the Board of Commissioners recommendation to be submitted in the General Meeting of Shareholders through holder of Series A Dwiwarna Shares.

Appointment of the Board of Commissioners

1. GMS

- Appoint members of the Board of Commissioners based on the recommendations of the Board of Commissioners.
- In the event where a member of the Board of Commissioners appointed has not been approved by the Financial Services Authority (OJK), the appointment will not be effective before being approved by OJK.

2. OJK

Based on the provisions of POJK No. 27/POJK.03/2016 concerning the Fit and Proper Test for the Top Personnel of a Financial Services Institution, the candidates of the Top Personnel (Controlling Shareholders, members of the Board of Directors and the Board of Commissioners) must obtain approval from OJK before performing actions, duties and functions as Top Personnel.

In accordance to the Financial Services Authority Circular No. 39/SEOJK.03/2016 concerning the Fit and Proper Test for Prospective Controlling Shareholders, candidates of the Board of Directors, and Candidates of the Board of Commissioners of the Bank, shall meet the following competencies:

- (1) Possess adequate knowledge in the field of banking and other fields relevant to the position;
- (2) Possess experience and expertise in banking and/or finance; and
- (3) Have the ability to perform strategic management in order to develop a healthy bank.

Therefore, OJK performs the fit and proper test to prospective members of the Board of Commissioners among others based on these requirements: integrity, financial reputation and competence as well as the ownership and governance/management of Bank as stipulated in prevailing legislation.

The fit and proper test conducted by OJK consists of the administrative examination and interview. In the case where the candidate who has been appointed in the GMS is not approved by OJK, BRI through the GMS shall dismiss the candidate.

For candidates of the Board of Commissioners of BRI who have not been approved by OJK, he/she is prohibited from performing the duties as a member of the Board of Commissioners or other activities that have a significant influence on the policies and financial condition of the Bank, although he/she has been approved and appointed by the GMS.

ORIENTATION PROGRAM FOR NEW COMMISSIONERS AND TRAINING PROGRAM FOR COMMISSIONERS

Company Orientation Program for New Members of the Board of Commissioners

The Company Orientation Program is the program to introduce the Company and is held by the Company Secretary for new members of the Board of Commissioners. This program is held through presentations, meetings, visits to the Company's work units and review documents or other programs.

The scope of the orientation program includes:

- Duties, responsibilities and restrictions for the Board of Commissioners;
- The Company's corporate governance principles;
- Financial and operating performance, strategy, short-term and long-term business plans, competitive position, risk management and other strategic areas;
- Delegated authority, the function of internal and external audits, internal control system and policy, as well as the scope and responsibilities of the Audit Committee.

During 2016 there were no new Commissioners in BRI's Board of Commissioners thus the orientation program was not held for the Board of Commissioners.

Competence Development Program for the Board of Commissioners

BRI has a policy to encourage commissioners to follow professional education namely through training, seminars or workshops. Several educational programs followed by members of the Board of Commissioners in 2016 include:

- Domestic Education, Training and Conferences**

No.	Commissioner	Destination	Date	Description
1	Mustafa Abubakar	Nusa Dua, Bali	10 November 2016 - 11 November 2016	Work Meeting of Ministry of SOEs: Preparing RKAP for 2017
2	Gatot Trihargo	Jakarta	2016	Role and Responsibility, and Authority of the Commissioner in Building an Excellent SOE
3	Ahmad Fuad	Kuta, Bali	25 May 2016 - 28 May 2016	Risk Management Certification Refresher Program
		Nusa Dua, Bali	8 December 2016 - 9 December 2016	ERMA Bali International Conference: "Managing Risk & Opportunities in Digital Era".
4	Adhyaksa Dault	Nusa Dua, Bali	8 December 2016 - 9 December 2016	ERMA Bali International Conference: "Managing Risk & Opportunities in Digital Era".
5	Fuad Rahmany	Hotel Dharmawangsa, Jakarta	26 October 2016 - 26 October 2016	Refresher Program for BoC & BoD: "Professional Commissioner & Opportunities in Digital Era"
		Ritz Carlton, Jakarta	3 November 2016 - 3 November 2016	Seminar: "National Economic Prospect in 2017"
		Nusa Dua, Bali	10 November 2016 - 11 November 2016	Work Meeting of Ministry of SOEs: Preparing RKAP for 2017
6	Sonny Keraf	Purwokerto	2016	Biomass as People's Based Nation Energy
		Semarang	2016	Energy Security and Environment Quality Enhancement
		Bandung	2016	Optimizing the Development of New and Renewable Energy (EBT) Towards Sustainable Energy Security
		Yogyakarta	2016	Renewable Energy Plan and Policy of National Level
7	Jeffry J. Wurangian	Hotel Dharmawangsa, Jakarta	26 October 2016	Refresher Program for BoC & BoD: "Professional Commissioners & Opportunities in Digital Era"

- Overseas Education, Training and Conferences

No.	Commissioner	Destination	Date	Description
1	Mustafa Abubakar	New York, USA	16 July 2016 - 24 July 2016	Conference: "Internal Audit is Rising, 75 Years Through Sharing"
		Moscow, Stockholm	30 September 2016 - 9 October 2016	Conference: "ECIIA Conference on Governance Risk & Control"
		Bangkok, Thailand	27 November 2016 - 30 November 2016	Conference: "Asian Banking Conference & 46th ASEAN Banking Council Meeting"
2	Ahmad Fuad	Cambridge, London	10 April 2016 - 17 April 2016	Benchmarking & Workshop: "Enterprise Risk Management"
		Miami-New York, USA	19 July 2016 - 1 August 2016	Workshop: "Corporate Governance"
		Stockholm; Oslo	17 September 2016 - 23 September 2016	Conference: "Executive International Conference - Integrated Risk Management: Enhancing the Power of Enterprise Risk Management in Creating a Sound Bank and Financial Risk Integration"
3	Adhyaksa Dault	Zurich; Milan	15 October 2016 - 23 October 2016	Risk Management Refreshment Program
		Bangkok, Thailand	27 November 2016 - 30 November 2016	Conference: "Asian Banking Conference & 46th ASEAN Banking Council Meeting"
4	Sonny Loho	New York, USA	16 July 2016 - 24 July 2016	Conference: "Internal Audit in Rising, 75 Years Through Sharing"
5	Sonny Keraf	San Francisco, USA	7 May 2016 - 14 May 2016	ASEAN Global Leadership
		New York, USA	16 July 2016 - 24 July 2016	Conference: "Internal Audit in Rising, 75 Years Through Sharing"
6	Jeffry J. Wurangian	San Francisco, USA	7 May 2016 - 14 May 2016	ASEAN Global Leadership
		Stockholm; Oslo	17 September 2016 - 23 September 2016	Conference: "Executive International Conference - Integrated Risk Management: Enhancing the Power of Enterprise Risk Management in Creating a Sound Bank and Financial Risk Integration"

- Risk Management Certification

In order to support the implementation of Risk Management for the Bank's business, the Board of Commissioners should have the competence and expertise in the field of risk management in accordance to the minimum requirements based on 12/7/PBI/2010 related to the Amendment to Bank Indonesia Regulation No. 11/19/PBI/2009 on the Certification of Risk Management for Managers and Officers of Commercial Banks. The risk management certification program followed by the Board of Commissioners consists of:

No.	Name	Position	MR Certification		
			Certification Agency	Level	Time
1.	Mustafa Abubakar	President Commissioner/ Independent Commissioner	LSPP	Level 2	23 June 2012
			LSPP	BoD Executive Program	2016
2.	Gatot Trihargo	Vice President Commissioner	BSMR	Level 1	11 April 2015
3.	Adhyaksa Dault	Independent Commissioner	LSPP	Level 2	15 March 2014
4.	Ahmad Fuad	Independent Commissioner	BSMR	BoD Executive Program	8 September 2016
5.	A. Fuad Rahmany	Independent Commissioner	BSMR	Level 2	17 January 2015
6.	A. Sonny Keraf	Independent Commissioner	LSPP	Level 2	2 May 2015
7.	Vincentius Sonny Loho	Commissioner	LSPP	Level 1	26 May 2012
8.	Jeffry J. Wurangian	Commissioner	BSMR	BoD Executive Program	7 September 2016

Risk Management Certification Refreshment

In 2016, the Board of Commissioners who followed the Banking risk management refreshment level 5 were:

1. Adhyaksa Dault, in IBI LSPP Jakarta
2. Ahmad Fuad, in BARa Jakarta
3. Jeffry J. Wurangian, in Bara Jakarta

DISMISSAL OF MEMBERS OF THE BOARD OF COMMISSIONERS

Member of the Board of Commissioners shall be dismissed if:

- a) He/she dies;
- b) His/her work tenure expires;
- c) Dismissed by the GMS, due to a reason deemed to be relevant by the General Meeting of Shareholders for the sake of the Company's interests and objectives.
- d) Declared bankrupt by the Commercial Court with permanent legal force or placed under guardianship based on a court decision;
- e) According to the Articles of Association of BRI and other legislations, he/she no longer meets the requirements as a member of the Board of Commissioners, among others having prohibited dual position, as well as resignation. A member of the Board of Commissioners is entitled to resign by giving written notification of his/her intention to BRI and BRI is obliged to call on a General Meeting of Shareholders to decide on the resignation of the board member within the period of 60 (sixty) days after the receipt of resignation letter.

BOARD CHARTER AND CODE OF CONDUCT OF THE BOARD OF COMMISSIONERS

The Board Charter or the Board of Commissioners Work Handbook contains among others:

- The tasks, authorities, duties, responsibilities, division of work, work time, work ethics, procedures for meetings and decision-making, and the prohibitions for members of the Board of Commissioners.
- The duties and responsibilities of the Board of Commissioners organs, namely the Audit Committee, Risk Management Monitoring Committee, Nomination and Remuneration Committee, Integrated Governance Committee and the BoC Secretariat.

ASSESSMENT ON THE PERFORMANCE OF THE COMMITTEES ASSISTING THE BOARD OF COMMISSIONERS

In 2016, the Committees under the Board of Commissioners, namely the Audit Committee, Risk Management Monitoring Committee, Nomination and Remuneration Committee, and Integrated Governance Committee applied its respective roles and responsibilities well and provided significant support to the implementation of the tasks and oversight responsibilities of the Board of Commissioners.

Audit Committee

The role of the Audit Committee is reflected in ensuring the adequacy of internal control, including the adequacy of the financial reporting process. The Audit Committee evaluates the effectiveness and appropriateness of the audit by the Public Accounting Firm and examines the financial statements and other financial information in order to ensure compliance to the accounting standards and regulations.

Risk Management Monitoring Committee

BRI's ability to manage risk is inseparable from the success of the Risk Management Monitoring Committee which works together with the Directorate of Compliance in carrying out its duties and responsibilities to review and monitor the implementation of risk management at BRI. The Bank's "Low to Moderate" level of risk profile, good quality credit portfolio and the decreasing percentage of non-performing loans in 2016 are the tangible results of the synergy of good risk management.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee provided great contribution, particularly in terms of evaluating the policies related to worker and employment remuneration, the remuneration of Directors and Commissioners, as well as the overall management of human resources. In addition, the Nomination and Remuneration Committee also provides constructive advice and feedback on the system and procedure to select and/or replace members of the Board of Directors, Board of Commissioners, independent party, as well as members of Board of Commissioners Committees.

Integrated Governance Committee

In accordance with the provisions of the Financial Services Authority, in early 2015 the Board of Commissioners established the Integrated Governance Committee which comprises representatives of members of the Board of Commissioners of BRI, members of the Board of Commissioners of Bank BRI Agro, as well as members of the Board of Commissioners and the Bank Supervisory Board of Bank BRI Syariah. In 2016, the Integrated Governance Committee has provided input to the Board of Commissioners on the implementation of Integrated Risk Management Policy.

INDEPENDENCE OF THE BOARD OF COMMISSIONERS

Affiliate Relations of the Board of Commissioners

Management relations can be found between 2 (two) non-Independent Commissioners and the Controlling Shareholder, however there are no family relationships found.

Name	Position	Financial Relationship with			Family Relationship with			Management Relationship with		
		BoC	BoD	Controlling Shareholder	BoC	BoD	Controlling Shareholder	BoC	BoD	Controlling Shareholder
Mustafa Abubakar	President Commissioner/ Independent Commissioner	-	-	-	-	-	-	-	-	-
Gatot Trihargo	Vice President Commissioner	-	-	-	-	-	-	-	-	√
Adhyaksa Dault	Independent Commissioner	-	-	-	-	-	-	-	-	-
Ahmad Fuad	Independent Commissioner	-	-	-	-	-	-	-	-	-
A. Fuad Rahmany	Independent Commissioner	-	-	-	-	-	-	-	-	-
A. Sonny Keraf	Independent Commissioner	-	-	-	-	-	-	-	-	-
Vincentius Sonny Loho	Commissioner	-	-	-	-	-	-	-	-	√
Jeffry J. Wurangian	Commissioner	-	-	-	-	-	-	-	-	-

Notes

√ : Yes

- : No

Concurrent Positions of the Board of Commissioners

In accordance to the provisions of POJK No. 55/POJK-03/2016 regarding the Board of Directors and Board of Commissioners of the issuer or public company, members of the Board of Commissioners are prohibited from having concurrent positions as members of the Board of Directors, Board of Commissioners or Executive Officers at:

- A financial institution or financial company, both bank and non-bank;
- More than 1 (one) non-financial institutions or non-financial companies, whether domiciled inside or outside the country.

Currently, members of the Board of Commissioners do not have concurrent positions outside of those permitted by regulation of the Financial Services Authority. Below is the list of concurrent positions of the Board of Commissioners as of December 31, 2016:

No	Name	Position	Period	Concurrent Position	Name of Company/ Institution
1	Mustafa Abubakar	President Commissioner/ Independent Commissioner	No concurrent position		
2	Gatot Trihargo	Vice President Commissioner	July 2015 - present	Deputy of Financial Services and Other Services	Ministry of SOEs
3	Adhyaksa Dault	Independent Commissioner	No concurrent position		
4	Ahmad Fuad	Independent Commissioner	2012 - present	<i>Legal and Compliance Advisor</i>	Bank Sahabat Sampoerna
			2014-present	Legal and Compliance Advisor	Bank ICBC Indonesia
5	A. Fuad Rahmany	Independent Commissioner	No concurrent position	-	-
6	A. Sonny Keraf	Independent Commissioner	2014 - present	Member	National Energy Board
			2016 - present	Independent Commissioner	PT Gorontalo Sejahtera Mining
7	Vincentius Sonny Loho	Commissioner	2015 - present	Director General of State Assets	Ministry of Finance
8	Jeffry J. Wurangian	Commissioner	No dual position	-	-

Share Ownership of the Board of Commissioners

Members of the Board of Commissioners express transparency on the purchase and sale of securities through a Statement Letter. The legislation in the Capital Market sector obliges to disclose information on the shareholding of 5% (five percent) or more of the shares of a Public Company, as well as the disclosure of information on the major shareholders and controllers of a Public Company, either directly or indirectly up to the last beneficial owner within the possession of shares.

Below is the list of the BRI Board of Commissioners ownership of shares, both directly or indirectly:

No	Commissioner	Share Ownership more than 5%			
		BRI	Other Bank	Financial Institution Non Bank	Other Company
1	Mustafa Abubakar	NIL	NIL	NIL	NIL
2	Gatot Trihargo	NIL	NIL	NIL	NIL
3	Adhyaksa Dault	NIL	NIL	NIL	NIL
4	Ahmad Fuad	NIL	NIL	NIL	NIL
5	A. Fuad Rahmany	NIL	NIL	NIL	NIL
6	A. Sonny Keraf	NIL	NIL	NIL	NIL
7	Vincentius Sonny Loho	NIL	NIL	NIL	NIL
8	Jeffry J. Wurangian	NIL	NIL	NIL	NIL

Independent Commissioner

BRI has complied with the regulation regarding the Commissioners' Independency, as stipulated in the OJK Regulation No. 55/POJK.03/2016, whereby 5 (five) of 8 (eight) of the Commissioners are Independent Commissioners.

CRITERIA OF INDEPENDENT COMMISSIONER

Criteria of BRI's Independent Commissioners, among others:

- Do not have any financial or family ties with the Board of Directors members and BRI's controlling shareholders, or any other relationship that might influence one's capability to act independently.
- Do not hold any other position as members of Boards of Commissioners, Boards of Directors, or Executive of more than 1 (one) non-financial institution, State-owned Enterprise, local government-owned enterprise, or private enterprise.

Based on those criteria, all of BRI's Independent Commissioners have complied with the requirements of independence.

List of Independent Commissioner

Name	Position	Date of Appointment	Date of Passing Fit & Proper Test
Mustafa Abubakar	President/Independent Commissioner	28 March 2012	11 November 2014
Adhyaksa Dault	Independent Commissioner	20 May 2010	20 July 2010
Ahmad Fuad	Independent Commissioner	28 March 2012	10 May 2010
A. Fuad Rahmany	Independent Commissioner	19 March 2015	19 May 2015
A. Sonny Keraf	Independent Commissioner	19 March 2015	1 June 2015

INDEPENDENCY STATEMENT OF EACH INDEPENDENT COMMISSIONER

To meet eligibility criteria, all prospective candidates of BRI's Board of Commissioners must and have signed the Statement of Independency of the Board of Commissioners.

The contents of the Board of Commissioners prospective candidates' statement are as follows:

I who undersigned below :
Name :
Identity Number :

To meet eligibility criteria as prospective candidates of BRI's Board of Commissioners, I hereby state declare truthfully that I:

1. Have no financial or family ties with the Board of Directors members and BRI's controlling shareholders, or any other relationship that might influence one's capability to act independently.
2. Member of Boards of Commissioners do not hold any other position as members of Boards of Commissioners, Boards of Directors, or Executive of more than 1 (one) non-financial institution, State-owned Enterprise, local government-owned enterprise, or private enterprise, and other positions stipulated in the Company's Articles of Association and the prevailing regulations.
3. Have passed the Fit and Proper Test, in accordance with Bank Indonesia's regulation on Fit and Proper Test.
4. Been nominated by the shareholders and appointed in the General Meeting of Shareholders.
5. Within 5 (five) years prior to my appointment:
 - Has not been declared bankrupt.
 - Has not been a member of a board of commissioners or a member of the board of directors that is guilty for causing the bankruptcy of that company.
6. Has never been punished for a criminal act that inflicts loss on state finances and/or SOEs and/or those related to the financial sector.

Board of Directors

The Board of Directors is the Bank's organ responsible to manage the Bank in order to achieve the Bank's objectives and purposes as stated in the Articles of Association and in line with the applicable legislation.

BOARD OF DIRECTORS MEMBERS CRITERIA

- A. An individual with strong character, moral principles, integrity and dedication.
- B. Possesses the following capabilities:
1. Strong understanding on the Company's management.
 2. Adequate knowledge in banking.
 3. Proficient in conducting legal actions.
 4. 5 (five) years prior to his/her appointment and during his/her tenure, he/she has not:
 - a. Been declared bankrupt;
 - b. Served as member of a board of directors and/or board of commissioners that was found guilty for causing the bankruptcy of a company;
 - c. Been convicted of criminal offence that causes financial losses to the state and/or criminal offence related to the financial sector.
 - d. Served as a member of a board of directors and/or board of commissioners that, during the his/her tenure:
 - i. Fails to hold an annual GMS;
 - ii. His/her accountability report as member of the board of directors and/or board of commissioners not accepted by the GMS,
 - iii. Failed to provide accountability report as a member of the board of directors and/or board of commissioners to a GMS;
 - iv. Failed to meet his/her obligation to submit the annual report and/or financial statements to the Financial Services Authority of a company that has obtained license, approval, or registry from the OJK.
- C. Does not hold concurrent position as:
- a. Member of a board of directors of SOEs, regional owned enterprises, or private enterprises;
 - b. Member of the board of commissioners/supervisory board of a SOE;
 - c. Structural and functional positions in central or local government institutions;
 - d. Member in the structure of a political party and or legislative candidate/member and or candidate of head/deputy head of region; and or
 - e. Other positions that may inflict a conflict of interest and/or other positions pursuant to prevailing laws and regulations.

Concurrent Positions of BRI Board of Directors

Name	Position at BRI	Position at Other Bank	Position at the Other Company/ Institution
Asmawi Syam	President Director	-	-
Sunarso	Vice President Director	-	-
Priyastomo	Director of Compliance	-	-
Haru Koesmahargyo	Director of Finance	-	-
Randi Anto	Director of Human Capital & Assets Management	-	-
Susy Liestiowaty	Director of Risk Management	-	-
Zulhelfi Abidin	Director of Operation	-	-
Sis Apik Wijayanto	Director of Consumer Banking	-	-
Donsuwan Simatupang	Director of Commercial Banking	-	-
Mohammad Irfan	Director of Micro Banking	-	-
Kuswiyoto	Director of Institutional Banking	-	-

- D. Does not have family relations with other members of the Bank's Board of Directors and/or Board of Commissioners up to the third degree, horizontally and vertically, including relationship by marriage.
- E. In accordance with the legislation applied in the Capital Market sector which regulates the obligation to disclose information on shareholders with 5% (five percent) stock ownership, members of the Board of Directors must disclose his/her shareholding of 5% (five percent) or more, both in the Bank or other banks and other companies, domiciled inside and outside the country.

The following describes the shareholding of the members of the Board of Directors of BRI:

Share Ownership of BRI Board of Directors

Name of member of the Board of Directors	BRI Shares	Share Ownership (share/lot)			
		Beginning Year	Percentage	End of Year	Percentage
Randi Anto	√	661.000	0,0026795	661.000	0,0026795
Susy Liestiowaty	√	580.000	0,0023511	580.000	0,0023511
Sis Apik Wijayanto	√	-	-	140.000	0,0005675
Donsuwan Simatupang	√	29.500	0,0001196	28.500	0,0001155
Mohammad Irfan	√	34.000	0,0001378	34.000	0,0001378

COMPOSITION OF THE BOARD OF DIRECTORS

As of the end of 2016, the number of members and composition of the Board of Directors of BRI was amended through the Annual GMS held in March 23, 2016, namely with the following changes:

Composition of BRI Board of Directors

No.	Before BRI Annual GMS on 23 March 2016		After Annual GMS on 23 March 2016	
	Position	Name	Position	Name
1.	President Director	Asmawi Syam	President Director	Asmawi Syam
2.	Vice President Director	Sunarso	Vice President Director	Sunarso
3.	Director of Consumer Banking	Agus Toni Soetirto	Director of Consumer Banking	Sis Apik Wijayanto
4.	Director of Micro Banking	Mohammad Irfan	Director of Micro Banking	Mohammad Irfan
5.	Director of Credit Risk & Assets Management	Randi Anto	Director of Human Capital & Assets Management	Randi Anto
6.	Director of Human Capital	Gatot Mardiwasi	Director of Compliance	Priyastomo
7.	Director of Commercial Banking	Donsuwan Simatupang	Director of Commercial Banking	Donsuwan Simatupang
8.	Director of Institutional Banking	Kuswiyoto	Director of Institutional Banking	Kuswiyoto
9.	Director of Compliance	Susy Liestiowaty	Director of Credit Risk Management	Susy Liestiowaty
10.	Director of Finance	Haru Koesmahargyo	Director of Finance	Haru Koesmahargyo
11.	Director of Operation	Zulhelfi Abidin	Director of Operation	Zulhelfi Abidin

RESPONSIBILITIES OF THE BOARD OF DIRECTORS

Collegial Representation System

Members of the Board of Directors perform their respective duties according to their field of work; however, they are collectively responsible for all of the decisions or actions taken related to the management of the Company. Therefore, each member of the Board of Directors is authorized to represent the Company inside and outside the court.

Responsibilities to the Shareholders

- a. Manage the Company, as well as maintain and manage the Company's assets.
- b. Conduct the GMS and implement the GMS resolutions,
- c. Submit the Annual Report that has been reviewed beforehand by the Board of Commissioners in the GMS.

Responsibilities to the Board of Commissioners

- a. Develop the long-term Corporate Plan, Bank Business Plan, and Annual Work and Budget Plan, and other work plans.
- b. Prepare the Annual Report to be reviewed by the Board of Commissioners.
- c. Consult loan provisions above certain amount with the Board of Commissioners.

DIVISION OF DUTIES AND RESPONSIBILITIES

President Director and Vice President Director

- Formulate policies and perform supervision of the Company as a whole as well as maintain the Corporate Image.
- Manage and develop the business, both assets and liabilities.
- Manage and develop the network management policy (including e-channel) as well as maintain the quality of services to customers.
- Formulate information technology development planning policies and strategies.
- Formulate policies related to the function of Change Management.
- Ensure the effectiveness of BRI's internal control through the Internal Audit unit.
- Formulate long-term and short-term plans, as well as the Company's annual plans.
- Create the Company's organizational structure with clear duties and responsibilities, and incorporate the appointment of the Company's Management
- Prepare the Annual Report.

Finance Director

- Plan and prepare the Company's financial statements, liquidity management, international business, the management of subsidiaries as well as the development of investment services which include among others: products, services and fees from the transactions in the money market and capital market, treasury product management.
- Perform and maintain the Bank's bookkeeping and administration in accordance with the prevailing general practices, and ensure that the Bank's accounting system complies with the Financial Accounting Standards and the principles of internal control, especially in regard to the organisation, recording, saving and financial oversight.

Compliance Director

- Responsible for the Company's risk management, policy testing and compliance towards the applicable regulations, as well as legal advice and case handling.
- Ensure that the Bank has a proper and systematic process to identify, assess and control the risks faced by the Bank.
- Monitor and assess whether the management process is reliable in order to assess the adequacy of risk management system and internal control, financial reporting and compliance.
- Perform annual assessment and formulate public statement on the Bank's internal control so as to provide assurance that all significant aspects of internal control have been considered for the date of examination to the date of annual report approval.

Director of Credit Risk Management

- Responsible for the control of credit risk, which comprises the credit administration function, analysis of commercial, corporate, state and institutional credit risks, as well as credit restructuring and settlement.

Director of Operations

- Ensure an effective control system to guarantee the reliability and integrity of information and compliance towards the applicable policies, procedures, regulations and laws.
- Responsible for the operation of BRI's technology and information system, which comprises the security and accuracy of the data, the management of operations centers and digital banking operations (e-channels) in order to improve BRI's level of operational efficiency.

Director of Fixed Assets and Human Capital Management

- Responsible for the management and development of BRI's Human Capital, which includes the education and training activities for contract and outsourcing workers.
- Manage, optimize and increase the productivity of fixed assets.
- Manage the procurement process of property as well as goods and services.
- Ensure an effective control system to protect the Bank's assets, economical and efficient use of resources, and the achievement of the operational goals and objectives.

Director of Micro Business

- Responsible for the success of the micro business, programs, food resiliency program and partnerships.

Director of Consumer Business

- Responsible for the success of the consumer business, particularly credit cards, wealth management, retail payment and wholesale transaction banking.

Director of Commercial Business

- Responsible for the success of corporate and commercial businesses.

Director of Institutional Business

- Responsible for the success of institutional and SOE business.

DIVISION OF SUPERVISION BASED ON REGION

In order to achieve effectiveness of the monitoring process conducted in the regions, the Board of Directors divides their tasks based on region, as described below:

BoD Task based on the Region

Name	Position	Supervised Region
Randi Anto	Director of Human Capital & Assets Management	Semarang, Palembang
Priyastomo	Director of Compliance	Denpasar, Jakarta 2
Haru Koesmahargyo	Director of Finance	Banjarmasin
Susy Liestiowaty	Director of Credit Risk Management	Jakarta 3, Bandar Lampung
Zulhelfi Abidin	Director of Operation	Pekanbaru, Padang
Sis Apik Wijayanto	Director of Consumer Banking	Yogyakarta, Bandung
Donsuwan Simatupang	Director of Commercial Banking	Medan, Surabaya
Mohammad Irfan	Director of Micro Banking	Makassar, Malang
Kuswiyoto	Director of Institutional Banking	Jakarta 1, Special Branch Office
Irianto	SEVP Change Management	Manado
Agus Noorsanto	SEVP Networks and Service	Jayapura
Supari	SEVP SME & Consumer Business	Banda Aceh

ORIENTATION PROGRAM FOR NEW DIRECTORS AND COMPETENCY DEVELOPMENT PROGRAM FOR THE BOARD OF DIRECTORS**Corporate Orientation Program for New Members of the Board of Directors**

With the Corporate Orientation Program for New Members of the Board of Directors, the Company holds an induction program for new directors among others through presentations, meetings, discussions, visits or assessments of Company documents. The Corporate Secretary in collaboration with the Directorate of Human Capital is responsible of the implementation of the program. In 2016, BRI held a Corporate Orientation Program for Mr Sis Apik Wijayanto and Mr Priyastomo.

Board of Directors Competency Development Program

BRI provides training or competence development program for the directors, comprising general issues and specific issues related to their respective tasks. The training program is implemented to improve the functioning and effectiveness of the Board of Directors. The Corporate Secretariat is obliged to organize the documents/material of the training program neatly in a separate section to be available in time of need.

The training program followed by members of the Board of Directors in 2016 are:

BoD Training

No	Participant	Title of Title	Date of Training	Venue
1	Asmawi Syam	Seminar of SOEs	12 - 13 May 2016	Jakarta
		International CWM Executive Europe Program 2016	17 - 22 October 2016	Zurich - ST. Gallen-Geneva, Switzerland
		Executive International Conference	19-21 September 2016	Stockholm, Swedia
2	Sunarso	International Risk Management Refreshment Program - Europe Class 2016	15-23 October 2016	Zurich, Basel, Milan
3	Randi Anto	International CWM Executive Europe Program 2016	17 - 22 October 2016	Zurich - ST. Gallen-Geneva, Switzerland
		Indonesia Banking Human Capital Conference	13 October 2016	Jakarta
4	Priyastomo	Risk Mitigation Coach Sessions	22 - 23 March 2016	Switzerland
		Seminar of SOEs 2016	12 - 13 May 2016	Jakarta
		Certification for Risk Management Level 5 (BSMR)	16 April 2016	Jakarta
		National Conference on Eradication of Corruption by KPK, "Reformation of Law Enforcement System and Transparent and Accountable Public Services"	1 December 2016	Jakarta
5	Susy Liestiowaty	International CWM Executive Europe Program 2016	17 - 22 October 2016	Zurich - ST. Gallen-Geneva, Switzerland
6	Kuswiyoto	Workshop on SOE Holding on Banking Sector	8 March 2016	Yogyakarta
7	Zulhelfi Abidin	Workshop on SOE Holding on Banking Sector	8 March 2016	Yogyakarta

Risk Management Certification

In applying effective and planned risk management, the Board of Directors shall have the competence and expertise in the field of Risk Management. Directors who have passed the Certification of Risk Management are:

BoD Risk Management Certification

No.	Name	Position	MR Certification		
			Certification Agent	Level	Time
1	Asmawi Syam	President Director	LSPP	Level 5	17 December 2011
2	Sunarso	Vice President Director	LSPP	Level 5	12 June 2012
3	Randi Anto	Director of Human Capital & Assets Management	LSPP	Level 5	17 December 2011
4	Susy Liestiowaty	Director of Credit Risk Management	LSPP	Level 5	8 April 2015
5	Haru Koesmahargyo	Director of Finance	LSPP	Level 5	8 April 2015
6	Donsuwan Simatupang	Director of Commercial Banking	LSPP	Level 5	8 April 2015
7	Mohammad Irfan	Director of Micro Banking	LSPP	Level 5	8 April 2015
8	Zulhelfi Abidin	Director of Operation	LSPP	Level 5	8 April 2015
9	Kuswiyoto	Director of Institutional Banking	LSPP	Level 5	26 August 2015
10	Sis Apik Wijayanto	Director of Consumer Banking	LSPP	Level 5	10 April 2015
11	Priyastomo	Director of Compliance	BSMR	Level 5	16 April 2016

In 2016, members of the Board of Directors who have followed the refreshment of Banking risk management level 5 are:

1. Asmawi Syam, in Stockholm, Sweden.
2. Sunarso, in Zurich & Basel.

BOARD CHARTER AND THE CODE OF CONDUCT OF BOD

Guidelines and work rules of the Board of Directors or Board Charter contains rules and guidelines on working procedures of the Board of Directors which include instructions for the implementation of the work of each member of the Board of Directors in detail, structured and informative to be a standard for all members of the Board of Directors in carrying out their respective duties according to the vision and missions to be achieved by the Company.

The guidelines are one of the supports for the application of the principles of GCG, so that the Board of Directors may carry out its tasks in an integrated manner.

The Board Charter or The Code of Conduct and Work Rules of the Board of Directors, among others, contains an explanation of:

1. The general provision of members of the Board of Directors
2. The duties and authorities of the Board of Directors
3. The rights and obligations of the Board of Directors
4. The division of duties and authorities of the Board of Directors
5. Implementation of the Company management by the Board of Directors
6. The principles of decision-making of the Board of Directors
7. Board of Directors meetings
8. Corporate Secretary
9. Relationships with subsidiaries.

PERFORMANCE ASSESSMENT FOR THE COMMITTEES SUPPORTING DIRECTORS DUTIES

Asset and Liability Committee

ALCO (Asset-Liability Committee) assists the Board of Directors in the management of the Company's assets and liabilities including the determination of strategies and policies on assets and liabilities management by considering the existing risks in order to obtain optimal yields.

Risk Management Committee

The Risk Management Committee conducts monitoring and supervision of BRI's risk profile, capital analysis and stress test (Liquidity, Capital and Enterprise), BRI's risk issue as well as the recommendations and decision of the RMC. In addition to the RMC, the Integrated RMC forum also exists to monitor and supervise the risks of the subsidiaries (BRI Syariah, BRI Agro, BRI Remittance, BRI Finance, BRI Life) within the BRI conglomeration covering the integrated BRI risk profile, capital analysis and stress test (Liquidity, Capital, Enterprise) and the discussion of risk issues in the respective subsidiary entity as well as the recommendations and decision of the Integrated RMC.

Capital and Investment Committee

The Capital Investment Committee assists the Board of Directors in making decisions on corporate actions based on the results of the comprehensive study and analysis. In addition, the committee also plays an active role in the management of the Company's subsidiaries.

Credit Policy Committee (KKP)

The Credit Policy Committee (KKP) formulates policies, monitors the implementation of policies, monitors the progress and condition of credit portfolio and provides suggestions on improvements.

Credit Committee

The Credit Committee assists the Board of Directors in the evaluation of/decision on credit applications for the amount and type of credit previously determined by the Board of Directors. The tasks of the Credit Committee among others include approving or rejecting credit based on the applicable regulations and coordination with ALCO in the funding for credit with a certain amount set by ALCO.

IT Steering Committee

The Information Technology Steering Committee (ITSC) assists the Board of Directors in providing directions and recommendations on the policies, development, and operations related to IT. In practice, ITSC has two main roles, namely providing direction of the IT policy and management in the long term (five years) and short term (annual) with reference to the IT strategic plan; and control the implementation and development of IT that is and will be conducted with reference to the IT strategic plan.

Project Management Office Steering Committee

The duty of the PMO Steering Committee is to provide guidance and strategic decisions related to project management, among others determine the priority projects, provide strategic decisions related to a project, and provide instructions related to the results of evaluation conducted after the project is implemented.

Performance Assessment of Board of Commissioners and Board of Directors

BRI assesses the performance of the Board of Commissioners and Board of Directors based on the prevailing laws and regulations in order to improve the quality of the implementation of duties and responsibilities of the Board of Commissioners and Board of Directors as well as continuously improve the performance of BRI.

PROCEDURE OF THE BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT

Procedure of the Board of Commissioners Performance Assessment

- At the beginning of the year, the Board of Commissioners formulates a work plan and conducts self-assessment on member performance each semester in Board of Commissioners internal meetings. The results of assessments are then used as a basis to take corrective measures in improving the performance of the members of the Board of Commissioners and Committees under the Board of Commissioners.
- In the self-assessment, the Board of Commissioners reviews the implementation of tasks by the committees and secretariat under the Board of Commissioners as set in the Work Plan and Budget. The BoC performance evaluation self-assessment is conducted as follows:

Material	Date	Output
Review on the Performance of Board of Commissioners & the BoC Committees, Semester I of 2016	9 August 2016	The results of performance evaluation of the BoC committee in Semester I 2016 are presented in the Minutes of Meeting No. B.27 -KOM/08/2016
Review on the Performance of Board of Commissioners & the BoC Committees, Semester II of 2016	9-10 December 2016	Report on the implementation of BoC work programs during 2016 and BoC Work Plan and Budget (RKAP) in 2017.

- Based on the review and self-assessment on the performance of the Board of Commissioners and the Committees, the entire work plan set at the beginning of 2016 was implemented 100% in accordance with target.
- In addition, each semester, the Board of Commissioners conducts self-assessment on the implementation of GCG in accordance with the provisions of the OJK. Based on the assessment from the OJK, the performance of the Board of Commissioners in terms of Good Corporate Governance implementation received rank 2 or good category.
- The Board of Commissioners prepares a Supervisory Report submitted in the Annual GMS. In the Annual GMS, shareholders evaluate the performance of the Board of Commissioners by providing conclusions on the Supervisory Report.

PROCEDURE OF THE BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

Legal Basis

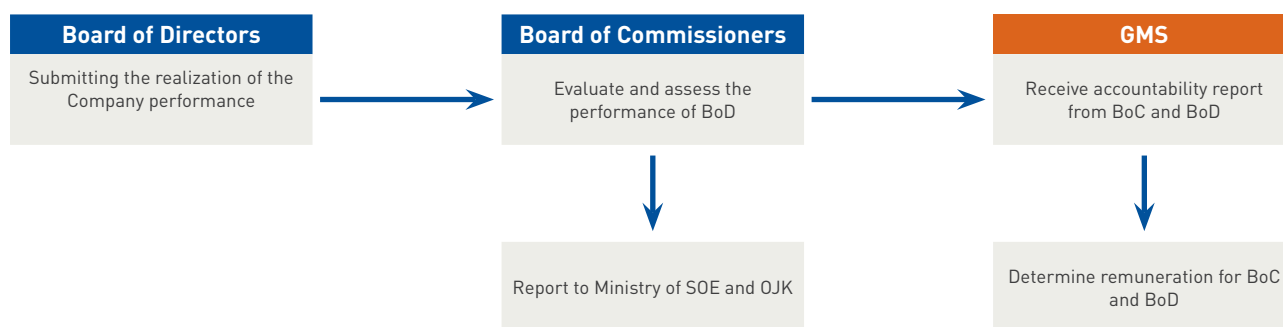
In general, the performance of the Board of Directors is determined based on the duties and responsibilities contained in the prevailing legislation and the Company's Articles of Association as well as the mandate of the shareholders.

Formal evaluation criteria are stated publicly to members of the Board of Directors at the date of their appointment. The Board of Directors performance assessment is carried out by the GMS, Bank Indonesia and the Board of Commissioners assisted by the Nomination and Remuneration Committee in accordance with the Regulation of the Financial Services Authority No. 34/POJK.04/2014 on the Nomination and Remuneration Committee of a Public Company.

Procedure of Board of Directors Performance Assessment

- Board of Directors performance assessment is conducted by the Board of Commissioners on a quarterly basis in the form of evaluation of the achievement of Key Performance Indicators (KPI) as whole and for each field of work.
- Based on that evaluation, each semester, the Board of Commissioners prepares a Monitoring Report.
- The report is submitted to the Minister of SOE and the OJK every semester.

Procedure of Board of Directors Performance Assessment



BOARD OF COMMISSIONERS PERFORMANCE EVALUATION CRITERIA

Board Of Commissioners Key Performance Indicators

The Key Performance Indicators (KPI) assessed in the Board of Commissioners performance self-assessment in 2016 are as follows:

Board of Commissioners KPI

No.	Aspect	Indicators	Value (%)
1.	Off Site Supervision	• Result from the Review on the Audit Report and follow up of audit results.	10.00
		• Result from the Review on Financial Statement	10.00
		• Result from GCG Self Assessment	10.00
		• Result from Review on Risk Profile Report and Compliance Function and the Bank's Soundness Level.	10.00
		• Result from Review on the Adequacy of Integrated Internal Control, Integrated Risk Profile, Integrated Governance, and Integrated Annual Report of Integrated Governance	5.00
		• Result from Self Assessment of Integrated Governance for Financial Conglomerations	5.00
Sub Total			50.00
2.	On Site Supervision	• Number of Meetings	15.00
		• Number of Work Visits	20.00
Sub Total			35.00
3.	Company Performance	• Profitability	2.50
		• Net Profit	2.50
		• ROA	2.50
		• Liquidity	2.50
		• Third Party Fund	2.50
		• LDR	2.50
		• Loan	2.50
		• Loan Expansion	2.50
• NPL	2.50		
Sub Total			15.00
Total			100.00

Board of Commissioners Performance Assessment Criteria

Based on the results of assessment on KPI, the performance of the Board of Commissioners divided into 4 criteria as follows:

Board of Commissioners Performance Assessment Criteria

Score	Result
Above 80	Excellent
70 up to <80	Satisfactory
55 up to <70	Fair
<55	Poor

Result of Board of Commissioners Performance Assessment in 2016

Based on the assessment criteria, the performance of the Board of Commissioners in 2016 is stated as:

Board of Commissioners Performance Assessment

Assessment Aspect	Score in 2015	Score in 2016
Off Site Supervision	33.50	50.00
On Site Supervision	34.47	30.79
Company Performance	14.50	14.81
Total	82.47 (Excellent)	95.60 (Excellent)

BOARD OF DIRECTORS PERFORMANCE ASSESSMENT CRITERIA

Board of Directors Key Performance Indicators

In preparing the Work Plan and Budget, the Board of Directors considers the policies and assumptions used by the Government in the preparation of the State Budget and the aspirations of the shareholders in accordance to letter No. S-485/MBU/08/2015 dated August 27, 2015 on the Conveyance of the Aspirations of Shareholders/Capital Owner in the Preparation of Work Plan and Budget 2016.

The Key Performance Indicators of each Director are as follows:

- a. President Director/Vice President Director**
Price to Book Value (PBV), Consolidated and Bank Only Profit, Return on Equity, Fee Based Income/Operational Income, Market Share of the Credit Market Share of Third Party Fund, Credit Cost, Increase of Credit Growth, Composition of Micro Credit & Briguna, Realization of Kredit Usaha Rakyat, average composition of low-cost fund or CASA (Current Account Savings Account), Growth Increase of E-Channel & E-Banking Transactions, Customer Satisfaction Index, Achievement of Initiative Strategy, Employee Engagement Index.
- b. Micro Director**
Micro Segment Operating Income, Fee Based Income of the Directorate of Micro, Average Balance of Fund of the Directorate of Micro, Average Balance of Credit of the Directorate of Micro, Credit Cost of the Micro Segment, Recovery of Credit Write-offs of the Directorate of Micro, Increase of the number of Brilink Agent, The Directorate's Customer Satisfaction Index, the achievement of targets of the Micro Business Strategic Initiatives, Employee Engagement Index.
- c. Commercial Director**
Operating Income of the Corporate Segment, Fee Based Income of the Non-SOE Corporate Segment, Average Balance of Fund of the Non-SOE Corporate Segment, average composition of CASA of the Non-SOE Corporate Segment, Average Balance of Credit of the Non-SOE & RCB Corporate Segment, CMS Transaction, Customer Satisfaction Index of the Directorate, Achievement of the business targets of the Commercial Business Strategic Initiatives, Employee Engagement Index.
- d. Institutional Director**
Operating Income of the Corporate Segment, Fee Based Income of the Institutional & SOE Corporate Segment, Average Balance of Fund of the Institutional & SOE Corporate Segment, average composition of CASA of the Institutional & SOE Corporate Segment, Average Balance of Credit of the Institutional & SOE Corporate Segment, Cost of Credit of the Corporate Segment, CMS Transaction, Customer Satisfaction Index of the Directorate, Achievement of the business targets of the Institutional & SOE Business Strategic Initiatives, Employee Engagement Index.
- e. Consumer Director**
Operating Income of the Consumer Segment, Fee Based Income, Average Balance of Retail & Micro CASA, Average Balance of Funds of the TRB Commercial Customer, Average Balance of AUM (Assets Under Management) of Investment & Bancassurance, Average Balance of Credit Card, Cost of Credit Card, Ad Efficiency & Activation Index, Productivity of E-Channel & E-Banking, Customer Satisfaction Index of the Directorate, Achievement of the business targets of the Consumer Business Strategic Initiatives, Employee Engagement Index.
- f. Director of Finance**
Profit, Return On Equity, Revenue of the Finance Directorate, Price To Book Value, Yield in the Treasury & International Business Portfolio, Profit of Overseas Working Unit (UKLN), Profit and Return On Equity of the Subsidiaries, Foreign Exchange Transactions Volume, International Transactions Volume, Number of Customers Managed by the Investment Services, BRI Financial Statements with Auditor Opinion of "fair in all material respects", Sanctions Control, Reports to External Parties, Customer Satisfaction Index of the Directorate, Implementation of the Strategic Initiatives of the Directorate of Finance, Implementation of the Information Management System Strategic Initiatives, Employee Engagement Index.
- g. Director of Credit Risk Management**
Credit Cost, Classified Loans, Average Balance of Credit, Intracomptable and Extracomptable Recovery, Recovery Rate, Achievement of Credit Process SLA, General Policies and Implementation Guidelines of Credit based on Best Practices, Customer Satisfaction Index, Implementation of the Strategic Initiatives of the Credit Risk Management Directorate, Employee Engagement Index.

h. Director of Compliance

Achievement of Key Finance Indicators, Operational Loss caused by Internal Control, GCG Assessment Score from Independent Parties and Regulators, Risk Profile Assessment, Fines imposed due to the failure to comply with Regulator provisions, the Quality of Risk Management Implementation according to Regulator provisions, comparison of the number of cases that win and cases *in kracht* in the current year, Customer Satisfaction Index of the Directorate, Implementation of Compliance Strategic Initiatives, Refinement of Risk Management and Integrated Governance in Financial Conglomerations, Employee Engagement Index.

i. Director of Human Capital & Assets Management

Cost Efficiency Ratio, Optimization and Effectiveness of Non-IT Budget Allocation, Supply of Goods and Services based on SLA, Formation Completion Ratio, Employee Productivity, Customer Satisfaction Index of the Directorate, Implementation of the Strategic Initiatives of Human Capital & Assets Management, Employee Engagement Index.

j. Director of Operations

Fee Based Income, Operational Loss caused by System Disorders, Critical Application Response Time, IT Down Time, Level of Security of IT System, E-Channel Availability, Transaction Success Rate, SLA compliance of the transaction settlements in the Directorate's Centre of Operations, Customer Satisfaction Index, Implementation of the Strategic Initiatives of the Directorate of Operations, Employee Engagement Index.

k. SEVP of Retail & Small and Medium Enterprises

Operating Income of the Retail & Medium Enterprises Segment, Fee Based Income of the Retail & Medium Enterprises Segment, Average Balance of Fund of the Retail Segment, Average Balance of Credit of the Retail & Medium Enterprises Segment, Credit Cost of the Retail & Medium Enterprises Segment, Average CASA of the Retail Segment, E-Banking Productivity, Customer Satisfaction Index, Achievement of the business targets of the Retail & Small and Medium Enterprises Business Strategic Initiatives, Employee Engagement Index.

l. SEVP of IT Strategies & Satellite

Fee Based Income, Optimization of IT Budget Allocation, Critical Application Response Time, IT Down Time, Level of Security of IT System, Reliable IT Application according to the Leading Practices, Transaction Success Rate, Customer Satisfaction Index, Supply of Application needs in the current year, Implementation of the Strategic Initiatives of the Directorate of IT Strategy and Satellite, Employee Engagement Index.

m. SEVP of Network & Services

Profit of the Operational Unit, Availability of E-Channels, Productivity of E-Channels, Availability of Conventional Working Units, Achievement of Break Event Point (BEP) of Work Unit, Quality of Data, BRI's Service Quality assessment result from External Parties, Customer Satisfaction Index, SLA of the settlement of customer complaints, Implementation of the Strategic Initiatives of the Network & Services Directorate, Reengineering Business Process of Operational Units, Employee Engagement Index.

n. SEVP of Change Management

Bank Only Operational Income, Price to Book Value, BOPO, Achievement of Strategic Initiatives Portfolio, Customer Satisfaction Index of the Directorate, Achievement of the targets of Reengineering Business Process, Completion of Strategic Projects, the Development of Culture Transformation, and the Implementation of Innovation Management, Employee Engagement Index.

Furthermore, each KPI is grouped into 4 (four) aspects of performance tailored to the Vision, Mission, and current needs of the Company, namely as follows:

- **Finance:** The Company's to increase revenue and minimize costs
- **Customers:** The Company's focus to improve customer perception on the Company's "value proposition". Customers referred to herein include internal customers, external customers, including the regulators.
- **Innovation:** The Company's focus to increase products/ services innovation, customer value, and the effectiveness of business processes.
- **Workers:** The Company's focus to enhance the development of the organization, capabilities, and engagement of workers.

Board of Directors Performance Assessment Criteria

Results of BoD assessments are described in the following 5 rank scale:

BoD Assessment Criteria

5 (Excellent)	:	Very above average
4 (Good)	:	Above average
3 (Fair)	:	Average
2 (Poor)	:	Below average
1 (Very Poor)	:	Very below average

Results of Board of Directors Performance Assessment in 2016

Assessment by the Board of Commissioners

Based on the results of BRI Board of Directors performance evaluation conducted by the Nomination and Remuneration Committee in 2016, the performance of BRI Directors is generally stated as Good or above average.

Assessment by the Team of Assessors (KPKU)

Based on the results of assessment by KPKU in 2016, BRI has secured the title as Industry Leader with 531 corporate performance indicators. In 2016, PT Bank Rakyat Indonesia (Persero) Tbk has shown good performance based on the following assessment results:

- 460 performance indicators (87%) are stated as Excellent and Good
- 445 performance indicators (84%) showed Sustain and Favourable trend
- 105 performance indicators (20%) are stated above the benchmark

PARTIES CONDUCTING THE BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT

- The assessment on the Board of Commissioners is conducted every semester by the method of self-assessment in the Internal Meetings of the Board of Commissioners.
- The performance of the Board of Commissioners is also evaluated by the General Meeting of Shareholders (GMS) through the agenda: accountability of Monitoring Report at the time of the Annual General Meeting of Shareholders.

PARTIES CONDUCTING BOARD OF DIRECTORS PERFORMANCE ASSESSMENT

- The BRI Board of Directors performance assessment is carried out by the Nomination and Remuneration Committee under the Board of Commissioners, namely quarterly at the time of the financial performance evaluation (RKAP).
- The Board of Directors performance is also evaluated by the General Meeting of Shareholders (GMS) through the agenda: accountability of the Corporate Financial Performance at the time of the Annual General Meeting of Shareholders.
- Particularly in terms of GCG, the Board of Directors performance assessment is carried out using the method of GCG Self-Assessment in accordance with Bank Indonesia and Third Party Assessment using International standards, namely the ASEAN Corporate Governance Scorecard.

Remuneration Policy

Remuneration to the Board of Commissioner and Board of Directors is based on performance, risks, and fairness with their peer group, targets, Bank's long-term strategy, Bank's potential revenue in the future, and fulfilment of reserves as required in prevailing laws.

REMUNERATION PROCEDURE ON BOARD OF COMMISSIONERS

Legal Basis

- Law No. 40 of 2007 on Limited Liability Companies:
 - Article 113: honorarium and allowance for Board of Commissioner are stipulated by the GMS.
 - Article 96: salaries and allowances of members of the Board of Directors are stipulated by the GMS and the GMS authority can be delegated to the Board of Commissioners.
- Regulation of Minister of SOE No. PER-04/MBU/2014 on the Guidelines of Remuneration Stipulation of the Board of Directors, Board of Commissioners, and Supervisory Board of SOEs, states that the remuneration component of the Board of Commissioner consists of honorarium, allowance, facilities, and tantiem.

The stipulation of remuneration structure to the Board of Directors, other than referring to the Minister of SOE Regulation, the Bank also use several considerations, including: comparison with previous year's remuneration, the increase of the Company's operational complexity level, comparison with remuneration in other similar companies, achievement of Board of Directors' KPI as well as health level of the Company.

- Financial Services Authority Regulation No 45/POJK.03/2015 on the Implementation of Governance in Giving Remuneration for Commercial Banks, in evaluation on Remuneration policy based on performance, risk, fairness with peer groups, targets, Bank's long-term strategies, Bank's potential revenue in the future, fulfilment of regulated reserve requirements.
- The Board of Commissioners through the Remuneration and Nomination Committee conducted a study on remuneration proposed by the Board of Commissioners and Board of Directors then proposed to the GMS. The

Board of Commissioners then sent a letter No. ST.06-KOM/06/2016 on 27 June 2016 to the Ministry of SOE as the Dwiwarna Series A Shareholder on the proposal of Board of Directors' Remuneration/Board of Commissioners' honorarium of 2016 and approved by the Ministry of SOE as Dwiwarna Series A Shareholder through a letter No. S-88/D5.MBU/06/2016 dated 27 June 2016 on the determination of Remuneration/Honorarium, Allowance, Facilities for 2016 PT Bank Rakyat Indonesia (Persero) Tbk (BRI) which was later determined with Decision Letter of Board of Commissioners BRI No.R.30-KOM/06/2016 dated 28 June 2016.

Remuneration Determination Procedure

Nomination and Remuneration Committee

- The Nomination and Remuneration Committee evaluates the structure and the amount of Board of Commissioners and Board of Directors' remuneration considering their performance, risks, fairness with peer group, targets, Bank's long-term strategies, fulfilment of reserves as regulated in the prevailing laws, and the Bank's potential revenue in the future.
- Based on the above mentioned evaluation, the Nomination and Remuneration Committee recommends a structure and the amount of the remuneration in a Board of Commissioners meeting.

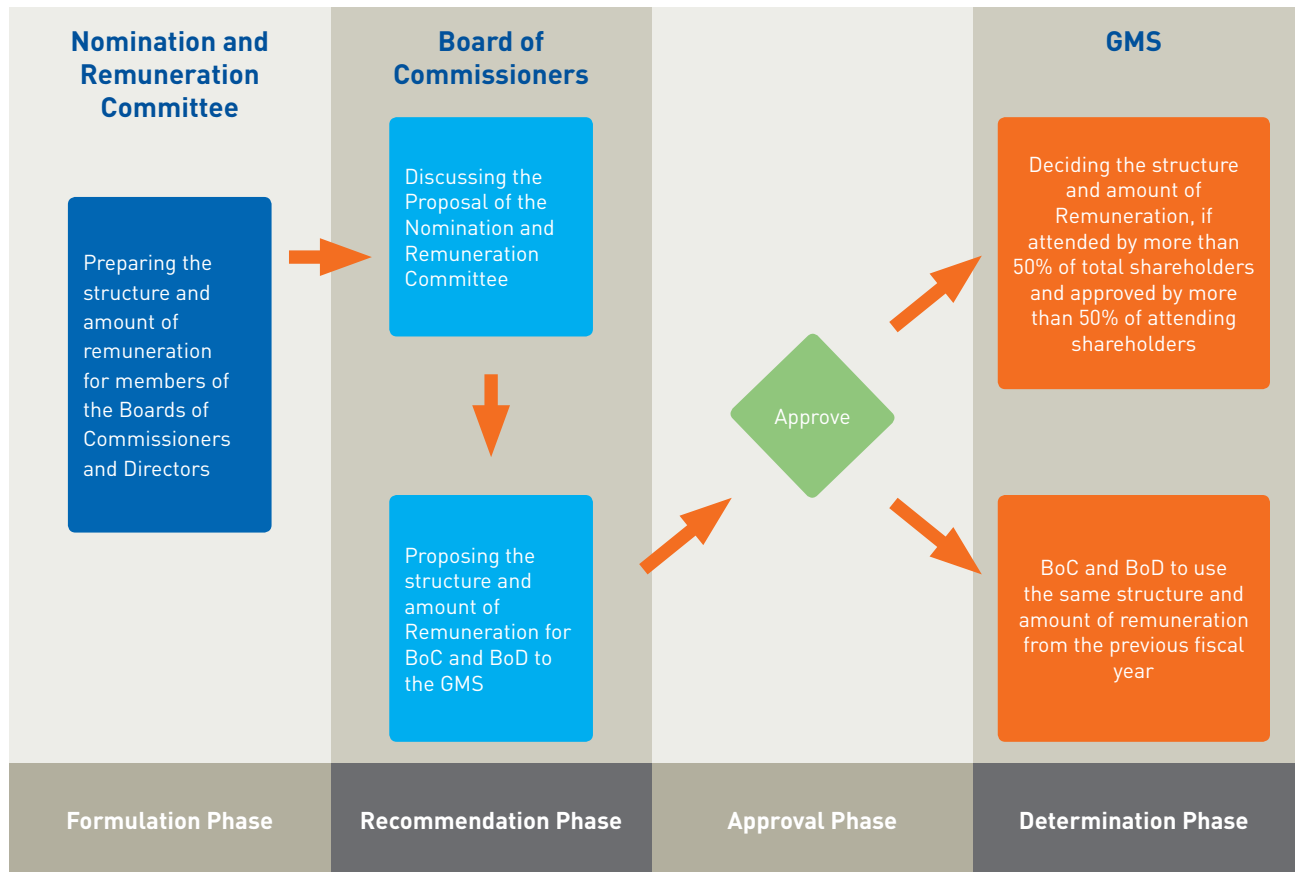
Board of Commissioners

- The Board of Commissioners proposes the determination of honorarium, allowance, and facilities as well as tantiem for the member of Board of Commissioners and Board of Directors to the General Meeting of Shareholders.

General Meeting of Shareholders

- The GMS may approve and determine the structure and the amount of the remuneration with quorum attendance of the shareholders more than 50% and approval by more than 50% of the shareholders present.
- Should the GMS deny the proposal, hence the Board of Commissioners and Board of Directors will use the existing structure and amount of remuneration used in the previous fiscal year.

Remuneration Determination Procedure of the Board of Commissioners and the Board of Directors



BOARD OF COMMISSIONERS REMUNERATION STRUCTURE

The structure of remuneration for the Board of Commissioners consists of honorarium, allowance, and facilities as well as tantiem as follows:

Honorarium and Tantiem

Honorarium and tantiem for the President Commissioner is 50% of the President Director's salary, while the honorarium and tantiem of the Vice President Commissioner and the members of the Board of Commissioner is 95% and 90% of the President of Commissioner's respectively.

Allowances

Allowances received by the Board of Commissioners are as follows:

No	Type	Details
1.	Religious Holidays Remuneration	THR is given from time of appointment by the General Meeting of Shareholders. The amount of THR is maximum of 1 (one) honorarium per month paid entirely.
2.	Transportation Allowance	Transportation allowance is given each month at 20% of monthly honorarium of each member of the Board of Commissioners.
3.	Club Membership Allowance	Given 2 (two) professional Club memberships.
4.	Corporate Clothing	Given 2 (two) corporate suits and 1 (one) batik shirt each year.
5.	Post-Tenure Benefit	Commissioner is registered to Post-Tenure Insurance Program from effectively passing fit and proper test by OJK. Maximum premium is 25% (twenty five percent) of honorarium per year.

Post-Tenure Benefit

BRI does not give post-benefit tenure to Commissioners, but register them into Post-Benefit Insurance from the time they pass the fit and proper test by OJK.

Facilities

No	Type	Details
1.	Health	<ol style="list-style-type: none"> Health service and treatment expenses for members of the Board of Commissioner and their family is fully reimbursed by the Company. Covered family members is husband/wife and maximum of 3 (three) children who are not married and working and below 25 (twenty-five) years old. Facilities provided are: outpatient and medication; inpatient and medication; and medical check-up. Health facilities such as outpatient and medication mentioned in the letter c including eye examination and medication, as well as glasses purchasing which is fully covered by the Company with the conditions below: <ul style="list-style-type: none"> Reimbursement for frames maximum of Rp15 million in 2 (years) Lens replacement ever 1 (one) year. <i>Medical Check-up is given with conditions below:</i> <ul style="list-style-type: none"> Medical check-up given 1 (one) time each year Medical check-up conducted domestically. Should the doctor give a reference to have overseas treatment, health facility is given entirely. This facility includes transportation and accommodation for the patient and one companion.
2.	Legal Assistance	<ol style="list-style-type: none"> The Company gives legal assistance in the event of legal situation related to his/her position, the Bank's objectives or business activities. Legal assistance is given with procedures and conditions according to prevailing SOE Minister Regulations.

The amount of remuneration received by Commissioners during the fiscal year of 2016 are as follows:

Remuneration of the Board of Commissioners in 2016

Type of Remuneration & Other Facilities	Amount Received in 1 year (2016) by Board of Commissioners	
	Number of Persons	Million (Rp)
Remuneration		101,503
• Salary	8	10,893
• Regular Allowances*)	8	2,115
• Tantiem **)	11	88,495
In Kind Facilities		4,925
• Housing Allowances	-	-
• Transportation Allowance	8	2,179
• Post-Tenure Benefits	8	2,746
Total Remuneration per Person per Year	Person	Million (Rp)
Above Rp2 billion	8	106,428
Above Rp1 billion to Rp2 billion	-	-
Above Rp500 million to Rp1 billion	-	-
Rp500 million and below	-	-

*) Including Religious Holiday Remuneration, Corporate Clothing, Health and other Allowances

***) Including Board of Commissioners member whose tenure was completed on 19 March 2015

BOARD OF DIRECTORS REMUNERATION STRUCTURE

Pursuant to Letter of Authority of SOE Minister No. SKU-139/MBU/06/2016 dated 24 June 2016 and concerning the proposal of structure and the amount of remuneration proposed by BRI's Board of Commissioners as well as based on the decision of the third agenda of Annual GMS of 2015 PT Bank Rakyat Indonesia (Persero) Tbk conducted on 23 March 2016, the Ministry of SOE approved the determination of the Board of Directors and Board of Commissioners' salary in 2016.

Remuneration structure for Board of Directors including salary, allowance, and facilities as well as tantiem is as follows:

Salary and Tantiem

The amount of salary and tantiem for the Board of Directors is determined proportionally with the salary and tantiem of the President Director:

- Vice President Director at 95%
- Directors at 90%

Allowances

The allowances for the Board of Directors consists of Religious Holiday Remuneration, Housing Allowances, Post Tenure Insurance, Club Membership, Corporate Suit Allowance, Communications Allowance, Car Facilities, Health Facilities and Legal Assistance Facilities and other facilities.

No	Type	Description
1.	Religious Holiday Remuneration	a. THR is given from time of appointment by the General Meeting of Shareholders. b. The amount of THR is maximum of 1 (one) salary per month paid entirely.
2.	Housing Allowances	a. Members of BoD are entitled to receive housing allowance, including utilities expenses of Rp27,500,000 per month. b. For members of BoD living in official residences, the said person is eligible to occupy the house until end of his/her tenure, and he/she receives no housing allowance.
3.	Post Tenure Benefits	a. Included in Post Tenure Benefits Program effective as of passing OJK fit and proper test. b. A maximum premium of 25% (twenty five percent) of annual honorarium.

No	Type	Description
4.	Membership at Clubs	a. Membership at Club (golf, financial, fitness, and others) with the provision: b. President Director/Vice President Director: <ul style="list-style-type: none"> • 2 (two) Golf memberships • 2 (two) Financial Club memberships • 1 (one) Fitness Club membership (<i>family club</i>) • 2 (two) Professional Club memberships c. Director: <ul style="list-style-type: none"> • 1 (one) Golf membership • 1 (one) Fitness Club membership (<i>family club</i>) • 2 (two) Professional Club membership.
5.	Corporate Clothing	2 (two) corporate suits and 1 (one) batik shirt per year.
6.	Communication Allowance	a. 2 (two) cell phones which can be replaced every year b. Telephone expenses can be reimbursed at cost.

Post-Tenure Benefit

BRI provides post-tenure benefits for the Board of Directors in the form of health facility, and registers Directors in Post-Tenure Insurance Program from the time the Board of Directors pass the fit and proper test by OJK.

Facilities

Facilities received by the Board of Directors are as follows:

No	Type	Details
1.	Official Vehicle	a. The Company provides 1 (one) official vehicle facility together with the maintenance and operational expenses for each Director b. The maximum limit of vehicle types are: <ul style="list-style-type: none"> • President Director/Vice President Director: 3,500 cc machine and the price is equal to Mercedes-Benz series S 500 • Directors: 3,500 cc machine and the price is equal to Mercedes-Benz Series E 400.
2.	Health	a. Health Medication and treatment expenses for the member of Board of Directors and their family are covered and fully reimbursed by the Company b. The family members covered are wife/husband and maximum of 3 (three) children who are not married, not working and under 25 (twenty-five) years old c. Health facilities provided are: <ul style="list-style-type: none"> • Outpatient and medication; • Inpatient and medication; • Medical check-up d. Health facility of outpatient and medication mentioned in the letter c including eye examination and the medication, as well as glasses purchase which fully covered by the Company with the conditions as follows: <ul style="list-style-type: none"> • Reimbursement for frames maximum of Rp15 million in 2 (years) • Lens replacement ever 1 (one) year. e. Medical Check-up is given with conditions below: <ul style="list-style-type: none"> • Medical check-up given 1 (one) time each year • Medical check-up conducted domestically f. Should the doctor give a reference to have overseas treatment, health facility is given entirely. This facility including transportation and accommodation for the patient and one companion.
3.	Legal Assistance	a. The Company gives legal assistance in the event of legal situation related to his/her position, the Bank's objectives or business activities b. Legal assistance is given with procedures and conditions according to prevailing SOE Minister Regulations.

Remuneration of the Board of Directors consists of salary, tantiem in the 2015 fiscal year before tax, THR, allowances and facilities. The amount of remuneration received by the board of Directors in the 2016 fiscal years are as follows:

Remuneration of BoD in 2016

Type of Remuneration & Other Facilities	Amount Received in 1 year (2016) by Board of Directors	
	Number of Persons	Million (Rp)
REMUNERATION		265,284
• Salary *)	13	29,803
• Regular Allowances **)	12	4,200
• Tantiem ***)	15	231,281
IN KIND FACILITIES		10,350
• Housing Allowances *)	10	2,903
• Post-Tenure Benefits	11	7,447
Total Remuneration per Person per Year	Person	Million (Rp)
Above Rp2 billion	17	275,634
Above Rp1 billion to Rp2 billion	-	-
Above Rp500 million to Rp1 billion	-	-
Rp500 million and below	-	-

*) Including members of BoD dismissed and appointed by GMS on March 23, 2016

***) Including THR, Corporate Clothing Allowance, and Communication Allowance

***) Including member of BoD dismissed and appointed by GMS on March 19, 2015

INDICATORS FOR DETERMINATION OF BOARD OF DIRECTORS REMUNERATION

Nomination and Remuneration Committee evaluates the structure and the amount of remuneration of the Board of Commissioners and the Board of Directors by considering the Company's performance, business size, and the result of remuneration surveys in the banking industry.

Board of Directors Meeting Frequency and Attendance

Following is the description of the policies, dates and agenda, frequency and attendance, as well as the resolution of the board meetings, including meetings of the Board of Commissioners, Board of Directors and joint meetings.

POLICY

Meeting Of The Board of Commissioners

Ethics of meetings and decision making during BoC meeting is as follows:

Meeting Ethics

- BoC meetings should be convened regularly, at least 1 (once) a month.
- Meeting invitations should be sent by the President Commissioner or Vice President Commissioner or at least one member of the Board of Commissioners in writing, no later than 5 (five) days before the date of the meeting, except in urgent circumstances, by mentioning the agenda, date, time, and location of the meeting.
- Secretary to the Board of Commissioners is responsible for helping, organizing and preparing the meeting, preparing and distributing the meeting agenda and discussion materials;
- Meeting materials must be submitted to the BoC no later than 5 (five) business days prior to the date of the meeting, so that the BoC had the opportunity to review the information and/or to request additional information prior to the meeting.
- Meetings are considered valid if attended or represented by more than 1/2 (one-half) of the number of members of the Board of Commissioners;
- Meetings of the BoC are chaired by the President Commissioner or Vice President Commissioner or a member of the Board of Commissioners attending and selected in the meeting;
- Meeting chairmen should state the conclusions and resolutions of the meeting at the end of each meeting.

Decision-Making

- Resolutions of the Board of Commissioners should be taken by consensus or voting based on the consent of more than one-half of the total valid votes;
- All resolutions shall be binding on all members of the Board of Commissioners;
- Members of the Board of Commissioners may be represented at the meeting only by other members of the Board of Commissioners based on power of

attorney. A member of the Board of Commissioners can only represent one other member of the Board of Commissioners. Members of the Board of Commissioners who fail to attend but are represented, can submit their opinions, whether he supports or does not support the material discussed in the meeting;

- Board of Commissioners can make decisions without convening a meeting of the Board of Commissioners under the condition that all members of the Board of Commissioners have been notified in writing and all members of the Board of Commissioners have given consent and signed the agreement.

Voting Rights

Voting rights in the BoC meeting are set as follows:

- Each member of the Board of Commissioners may cast 1 (one) vote and an additional 1 (one) vote for a fellow member legitimately represented in the meeting;
- Blank (abstention) votes are counted in favor of the suggestion proposed in the meeting;
- Illegitimate votes are eliminated and will not be calculated in the total votes cast in the meeting;
- Voting with regards to an individual is taken through a sealed ballot (anonymous), while voting on other issues is done verbally.

Meeting Documentation

- Meeting results shall be recorded in Minutes of the Meeting;
- The Minutes shall be taken by a person that attends the meeting.
- The Minutes are signed by all attending members of the Board of Commissioners and thereafter circulated to all members of the Board of Commissioners;
- Minutes of Meetings must be archived by the Bank;
- Minutes of meetings are a legitimate documentation for members of the Board of Commissioners and third parties regarding the decisions taken in a meeting.

BoD Meetings

Article 13 of the Bank's Articles of Association stipulates the Board of Directors meeting ethics, covering but not limited to the following conditions.

Ethics Of Meetings

1. The Board of Directors shall periodically convene the meeting at least 1 (one) time every month.

2. The Board of Directors shall periodically convene meetings with the Board of Commissioners at least 1 (one) time every 4 (four) months.
3. Board of Directors meetings can be convened at any time under the following conditions:
 - a. The meeting is deemed necessary by one or more members of the Board of Directors;
 - b. Upon written request of one or more members of the Board of Directors.
4. BoD meeting notices shall be done by a member of the BoD that has the right to represent the BoD.
5. a. The Board of Directors meeting notice is made in writing and submitted or administered in person to members of the Board of Directors completed with a sufficient receipt of acceptance, or by registered post, courier service, telex, fax, or electronic mail, at least 5 (five) days prior to meeting, excluding the date of notice and the date of meeting, or may be within less number of days for urgent situations.
 - b. A meeting notice as described above is not required for pre-scheduled meetings based on the decision of the last meetings or when all members of the Board of Directors attend the meetings.
6. The Board of Directors meeting notices shall state the agenda, date, time, and venue. The meeting may be convened at the Bank domicile or at other locations within the territory of the Republic of Indonesia or at the Bank's business sites.
7. All Board of Directors meetings are chaired by the President Director. In the event of the President Director's absence or unavailability, which does not require any third party verification, the meeting is chaired by the Vice President Director. In the event of the Vice President Director' absence or unavailability, which does not require any third party verification, the meeting is chaired by an attending and selected member of the Board of Directors in the meeting.

Decision Making

1. BoD meetings are valid and have the power to take binding decisions if more than ½ (half) of the total number of the Board of Directors members or their proxies attend the meeting.
2. Should the meeting consider more than one proposal, a revote is in order until one of the proposals gains more than 1/2 votes from the total votes cast in the meeting.
3. Decisions in the Board of Directors meetings shall be taken based on collective deliberation process. In the event of non-agreement, the decision is then taken by voting. The Decision is passed if the affirmative votes exceed 1/2 (half) of the legitimate votes cast in the meeting.
4. Voting with regards to an individual is made using a sealed ballot without any signature, while voting on other issues is done verbally –unless otherwise decided by the

chairman and without any objection raised by the majority of meeting participants.

5. The Board of Directors may also make legitimate decisions without convening a Board of Directors meeting, provided that all members of the Board of Directors have been notified in writing and that all members of the Board of Directors have provided their written and signed agreement on the proposal.

Voting Rights

1. Members of the Board of Directors may only be represented in the meeting by fellow members based on a written power of attorney.
2. Only one member of the Board of Directors may serve as proxy for one member of the Board of Directors. Each Board of Directors member may cast 1 (one) vote and an additional 1 (one) vote for fellow member that he/she legitimately represents in the meeting.
3. Blank (abstention) vote is counted in favor of the suggestion proposed in the meeting. Illegitimate votes are eliminated and will not be calculated in the total votes cast in the meeting.
4. Members of the Board of Directors that are unavailable to attend a meeting may express his/her written and signed opinions; the statement is submitted to the President Director or other Board of Directors member who will chair the meeting. The statement contains his/her stance of affirmative vote, or non affirmative vote discussed in the meeting. The statement is deemed as a legitimate vote in the Board of Directors meeting.

Board Of Directors and Board Of Commissioners Joint Meetings

- The Board of Directors and The Board of shall periodically convene the joint meetings at least 1 (one) time every 4 (four) months;
- Meetings can be convened at any time upon request by 1 (one) or more member of the Board of Commissioners, or upon request by the Board of Directors by stating the agenda to be discussed;
- Preparation for meetings should be conducted by the Secretary to the Board of Commissioners in coordination with Corporate Secretariat Division;
- Results from the Joint Meetings shall be stated in the Minutes of Meetings. Minutes of the Meetings must be made by a person who attended the meeting, appointed by the Chairman of the Meeting, and then signed by all members of the Boards of Commissioners and Directors attending and be delivered to all members of the Boards of Commissioners and Directors.

DATE AND MEETING AGENDA

Meetings of the Board of Commissioners

Meeting of the Board of Commissioners

No	Meeting of the Board of Commissioners	Date	Minutes of Meeting	Number of Attendees			Note
				BoC	BoD	SEVP	
1	Indonesian Economic Outlook 2016	5 Jan 16	B.01-KOM/01/2016	5	0	0	Quorum
2	Internal Meeting of BoC on Request for the Results of review on loan policies, employee remuneration policies and IT policies; GCG <i>Self Assessment</i> in semester II 2015, result from <i>exit meeting</i> with OJK on 15 December 2015 and others	5 Jan 16	B.02-KOM/01/2016	5	0	0	Quorum
3	Discussion on Draft of BoC Governance	19 Jan 16	B.03-KOM/01/2016	5	0	0	Quorum
4	Discussion on Evaluation of IT General Policies and IT Strategic Plan as well as Monitoring the Follow Up on IT General Check-Up	19 Jan 16	B.04-KOM/01/2016	6	3	1	Quorum
5	Request for increasing BRI shares ownership in PT BTMU BRI Finance	23 Feb 16	B.06-KOM/02/2016	7	1	0	Quorum
6	Meeting of BoC 2016	25 -26 Feb 2016	B.07-KOM/02/2016	7	5	1	Quorum
7	1. Progress of the Appointment of KAP 2. Decision for KAP Procurement Team 3. Deciding the method for the procurement of KAP 4. Deciding the composition of budget	8 Mar 16	B.09-KOM/03/2016	6	0	0	Quorum
8	1. Appointment of KAP 2. Monitoring the provisions from regulator related to BMPK, GWM, and PDN	15 Mar 16	B.10-KOM/03/2016	7	3	0	Quorum
9	Deciding the method for the procurement of KAP and Decision for KAP Procurement Team	29 Mar 16	B.11-KOM/03/2016	8	0	0	Quorum
10	Report from AC regarding the preparation for the procurement of KAP audit services in 2016 and Discussion and BoC Decision on the procurement of KAP audit services in 2016	23 May 2016	B.14-KOM/05/2016	6	0	0	Quorum
11	1. Implementation of integrated governance for financial conglomeration 2. Evaluation on the general policy of risk management (KUMR)	31 May 16	B.15-KOM/05/2016	6	2	1	Quorum
12	Appointment of KAP to audit BRI financial statements and PKBL Report 2016	14 Jun 16	B.16-KOM/06/2016	7	0	0	Quorum
13	Proposal for the change in the provision of pension fund	21 Jun 16	B.18-KOM/06/2016	7	1	0	Quorum
14	Performance of DPLK BRI and business plan of 2016	21 Jun 16	B.19-KOM/06/2016	7	1	0	Quorum
15	EY audit plan on consolidated financial statement per 30 June 2016	28 Jun 16	B.20-KOM/06/2016	5	0	0	Quorum
16	Extension of committee membership of Indrayetti	2 Aug 16	B.23-KOM/08/2016	6	0	0	Quorum
17	BRI readiness in Tax Amnesty program	2 Aug 16	B.22-KOM/08/2016	8	2	0	Quorum
18	BoC internal meeting	9 Aug 16	B.24-KOM/08/2017	6	0	0	Quorum
19	Evaluation of the implementation of committee duty for semester 1 year 2016	30 Aug 16	B.27-KOM/08/2016	6	0	0	Quorum
20	Approval for the Acquisition of BRI-BTMU Finance	13 Sep 16	B.29-KOM/09/2016	6	1	0	Quorum
21	BRI BoC internal meeting	13 Sep 16	B.28-KOM/09/2016	6	0		Quorum
22	Evaluation on final result of risk management review	27 Sep 16	B.31-KOM/09/2016	6	0	0	Quorum
23	Governance review and Evaluation on the Company's performance and expansion plan	27 Sep 16	B.30-KOM/09/2016	7	0	0	Quorum
24	Approval for additional capital of BRI Agro	4 Oct 16	B.32-KOM/10/2016	6	1	0	Quorum
25	Uncommitted credit line for BTMU-BRI/BRI Finance		B.33-KOM/10/2016	6	1	0	Quorum
26	Economic Sharing Session	11-Oct-16	B.34 -KOM/10/2016	7	0	0	Quorum

Meeting of the Board of Commissioners

No	Meeting of the Board of Commissioners	Date	Minutes of Meeting	Number of Attendees			Note
				BoC	BoD	SEVP	
27	Discussion on the follow up of audit report (LHA) Q III year 2016 related to HR and IT	15-Nov-16	B.37-KOM/11/2016	8	3	1	Quorum
28	BoC Work Meeting	9-10 December 2016	B.39 -KOM/12/2016	7	0	0	Quorum
29	Presentation of Fintech for Agriculture E-Pangan	20-Dec-16	B.40 -KOM/12/2016	5	0	0	Quorum
30	Discussion on the preparation of Annual Report 2016	23-Dec-16	B.40-KOM/12/2016	6	1	0	Quorum
31	Progress report of BRI IT & review	23-Dec-16	B.41KOM/12/2016	6	1	1	Quorum

Meeting of the Board of Directors

No	Date	BoD Meeting Agenda	List of Attendee	Attendance	Quorum
1	5 January 2016	Management & Optimization of BRI Services and Products	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Zulhelfi Abidin • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Gatot Mardiwasisto • A. Toni Soetirto 	73%	Quorum
2	12 January 2016	<ol style="list-style-type: none"> 1. Discussion of IT System 2. Plan for the Implementation of Strategic Forum 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Gatot Mardiwasisto • A. Toni Soetirto 	91%	Quorum
3	19 January 2016	<ol style="list-style-type: none"> 1. Updating Financial Statements of 2015 2. Transformation of Micro and Retail Network 3. Improvement of BRI E-Channel services 4. Preparation for Strategic Forum 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Gatot Mardiwasisto • A. Toni Soetirto 	100%	Quorum
4	26 January 2016	Change of Management Organization	<ul style="list-style-type: none"> • Sunarso • Susy Liestiowaty • Zulhelfi Abidin • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Gatot Mardiwasisto 	64%	Quorum
5	29 January 2016	Follow up of results from Limited Meeting on KUR between President and President Director	<ul style="list-style-type: none"> • Asmawi Syam • Randi Anto • Susy Liestiowaty • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto 	55%	Quorum

No	Date	BoD Meeting Agenda	List of Attendee	Attendance	Quorum
6	2 February 2016	<ol style="list-style-type: none"> 1. Financial Performance in 2015 2. Schedule of Annual General Meeting in 2015 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Gatot Mardiwasisito • A. Toni Soetirto 	100%	Quorum
7	9 February 2016	<ol style="list-style-type: none"> 1. Corporate Action Plan 2. Discussion of the Proposal of Tabungan Usaha Rakyat (TUR) 	<ul style="list-style-type: none"> • Asmawi Syam • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • A. Toni Soetirto 	82%	Quorum
8	16 February 2016	<ol style="list-style-type: none"> 1. Management Performance Assessment 2. Organizational Structure of BRI Timor Leste 3. Corporate Action 4. Implementation of the Business Performance Review 5. Tabungan Usaha Rakyat (TUR) 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Gatot Mardiwasisito • A. Toni Soetirto 	100%	Quorum
9	23 February 2016	<ol style="list-style-type: none"> 1. Concept Plan for Transformation of BRI Working Unit 2. Monitoring BRIsat by the Internal Audit Unit 3. Studying the Need of Cash Deposit Machine(CDM) 4. Achievement Strategy for RKAP 2016 5. Corporate Plan Preparation 6. Launching of Untung Beliung Britama (UBB) IX 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Kuswiyoto • Gatot Mardiwasisito • A. Toni Soetirto 	82%	Quorum
10	1 March 2016	<ol style="list-style-type: none"> 1. Report on the Completion of Determination of BRI Organization 2. BRI Corporate University Organization 3. Authority of the Board of Directors and SEVP 	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Mohammad Irfan • Kuswiyoto • Gatot Mardiwasisito • A. Toni Soetirto 	73%	Quorum
11	8 March 2016	<ol style="list-style-type: none"> 1. National Toll cooperation: Proposed Fees and Update of Cooperation of E-Payment for National Toll 2. BRI Cash Management System: BRI CMS Development Proposal 2016 3. Progress Report Related to BRI Non-Organic Growth 4. Preparation of Implementation Support Performance Review 5. Follow-up Study of Single Digit Interest Rates 6. BRIsat Launch and In Orbit Insurance 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • A. Toni Soetirto 	73%	Quorum

No	Date	BoD Meeting Agenda	List of Attendee	Attendance	Quorum
12	15 March 2016	<ol style="list-style-type: none"> 1. PHK Insurance for Briguna Credit 2. Liquidity Management 3. Agenda for the Annual General Meeting of Shareholders 2016 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Susy Liestiwaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Gatot Mardiwasisito • A. Toni Soetirto 	73%	Quorum
13	22 March 2016	Assessment of the Performance of Officials at the Level of Executive Vice President and Vice President for the period 2015	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiwaty • Zulhelfi Abidin • Haru Koesmahargyo • Mohammad Irfan • Gatot Mardiwasisito • A. Toni Soetirto 	82%	Quorum
14	24 March 2016	Division of Responsibilities of BoD after BRI Annual GMS 2016	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiwaty • Haru Koesmahargyo • Donsuwan Simatupang • Sis Apik Wijayanto 	64%	Quorum
15	5 April 2016	<ol style="list-style-type: none"> 1. Follow Up Recommendation from Risk Management Consultant 2. Preparation for the Launching of Populist Economic Program 3. Review of Network Development and Enhancement of Network Efficiency 	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiwaty • Zulhelfi Abidin • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	73%	Quorum
16	7 April 2016	<ol style="list-style-type: none"> 1. Discussion on Single Digit Interest Rate 2. Preparation of PT. Bank Rakyat Indonesia (Persero) Tbk. Corporate Plan 2018 – 2022 3. Review of Network Development and Enhancement of Network Efficiency 	<ul style="list-style-type: none"> • Sunarso • Susy Liestiwaty • Zulhelfi Abidin • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	64%	Quorum
17	12 April 2016	<ol style="list-style-type: none"> 1. PT Bank Rakyat Indonesia (Persero) Tbk. Organization 2. Data Center Procurement Report 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiwaty • Zulhelfi Abidin • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	91%	Quorum
18	13 April 2016	Communication Program and Strategy and BRIsat Event	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiwaty • Mohammad Irfan • Priyastomo • Sis Apik Wijayanto 	64%	Quorum
19	19 April 2016	<ol style="list-style-type: none"> 1. Risk Profile of First Quarter 2016 2. Financial Results of First Quarter 2016 3. Progress Report of Corporate Action 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Susy Liestiwaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	82%	Quorum

No	Date	BoD Meeting Agenda	List of Attendee	Attendance	Quorum
20	26 April 2016	<ol style="list-style-type: none"> 1. Position Evaluation Results 2. Determination of Function SEVP 3. Internal Magazine 	<ul style="list-style-type: none"> • Asmawi Syam • Randi Anto • Susy Liestiowaty • Haru Koesmahargyo • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	73%	Quorum
21	3 May 2016	Non-Organic Growth Strategy	<ul style="list-style-type: none"> • Asmawi Syam • Randi Anto • Susy Liestiowaty • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Priyastomo 	64%	Quorum
22	10 May 2016	Update Readiness on the Prevention and Management of Financial System Crisis (Law PPKSK)	<ul style="list-style-type: none"> • Asmawi Syam • Randi Anto • Susy Liestiowaty • Haru Koesmahargyo • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	73%	Quorum
23	17 May 2016	<ol style="list-style-type: none"> 1. Discussion of performance and Financial Statements of Second Quarter 2016 2. Update Corporate Action Plan 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	100%	Quorum
24	24 May 2016	Revision of RBB 2016 – 2018 and RKAP 2016	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Kuswiyoto • Priyastomo 	73%	Quorum
25	1 June 2016	<ol style="list-style-type: none"> 1. Revision of RKAP 2016 and RBB 2016 – 2018 2. Update of Series of BRIsat Launching Activities 	<ul style="list-style-type: none"> • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Priyastomo 	64%	Quorum
26	7 June 2016	<ol style="list-style-type: none"> 1. Proposal for Determination of Alternate Directors 2. The Bank LDR and Liquidity 3. Exposure of the Summary of Revision of RKAP 2016 and RBB 2016 – 2018 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Susy Liestiowaty • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Sis Apik Wijayanto 	64%	Quorum
27	14 June 2016	<ol style="list-style-type: none"> 1. Preparation for BRIsat Launching Activities 2. Preparation for BoC-BoD Joint Meeting: Determination of Revised RKAP 2016 and RBB 2016 – 2018 3. Preparation for BoC-BoD Joint Meeting: Determination of BRI Organization 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Susy Liestiowaty • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	73%	Quorum
28	17 June 2016	<ol style="list-style-type: none"> 1. Preparation for BRIsat Launching Activities 2. SOEs Ramadhan Safari 	<ul style="list-style-type: none"> • Sunarso • Susy Liestiowaty • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	64%	Quorum

No	Date	BoD Meeting Agenda	List of Attendee	Attendance	Quorum
29	18 June 2016	Preparation for BRIsat Launching Activities	<ul style="list-style-type: none"> • Sunarso • Susy Liestiowaty • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	64%	Quorum
30	21 June 2016	Preparation for Ramadhan Activities	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiowaty • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	82%	Quorum
31	22 June 2016	Preparation for BRIsat Launching Activities	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	91%	Quorum
32	28 June 2016	<ol style="list-style-type: none"> 1. Discussion on Preparation for FSA Meeting 2. Update corporate action plan and non organic growth 4. Management and Availability of Cash at Work Unit 	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	91%	Quorum
33	12 July 2016	<ol style="list-style-type: none"> 1. Preparation for Customer & Employee Gathering a Regional Offices throughout Indonesia 2. Discussion on Government's strategic plan 3. Mass Banking Division Work Program 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	91%	Quorum
34	19 July 2016	Progress Report of Reviewing Corporate Plan and Transformation of the Company	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	91%	Quorum
35	26 July 2016	Plan for Celebration of 71 st RI	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	82%	Quorum

No	Date	BoD Meeting Agenda	List of Attendee	Attendance	Quorum
36	1 August 2016	Approval on Winner of Consultant for Corporate Plan BRI 2018-2022 and Corporate Transformation	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Priyastomo • Sis Apik Wijayanto 	91%	Quorum
37	2 August 2016	<ol style="list-style-type: none"> 1. Progress Report of BRI Digital Banking at T3 Ultimate Soekarno Hatta Airport 2. Progress Report Teras BRI Kapal Bahtera Seva II and III 3. Progress Report of the Opening of UKLN BRI Timor Leste 4. Enhancement of BRI Innovation Centre 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Donsuwan Simatupang • Priyastomo • Sis Apik Wijayanto 	55%	Quorum
38	9 August 2016	<ol style="list-style-type: none"> 1. Progress Report of Network Division Project 2016 2. Progress Report of Preparation of Corporate Plan 2018 – 2022 and Corporate Transformation 	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiowaty • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	82%	Quorum
39	16 August 2016	<ol style="list-style-type: none"> 1. Exposure of Disaster Recovery Plan Strategy by Sharing Vision 2. Exposure of IT Review Recommendation by IT Consultant 3. Strategy of Integration and Management of Division of Satellite and Infrastructure Network 	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Sis Apik Wijayanto 	82%	Quorum
40	23 August 2016	<ol style="list-style-type: none"> 1. Corporate Action Plan & Non Organic Growth 2. Update on Liquidity 	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Priyastomo • Sis Apik Wijayanto 	82%	Quorum
41	30 August 2016	<ol style="list-style-type: none"> 1. Approval of BoD Offsite in the preparation of Corporate Plan 2. Project Ksatria (Request for Decision of Target Candidate Related to Signing of Preliminary Agreement) 3. Progress Update: Projects under Monitoring of PMO and Strategic Initiatives 4. Update of Liquidity 5. Basic Assumption for RKAP 2017 6. Presentation from CSR Consultant 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Haru Koesmahargyo • Donsuwan Simatupang • Kuswiyoto • Priyastomo 	73%	Quorum
42	6 September 2016	<ol style="list-style-type: none"> 1. Preparation for the Drawing of Untung Beliung Britama (UBB) 2. Update of BRI Liquidity 3. Preparation for BRI Anniversary 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Donsuwan Simatupang • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	64%	Quorum

No	Date	BoD Meeting Agenda	List of Attendee	Attendance	Quorum
43	9 September 2016	Bridging the placement of repatriation of funds in the context of tax amnesty into the instrument of banking services	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Zulhelfi Abidin • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Haru Koesmahargyo 	64%	Quorum
44	13 September 2016	<ol style="list-style-type: none"> 1. Update of Liquidity 2. Report of Plan for Series of Agenda for 121st BRI Anniversary 3. Review of Financing Products and Services 	<ul style="list-style-type: none"> • Asmawi Syam • Randi Anto • Susy Liestiwaty • Zulhelfi Abidin • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	82%	Quorum
45	20 September 2016	<ol style="list-style-type: none"> 1. Update of Performance of BRI Subsidiary (BRILife) 2. Update of Liquidity 3. Update of Transaction Banking Performance 	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiwaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Sis Apik Wijayanto 	82%	Quorum
46	27 September 2016	<ol style="list-style-type: none"> 1. Update of Liquidity 2. Update of Customer Profile and Saving Transaction 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Haru Koesmahargyo • Mohammad Irfan • Priyastomo • Sis Apik Wijayanto 	64%	Quorum
47	4 October 2016	<ol style="list-style-type: none"> 1. Update of Progress of the Improvement Status of BRI Hong Kong UKLN Third Quarter 2. Update of Network Division Work Program 3. Update of BoD Offsite Action Plan 	<ul style="list-style-type: none"> • Sunarso • Susy Liestiwaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Sis Apik Wijayanto 	73%	Quorum
48	11 October 2016	<ol style="list-style-type: none"> 1. Proposal for RKAP 2017 and Economic Update Related to RKAP 2017 2. Update on the Progress of the Implementation of SOEs Roadmap 2015 – 2019 3. Plan for Seminar and Exhibition of SMEs in the 121st Anniversary of BRI 4. Update of BRI Liquidity 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	91%	Quorum
49	25 October 2016	<ol style="list-style-type: none"> 1. The use of Budget for Communication Expenses UBB XI 2. RKAP 2017 and RBB 2017 – 2019 3. Utilization of Idle Asset in Kemayoran 4. Update of Liquidity 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiwaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Sis Apik Wijayanto 	100%	Quorum
50	1 November 2016	<ol style="list-style-type: none"> 1. RKAP 2017 and RBB 2017 - 2018 2. Follow up on Skimming Case 3. Update of Liquidity 	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiwaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Sis Apik Wijayanto 	82%	Quorum

No	Date	BoD Meeting Agenda	List of Attendee	Attendance	Quorum
51	08 November 2016	<ol style="list-style-type: none"> 1. Strategy for Enhancing CASA 2. Seminar of SME 3. BRITama 4. Management of Crisis 5. Development of BRIsat Integration 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	73%	Quorum
52	15 November 2016	<ol style="list-style-type: none"> 1. Update of BRI Liquidity 2. Discussion on BRI Product Development 	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Priyastomo • Sis Apik Wijayanto 	73%	Quorum
53	22 November 2016	<ol style="list-style-type: none"> 1. Update of Liquidity 2. Update of BoC-BoD Joint Meeting on RKAP 2017 and RBB 2017 – 2019 3. Update of Progress of Creative House 4. Update on the Preparation of BRI RUN 2016 5. Plan for Adding New Products 	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Sis Apik Wijayanto 	73%	Quorum
54	29 November 2016	<ol style="list-style-type: none"> 1. Update of Liquidity 2. EDC Governance at the level of Branch Office 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Haru Koesmahargyo • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Sis Apik Wijayanto 	82%	Quorum
55	6 December 2016	<ol style="list-style-type: none"> 1. Update of Liquidity 2. Logo & Tagline of BRI Subsidiaries 3. Update of Family Day Activities during BRI 121st Anniversary 4. Update of NSICCS and IT Development 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Donsuwan Simatupang • Kuswiyoto • Priyastomo • Sis Apik Wijayanto 	91%	Quorum
56	13 December 2016	<ol style="list-style-type: none"> 1. Update of BRI Liquidity 2. Demotion of Units Status 3. Update follow up of the Settlement of SOE Flea Market 2012 4. Update of Plan for Activity Plan of BoD Offsite III - 14 December 2016 	<ul style="list-style-type: none"> • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Donsuwan Simatupang • Mohammad Irfan • Kuswiyoto • Sis Apik Wijayanto 	73%	Quorum
57	20 December 2016	<ol style="list-style-type: none"> 1. Update of Liquidity 2. Review on Organization of Regional Office 3. Update of IT and DRC Capacity 	<ul style="list-style-type: none"> • Asmawi Syam • Sunarso • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Mohammad Irfan • Priyastomo 	73%	Quorum
58	27 December 2016	<ol style="list-style-type: none"> 1. Update of Liquidity 2. Operational Services at End of Year 3. Monitoring on Readiness of Regional Office throughout Indonesia towards the end of the year 	<ul style="list-style-type: none"> • Asmawi Syam • Randi Anto • Susy Liestiowaty • Zulhelfi Abidin • Haru Koesmahargyo • Mohammad Irfan • Kuswiyoto • Sis Apik Wijayanto 	73%	Quorum

Meeting of BoD and BoC

BoC and BoD Joint Meeting

No	BoC and BoD Joint Meeting	Date of Meeting	Minutes of Meeting	Number of Attendee			Note
				BoC	BoD	SEVP	
1	Financial Performance of PT BRI (Persero) Tbk per 31 December 2015 (Pre Publication)	2 February 2016	B.05 -KOM/02/2016	8	11	0	Quorum
2	Determination of KAP and other strategic issues	1 March 2016	B.08 -KOM/03/2016	7	8	1	Quorum
3	Follow up of recommendation from consultant related to gap of analysis on the implementation of risk management at BRI	5 Apr 2016	B.12-KOM/04/2016	7	6	2	Quorum
4	Financial Statement of BRI first quarter 2016	26 Apr 2016	B.13-KOM/04/2016	6	6	1	Quorum
5	1. Proposal for determination of organization 2. Proposal for revision of RKAP 2016 & RBB 2016-2018	14 June 2016	B.17-KOM/06/2016	7	7	1	Quorum
6	Follow up of audit findings in management letter of fiscal year 2015	26 July 2016	B.21 -KOM/07/2016	6	6	1	Quorum
7	Financial Performance of BRI position 30 June 2016 (audited)	12 August 2016	B.24-KOM/08/2016	6	6	2	Quorum
8	Discussion of operational issues	12 August 2016	B.25-KOM/08/2016	6	7	4	Quorum
9	Submission of report on the results of BRI IT general check up	23 August 2016	B.26-KOM/08/2016	8	6	3	Quorum
10	Discussion of BRI Liquidity	18 October 2016	B.35-KOM/10/2016	6	7	1	Quorum
11	Prepublication financial statement quarter III of 2016	24 October 2016	B.36-KOM/10/2016	7	9	5	Quorum
12	Approval on RKAP and RBB 2017	22 Nov 2016	B.38-KOM/11/2016	8	8	0	Quorum

Consultation Meeting BoD to BoC

BoD Loan Consultation Meeting with BoC

No	BoD Loan Consultation Meeting with BoC	Date of Meeting	Minutes of Meeting	Number of Attendee			Note
				BoC	BoD	SEVP	
1	Consultation about Loan for 9 Debtors	26-Jan-16	B.01 -KPMR/02/2016	7	2	0	Quorum
2	Consultation about Loan for 8 Debtors	24-May-16	B.06 -KPMR/05/2016	6	2	0	Quorum
3	Consultation about Loan for 4 Debtors	07-Jun-16	B.07 -KPMR/06/2016	6	5	0	Quorum
4	Consultation about Loan for 3 Debtors	28-Jun-16	B.10 -KPMR/06/2016	7	2	0	Quorum
6	Consultation about Loan for 4 Debtors	20-Sep-16	B.14 -KPMR/10/2016	6	2	0	Quorum
7	Consultation about Loan for 4 Debtors	24-Oct-16	B.17 -KPMR/10/2016	5	2	0	Quorum
8	Consultation about Loan for 5 Debtors	01-Nov-16	B.21 -KPMR/11/2016	8	2	0	Quorum
9	Consultation about Loan for 5 Debtors	23-Dec-16	B.28 -KPMR/12/2016	6	2	0	Quorum

MEETING FREQUENCY AND ATTENDANCE

Meetings of the Board of Commissioners

BoC Meetings

No	Name	Position	Number of Meetings	Attendance	% Attendance
1	Mustafa Abubakar	President Commissioner	39	34	87%
2	Gatot Trihargo	Vice President Commissioner	39	24	62%
3	Adhyaksa Dault	Independent Commissioner	39	28	72%
4	Ahmad Fuad	Independent Commissioner	39	30	77%
5	A. Fuad Rahmany	Independent Commissioner	39	32	82%
6	A. Sonny Keraf	Independent Commissioner	39	34	87%
7	Vincentius Sonny Loho	Commissioner	39	27	69%
8	Jeffry J. Wurangian	Commissioner	39	34	87%

Meetings of the Board of Directors

BoD Meetings

No	Name	Number of Meetings	Attendance	% Attendance
1	Asmawi Syam	58	38	66%
2	Sunarso	58	50	86%
3	Randi Anto	58	47	81%
4	Susy Liestiowaty	58	52	90%
5	Zulhelfi Abidin	58	39	67%
6	Haru Koesmahargyo	58	38	66%
7	Donsuwan Simatupang	58	47	81%
8	Mohammad Irfan	58	45	78%
9	Kuswiyoto	58	43	74%
10	Priyastomo	45	32	71%
11	Sis Apik Wijayanto	45	39	87%

Meetings of the Board of Commissioners and the Board of Directors

Meetings of the Board of Commissioners and the Board of Directors

No	Name	Position	Number of Meetings	Attendance	% Attendance
1	Mustafa Abubakar	President Commissioner	12	12	100%
2	Gatot Trihargo	Vice President Commissioner	12	9	75%
3	Adhyaksa Dault	Independent Commissioner	12	10	83%
4	Ahmad Fuad	Independent Commissioner	12	11	92%
5	A. Fuad Rahmany	Independent Commissioner	12	11	92%
6	A. Sonny Keraf	Independent Commissioner	12	12	100%
7	Vincentius Sonny Loho	Commissioner	12	9	75%
8	Jeffry J. Wurangian	Commissioner	12	11	92%

MEETINGS RESULT

Meeting discussions resulted in the following policies or resolutions:

Meetings of the Board of Commissioners

BoC prepared Action Plan regarding Active Supervision from the Board of Commissioners, enhancing its supervision on the following areas:

1. Monitoring the progress and the realization of the plan on using the BRI satellite.
2. Collecting funds and distribution of loans.
3. Improving the implementation quality of integrated risk management.
4. Restructuring of Middle Size and Corporate Debtors; Assessment on Restructuring Effectiveness; and Evaluation on Follow Up Plans of Corporate Debtors that Indicate Declining Performance.
5. Monitoring of Office Network Expansion.

Joint Meetings of The Board of Commissioners and Directors

Joint meetings between the Board of Commissioners and Board of Directors resulted in the approval and recommendation of the Board of Commissioners on some of the following issues:

Approval of The Board of Commissioners

The BoC carries out its oversight functions and monitoring of the implementation of the policy of the Board of Directors. During 2016, the Board of Commissioners approved the following matters:

No.	No. of Letter	Date	Subject
1	B.01-KOM/01/2016	13 January 2016	Approval on General Policy of Credit of PT BRI (KUP BRI) 7th Revision
2	R.05-KOM/02/2016	12 February 2016	Approval on Annual Audit Plan (PAT) for 2016
3	R.11-KOM/03/2016	8 March 2016	Approval on Increase of BRI shares in PTBTMU-BRI Finance
4	R.18-KOM/03/2016	31 March 2016	Approval on Change of Credit Facility Terms of Use for Customer
5	B.43-KOM/05/2016	17 May 2016	Approval on the use of BRI land asset for Normalization of Ciliwung River
6	R.24-KOM/06/2016	14 June 2016	Approval on Funding Provision for Related Party
7	R.25-KOM/06/2016	14 June 2016	Approval on Determination of Public Accounting Firm (KAP) for Fiscal Year 2016
8	R.27-KOM/06/2016	17 June 2016	Approval on RBB Revision 2016-2018 and RKAP - 2016
9	B.59-KOM/06/2016	21 June 2016	Approval on Proposal for Change in the Organization of BRI
10	B.60-KOM/06/2016	21 June 2016	Approval on Statement of Founders Concerning the Change of Provisions for BRI Pension Fund
11	R.30-KOM/06/2016	28 June 2016	Approval on Determination of Remuneration of BoD and BoC in 2016
12	R.44-KOM/09/2016	27 September 2016	Approval on Increase of Capital Participation in BTMU-BRI Finance
13	R.47-KOM/09/2016	30 September 2016	Approval on Extension and Suppletion of Uncommitted Credit Line for Related Party, i.e. PT BTMU-BRI Finance
14	R.49-KOM/10/2016	11 October 2016	Approval on Additional Capital for PT BRI Agroniaga 2016-2018
15	R.52-KOM/11/2016	3 November 2016	Approval on Provision of Funds for related party, i.e. Kuswiyoto
16	R.53-KOM/11/2016	3 November 2016	Approval on Provision of Funds for related party, i.e. Sis Apik Wijayanto
17	B.153-KOM/11/2016	16 November 2016	Approval on the write off of BRI Official Residence
18	B.178-KOM/12/2016	23 December 2016	Approval on BRI <i>Treasury Policy</i>

Recommendations to the Board of Directors by Board of Commissioners

In addition to carrying out the function of supervision and monitoring of the implementation of the policy of the Board of Directors, the Board of Commissioners also gives various recommendations and proposals to the Board of Directors. During 2016, the BoC provided the following recommendations:

No.	No. of Letter	Date	Subject
1	R.03-KOM/01/2016	21 January 2016	Report of the result of Monitoring on Commitment/ <i>Action Plan</i> over Results of FSA Audit conducted by SKAI
2	B.06 -KOM/02/2016	2 February 2016	Review of BRI published financial statements and revision of BRI internal audit program
3	R.08-KOM/02/2016	25 February 2016	Audit Report Semester II - 2015
4	R.09-KOM/02/2016	26 February 2016	Supervisory Report on the Implementation of BRI's RBB Semester II - 2015
5	R.10-KOM/02/2016	26 February 2016	Report of the result of Evaluation on BRI Performance Semester II - 2015
6	R.13-KOM/03/2016	17 March 2016	Integrated Internal Audit Report Semester II - 2016
7	R.14-KOM/03/2016	22 March 2016	Results of BPK RI Audit on Management of Credit in Fiscal Year 2014 & 2015 at PT BRI Agroniaga Tbk.
8	R.16-KOM/03/2016	28 March 2016	Integrated Compliance Report Quarter III and IV of 2015
9	B.22-KOM/03/2016	29 March 2016	Soundness Level Assessment Report, Risk Profile Report, Compliance Function Report and Anti Fraud Implementation Report semester II - 2015
10	R.17-KOM/03/2016	30 March 2016	Investment Performance Evaluation Report of DPLK BRI for Fiscal Year 2015
11	R.19-KOM/03/2016	31 March 2016	Progress of EY Audit on BRI Financial Statement of 2015
12	R.20-KOM/03/2016	31 March 2016	Report of Audit Findings Principals Quarter I V- 2016
13	B.42-KOM/05/2016	17 May 2016	Risk profile report and compliance function report quarter I - 2016
14	R.21-KOM/05/2016	23 May 2016	BPK audit on Loan Management in PT Bank BRI Agroniaga for fiscal year 2014 and Semester I - 2015
15	R.23-KOM/06/2016	10 June 2016	Report of the result of Evaluation on the Performance of Quarter I - 2016
16	R.28-KOM/06/2016	21 June 2016	Customer Complaint Report
17	R.29-KOM/06/2016	21 June 2016	Robbery against BRI Unit and ATM
18	R.32-KOM/06/2016	30 June 2016	Investment Performance Evaluation Report of DPLK BRI for Fiscal Year 2016
19	R.34-KOM/07/2016	12 July 2016	Report of Audit Findings Principals Quarter I - 2016
20	R.39-KOM/08/2016	20 August 2016	Report of Audit Findings Principals until Quarter II - 2016
21	R.40-KOM/08/2016	20 August 2016	Audit Report Semester I of 2016
22	R.41-KOM/08/2016	30 August 2016	BoC Supervisory Report on the Implementation of BRI's RBB Semester I - 2016
23	R.42-KOM/08/2016	30 August 2016	BoC Supervisory Report
24	R.43-KOM/09/2016	15 September 2016	Investment Performance Evaluation report of DPLK BRI Semester I - 2016
25	R.50-KOM/10/2016	25 October 2016	Fraud Report Indicating Significant Negative Impact
26	R.56-KOM/11/2016	11 November 2016	Anti Fraud Strategy Implementation Report Semester I - 2016 and Fraud Report Indicating Significant Negative Impact
27	R.59-KOM/11/2016	25 November 2016	BoC Supervisory Report on Performance of PT BRI (Persero) Quarter III - 2016
28	B.174-KOM/12/2016	14 December 2016	Risk Profile Report Quarter III - 2016 and Compliance Function Report Quarter III - 2016
29	B.177-KOM/12/2016	20 December 2016	Customer Complaints
30	R.63-KPM/12/2016	28 December 2016	Integrated Risk Profile Report Semester I-2016
31	R.64-KOM/12/2016	28 December 2016	Integrated Compliance Report Semester I-2016
32	R.65-KOM//12/2016	28 December 2016	Integrated Audit Report Semester I-2016

Consultation Meetings of the Board of Directors to the Board of Commissioners

The BoC provides opinion and consent upon the actions undertaken by the Board of Directors, based on the Articles of Association and applicable provisions, which include the following:

- Founders Statement on BRI Pension Fund Regulation Revision;
- Appointment of the Board of Directors and Board of Commissioners of the Subsidiaries;
- Disposal or sale of immovable property of the Company;
- Action to not collect a part or entire receivables;
- Partial or entire take over of the companies or other entities or establishment of new company that is not for the purpose of recovering receivables;
- Partial or entire divestment of the companies or other entities that is not for the purpose of recovering receivables;
- Management contract for more than 3 (three) years period;
- Organization structure formation, 1 (one) level below the Board of Directors, and Appointment of Internal Audit Head and Corporate Secretary Division Head.

During 2016, the BoC opinions or consultations given to the Board of Directors were as follows:

A. Credit Consultation of The Board of Directors to the Board of Commissioners

Consultation of the credit decision with a certain amount should be carried out before or after a credit decision was made by the Board of Directors. During 2016, the BoC conducted 8 credit consultations to 35 debtors with a total credit exposure of more than Rp1 trillion. Feedback and suggestions from the BoC regarding credit consultation during 2016 were as follows:

No.	No. of Letter	Date	Subject
1	R.07-KOM/02/2016	12 February 2016	BoD loan consultation meeting to BoC regarding 9 Debtors of BRI.
2	R.22-KOM/05/2016	30 May 2016	BoD loan consultation meeting to BoC regarding 9 Debtors of BRI.
3	R.26-KOM/06/2016	14 June 2016	BoD loan consultation meeting to BoC regarding 4 Debtors of BRI.
4	R.33-KOM/06/2016	30 June 2016	BoD loan consultation meeting to BoC regarding 3 Debtors of BRI.
5	R.46-KOM/09/2016	30 September 2016	BoD loan consultation meeting to BoC regarding 4 Debtors of BRI.
6	R.51-KOM/10/2016	31 October 2016	BoD loan consultation meeting to BoC regarding 4 Debtors of BRI.
7	R.60-KOM/11/2016	25 November 2016	BoD loan consultation meeting to BoC regarding 4 Debtors of BRI.
8	R.66-KOM/12/2016	29 December 2016	BoD loan consultation meeting to BoC regarding 5 Debtors of BRI.

B. Loan Disbursement Approval For Related Parties

Board of Commissioners provide approval and opinion regarding loan facilities for Subsidiaries or other Related Parties as stipulated in the Articles of Association and Circular Letter of the Board of Directors.

Realization of the loan disbursement approval for subsidiaries or related parties are as follows:

No.	Subject	Date of Implementation	Output
1.	Approval on the Increase of BRI Shares in PT BTMU-BRI Finance	3 August 2016	Written approval and opinion from BoC through Letter No: R.11-KOM/03/2016 dated 3 August 2016 on Approval of Increased Shareholding of BRI in PT BTMU-BRI Finance
2.	Approval of Amendment of Credit Facility's Terms of Use for PT Bringin Sejahtera	31 March 2016	Written approval and opinion from BoC through Letter No:R.18-KOM/03/2016 dated 31 March 2016 on Approval of Amendment of Credit Facility's Terms of Use for PT Bringin Sejahtera
3.	Approval of Increase of Capital Participation in BTMU-BRI Finance	27 September 2016	Written approval and opinion from BoC through Letter No: R.44-KOM/09/2016 dated 27 September 2016 on Increase of Capital Participation in BTMU-BRI Finance
4.	Approval of Extension and Suppletion for Uncommitted Credit Line Facility to Related Parties, namely PT BTMU-BRI Finance	30 September 2016	Written approval and opinion from BoC through Letter No: R.47-KOM/09/2016 dated 30 September 2016 on Approval of Extension and Suppletion for Uncommitted Credit Line Facility to Related Parties, namely PT BTMU-BRI Finance
5.	Approval on Fund Provisioning to Related Party, namely Mr. Adhyaksa and Mr. A. Fuad Rahmany	14 June 2016	Written approval and opinion from BoC through Letter No: R.24-KOM/06/2016 dated 14 June 2016 on Fund Provisioning to Related Party, namely Mr. Adhyaksa Dault and Mr. A. Fuad Rahmany
6.	Approval on Fund Provisioning to Related Party, namely Kuswiyoto	5 November 2016	Written approval and opinion from BoC through Letter No: R.52-KOM/11/2016 dated 5 November 2016 on Fund Provisioning to Related Party, namely Kuswiyoto
7.	Approval on Fund Provisioning to Related Party, namely Sis Apik Wijayanto	5 November 2016	Written approval and opinion from BoC through Letter No: R.53-KOM/11/2016 dated 5 November 2016 on Fund Provisioning to Related Party, namely Sis Apik Wijayanto

BoD Meetings

In discharging its function in managing the Company, throughout 2016, BoD meetings decided on the following resolutions:

1. Implementation of GMS
2. Bank Business Plan and RKAP
3. Optimizing and revitalizing banking products and services
4. Change in the structure of organization
5. Expansion, transformation and enhancement of network status
6. Corporate Action
7. Business Performance Review
8. Assessment on Management Performance
9. Update and follow up on the change of external regulation and the latest issues
10. Corporate Plan
11. Corporate Risk Profile
12. Monthly, quarterly, and annual financial performance
13. Implementation of strategic forum
14. Communication and marketing program.

Decisions in the Board of Directors meeting shall be taken based on collective deliberation process. In the event of non-agreement, the decision is then taken by voting, and all results of BoD meeting have been recorded and well documented.

Affiliate Relations

Disclosure on affiliate relations includes affiliates among members of the Board of Directors, affiliate of Directors and Commissioners, affiliations between the Directors and controlling shareholders, affiliates among the Commissioners, as well as the affiliation between the Commissioners and the controlling shareholder.

AFFILIATION AMONG THE BOARD OF DIRECTORS

All members of the Board of Directors of BRI have no affiliate relations with other Board members, in terms of financial, family, and management relations.

AFFILIATION AMONG DIRECTORS AND COMMISSIONERS

All members of the Board of Directors of BRI have no affiliate relations with members of the Board of Commissioners, in terms of financial, family, and management relations.

AFFILIATION BETWEEN THE BOARD OF DIRECTORS AND CONTROLLING SHAREHOLDERS

All members of the Board of Directors of BRI have no affiliate relations with Controlling Shareholders, in terms of financial, family, and management relations.

AFFILIATION AMONG COMMISSIONERS

All members of the Board of Commissioners of BRI have no affiliation with other Commissioners, both in terms of financial, family, and management relations.

AFFILIATION BETWEEN COMMISSIONERS AND CONTROLLING SHAREHOLDERS

All members of the Board of Commissioners of BRI have no financial or family relations with the Controlling Shareholder.

AFFILIATION OF MEMBERS OF COMMITTEE NON COMMISSIONER

All members of the Committee who is not Member of the Board of Commissioners of BRI has no financial or family relationship with the Controlling Shareholder, Members of the Board of Commissioners and Board of Directors of BRI.

TABLE OF AFFILIATE RELATIONS OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS

Name	Independent	Financial Relation with			Family Relation with			Management Relation with		
		BoC	BoD	Controlling Shareholders	BoC	BoD	Controlling Shareholders	BoC	BoD	Controlling Shareholders
Board of Commissioners (BoC)										
Mustafa Abubakar	√	-	-	-	-	-	-	-	-	-
Gatot Trihargo	-	-	-	-	-	-	-	-	-	√
Adhyaksa Dault	√	-	-	-	-	-	-	-	-	-
Ahmad Fuad	√	-	-	-	-	-	-	-	-	-
A. Fuad Rahmany	√	-	-	-	-	-	-	-	-	-
A. Sonny Keraf	√	-	-	-	-	-	-	-	-	-
Vincentius Sonny Loho	-	-	-	-	-	-	-	-	-	√
Jeffry J. Wurangian	-	-	-	-	-	-	-	-	-	-
Board of Directors (BoD)										
Asmawi Syam	√	-	-	-	-	-	-	-	-	-
Sunarso	√	-	-	-	-	-	-	-	-	-
Randi Anto	√	-	-	-	-	-	-	-	-	-
Susy Liestiwaty	√	-	-	-	-	-	-	-	-	-
Zulhelfi Abidin	√	-	-	-	-	-	-	-	-	-
Sis Apik Wijayanto	√	-	-	-	-	-	-	-	-	-
Donsuwan Simatupang	√	-	-	-	-	-	-	-	-	-
Haru Koesmahargyo	√	-	-	-	-	-	-	-	-	-
Mohammad Irfan	√	-	-	-	-	-	-	-	-	-
Kuswiyoto	√	-	-	-	-	-	-	-	-	-
Priyastomo	√	-	-	-	-	-	-	-	-	-

Note

√ : Yes

- : No

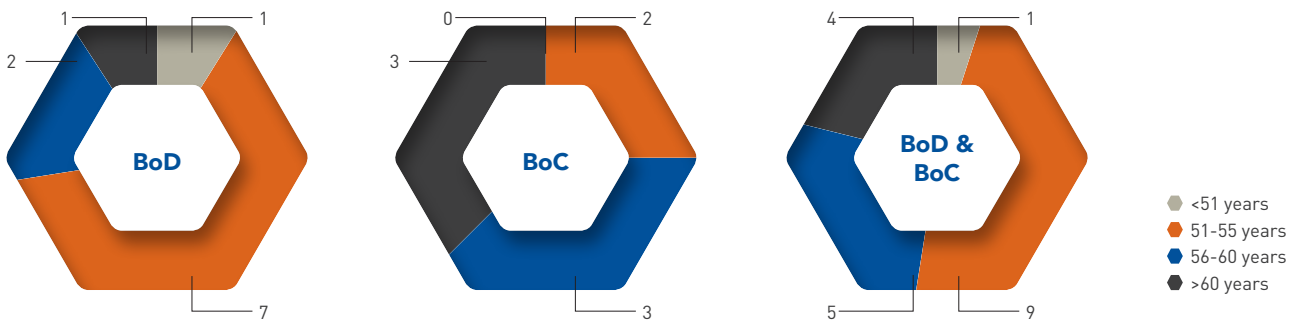
Diversity of the Board of Commissioners and Board of Directors

As a public company, BRI upholds equality of age and gender. The fit and proper test is conducted to ensure that the competence, experience and educational background of the Directors and Commissioners are in accordance with eligibility based on the applicable regulations and the Company’s needs.

Following is the data on the diversity of the Board of Directors and Commissioners of BRI by age and gender:

Composition of Gender	Board of Directors	Board of Commissioners	Board of Directors & Board of Commissioners
Male	10	8	18
Female	1	0	1
Total	11	8	19

Composition of BoD & BoC by Age



DIVERSITY OF THE BOARD OF COMMISSIONERS

Pursuant to the recommendations of the Financial Services Authority as outlined in the Appendix of the Financial Services Authority Circular No. 32/SEOJK.04/2015 on the Code of Corporate Governance for Public Company, it is stated that the composition of the Board of Commissioners should take into consideration the diversity of the composition of the Board of Commissioners.

The diversity of the composition of the Board of Commissioners is a combination of characteristics in terms of both the Board of Commissioners and individual members of the Board of Commissioners, reflected in the expertise, knowledge, and experience needed in the implementation of monitoring and advisory duties.

The composition that is attentive to the needs of the public company is a positive thing, particularly related to decision making in the implementation of the supervisory function by considering various wider aspects.

Members of the Board of Commissioners of BRI come from diverse educational backgrounds and experience, as stated in a profile of each member of the Board of Commissioners, from academia, banking practitioners, bureaucrats and regulators as well as industry players who are experienced in their respective fields.

No	Name	Age	Date of Appointment	Term of Office	Education	Experience as Director/ Head of Executive Institution		Other Concurrent Position		Expertise
						Period	Position	Period	Position	
1	Mustafa Abubakar (President/ Independent Commissioner)	66	28 March 2012	4 Years 9 Month	<ul style="list-style-type: none"> Bachelor's Degree in Water Resources, Bogor Agricultural Institute Master Degree in Marine Technology, Bogor Agricultural Institute Doctoral Degree in Marine Technology, Bogor Agricultural Institute 	1999-2001	General Inspector Department of Marine and Fisheries Exploration	2012 - Now	Board of Supervisors of Yayasan Leuser Internasional (YLI).	<ul style="list-style-type: none"> Banking Risk Management Kelautan & Sumber Daya Perairan Internal Audit
						2001-2005	General Inspector Department of Marine and Fisheries	2013 - Now	Academic Senate of STIE Indonesia Banking School.	
						2005-2007	Provincial Governor of Nangroe Aceh Darussalam	2013 - Now	National Banking Association Advisory Board (PERBANAS)	
						2007-2009	President Director Perum Bulog,	2015 - Now	Vice General Chairman of IKAL Lemhannas	
						2009-2011	State Minister of SOE	2015 - Now	Vice Chairman of Supervisory Board of the Indonesian Bankers Association (IBI)	
						2012-2015.	Vice President Commissioner, Bank Rakyat Indonesia	2016 - Now	Chairman of the Supervisory Board of BARa	
						2015 - Now	President Commissioner, Bank Rakyat Indonesia			
2	Gatot Trihargo (Vice President Commissioner)	55	19 March 2015	1 Year 9 Month	<ul style="list-style-type: none"> Diploma Indonesian State College of Accountancy (STAN) S1 Indonesian State College of Accountancy (STAN) S2 Master of Accountancy and Financial Information Systems (MAFIS), Cleveland State University, Ohio, USA Doctoral Degree in Strategic Management, University of Padjadjaran, Bandung 	2006-2010	Assistant Deputy of Information and Administration in the Ministry of SOEs.	2015 - Now	Deputy of Financial Services, Survey Services and Consultant, Ministry of SOEs.	<ul style="list-style-type: none"> Accounting Risk Management Audit Finance Strategic Management
								2014 - Now	Member of the Board of the National Institute of Accountants Indonesia	
						2007-2012	Commissioner of PT Adhi Karya (Persero) Tbk,	2010 - Now	President Association Certified Fraud Examiner (CFE) - Indonesia Chapter.	
						2008-2012	Commissioner of PT Jiwasraya (Persero),	2010 - Now	Member of the Honorary Board of Indonesian Institute of Audit Committee (IKAI).	
						2010-2013	Assistant Deputy for Strategic Industries and Manufacturing II Ministry of SOEs	2009 - Now	Member of the Board of Examiners of Certified Professional Management Accountant (CPMA).	

No	Name	Age	Date of Appointment	Term of Office	Education	Experience as Director/ Head of Executive Institution		Other Concurrent Position		Expertise
						Period	Position	Period	Position	
						2013-April 2014	Commissioner PT Telkom (Persero) Tbk.	2009 - Now	Member of the Board of Examiners of National Center for Sustainability Reporting (NCSR)	
						2013-May 2014	Deputy for Services, Ministry of SOEs	2016 - Now	The chairman of the Indonesian Institute of Management Accountants (IAMI)	
						2014-2015	Commissioner of Pertamina			
						May 2014 - July 2015	Deputy of Financial Services, Construction Services and Other Services Ministry of SOEs.			
						2015 - Now	Deputy of Financial Services, Surveying and Consulting Services, Ministry of SOEs.			
						2015 - Now	Vice President Commissioner of, PT Bank Rakyat Indonesia (Persero) Tbk.			
3	Adhyaksa Dault (Independent Commissioner)	52	20 May 2010	6 Year 6 Month	S1 Faculty of Law, University of Trisakti S2 Magister Community Empowerment, Fisip, University of Indonesia S3 Faculty of Fisheries and Marine Resources, Bogor Institute of Agricultural	1995-1997	Commissioner of PT Citra Mitra Inti Kusuma	2013 - Now	Chairman of the National Scout Quarter, 2013-Now.	<ul style="list-style-type: none"> • Law • Community empowerment • Marine and Fisheries • Audit
						1997-1999	Commissioner of PT Mitra Himalaya Perdana.			
						2000-2002	Commissioner of PT Kraton Imaji Utama			
						2000-2004	Head of the Office of the Advocate/ Lawyer "Dault & Associates".			
						2004-2009	Minister of Youth and Sports			
						2010 - Now	Independent Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk.			
4	Ahmad Fuad (Independent Commissioner)	62	28 March 2012	4 Year 9 Month	S1 Faculty of Law, University of Indonesia S2 MBA, University of Adelaide, Australia	1983-2001	Supervisor Bank Indonesia	2014 - Now	Legal and Compliance Advisor at Bank Sahabat Sampoerna	<ul style="list-style-type: none"> • Law • Risk Management • Finance
						2001-2005	Deputy Director of Legal Affair of Bank Indonesia.	2014 - Now	Legal and Compliance Advisor at Bank ICBC Indonesia	
						2005-2008	Director of Banking Investigation and Mediation Bank Indonesia.			

No	Name	Age	Date of Appointment	Term of Office	Education	Experience as Director/ Head of Executive Institution		Other Concurrent Position		Expertise
						Period	Position	Period	Position	
						2010-2012	The Supervisory Board for pension funds of BI			
						2008-2012	Director of Legal Affair of Bank Indonesia			
						2012 - Now	Independent Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk.			
5	A. Fuad Rahmany (Independent Commissioner)	61	19 March 2015	1 Year 9 Month	<ul style="list-style-type: none"> S1 Faculty of Economic, University of Indonesia S2 Economic, Duke University, Durham, North Carolina, USA S3 Economic, Vanderbilt University, Nashville, Tennessee, USA 	2001-2006	Commissioner of PT Danareksa (Persero).	No other position		<ul style="list-style-type: none"> Macro economics Fiscal Financial Markets
						2001-2004	Head of Government Bond Management Center, the Ministry of Finance.			
						2002-2006	Commissioner of PT Bank Internasional Indonesia Tbk.			
						2004-2005	Director of Management of Government Securities, Ministry of Finance.			
						2005-2006	Deputy of Finance and Funding for the Rehabilitation and Reconstruction Agency for Aceh and Nias, the Ministry of Finance.			
						2006-2011	Chairman of the Capital Market Supervisory Agency and Financial Institutions (Bapepam-LK), Ministry of Finance.			
						2009-2014	Ex-officio Commissioner of The Deposit Insurance Agency.			
						2011-2014	Director General of Taxes, Ministry of Finance.			
						2014-2015	Member of the Board of Non-Executive Director, Indonesian Exports Financing Agency.			
							Commissioner of PT Indonesia Asahan Aluminium (Persero).			

No	Name	Age	Date of Appointment	Term of Office	Education	Experience as Director/ Head of Executive Institution		Other Concurrent Position		Expertise
						Period	Position	Period	Position	
						2015 - Now	Independent Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk.			
6	A. Sonny Keraf (Independent Commissioner)	58	19 March 2015	1 Year 9 Month	<ul style="list-style-type: none"> S1 School of Philosophy Driyarkara, Jakarta S2 Philosophy, Higher Institute of Philosophy, Katholieke Universiteit Leuven, Belgia S3 Philosophy, Higher Institute of Philosophy, Katholieke Universiteit Leuven, Belgia 	1999-2001	Minister of the Environment	1998-Now	Lecturer in Business Ethics & Professional Accounting Ethics, University of Atma Jaya Jakarta	<ul style="list-style-type: none"> Business Ethics Living environment Philosophy Political science Legislation Energy and Mineral Resources
						2004-2009	Member of Parliament, Deputy chairman of House of Representatives Commission VII	2001 - Now	Lecturer for Graduate Program S3, Environmental Science, University of Indonesia.	
						2014 - Now	Member of National Energy Board	2014 - Now	Member of National Energy Board	
						2015 - Now	Independent Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk,	2016 - Now	Independent Commissioner of PT Gorontalo Sejahtera Mining	
						2016 - Now	Independent Commissioner of PT Gorontalo Sejahtera Mining			
7	Vincentius Sonny Loho (Commissioner)	59	28 March 2012	4 Year 9 Month	<ul style="list-style-type: none"> Diploma III Accounting Indonesian State College of Accountancy Diploma IV Accounting Indonesian State College of Accountancy S2 Public Policy and Management, Carnegie Mellon University, Pittsburgh, USA 	2004-2006	Deputy Director of Consolidation and Financial Reporting, Directorate General of Treasury, the Department of Finance	2015-Now	Director General of State Assets, Ministry of Finance,	<ul style="list-style-type: none"> State finances Public Management Asset Management and Investment
						2006-2008	Director of Financial Development of Public Service Agency, Directorate General of Treasury, the Department of Finance	2014 - Now	IAI Consultative Council Member, Public Sector Accountants Compartment.	
	Jeffry J. Wurangian (Commissioner)	62	19 March 2015	1 Year 9 Month	<ul style="list-style-type: none"> S1 in Economic, University of Sam Ratulangi S2 MBA, European University, Antwerp, Belgia S2 M.S.c. Economics, Oklahoma State University, USA S3 Economics, University of Merdeka Malang 	1988-1989	Head of Credit Reviewer Department Bank Danamon			Banking
						1989-1990	Vice President of Saseka Finance			
						1991-1992	Director of Operations at Bank Mitraniaga			
						2007-2008	Director of general affairs of Bank Sulut			
						2008-2009	Marketing of Director Bank Sulut			
						2009-2012	President Director of Bank Sulut			

No	Name	Age	Date of Appointment	Term of Office	Education	Experience as Director/ Head of Executive Institution		Other Concurrent Position		Expertise
						Period	Position	Period	Position	
						2012-2013	Secretary General of Association of Regional Development Bank in Indonesia (ASBANDA)			
						2012-2015	Chairman of CT. Group.,			
						2015- Now	Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk			

DIVERSITY OF BOARD OF DIRECTORS

The diverse composition of the Board of Directors is a combination of individuals who reflect the expertise, educational background, and experience needed in performing their duties.

No	Name	Position	Age	Date of Appointment	Term of Office	Education	Experience as Director/Head of Executive Institution		Specific Expertise								
							Period	Position									
1	Asmawi Syam	President Director	61	5 September 2017	9 Year 3 Month	<ul style="list-style-type: none"> S1 Economics/ Corporation Economics, University of Hasanuddin 	1999-2001	Head of BRI Denpasar	<ul style="list-style-type: none"> Banking Certified Wealth Management Leadership 								
							2001-2003	Head of BRI Bandung									
							2003-2005	Head of Consumer Banking Division									
							2005-2007	Head of General Business Division									
							2007-2015	Director of Institution and SOE Business									
							2015 - Now	President Director, Bank Rakyat Indonesia									
2	Sunarso	Vice President Director	53	19 March 2015	1 Year 9 Month	<ul style="list-style-type: none"> S1 Agriculture, Bogor Agricultural Institute 	2007-2009	Senior Vice President, Group Head (GH) Plantation Specialist, PT Bank Mandiri (Persero) Tbk.	<ul style="list-style-type: none"> Agrofinancing Corporate, Commercial & SME Banking Public Speaker & Motivator Leadership 								
							2009-2010	Executive Vice President Corporate Banking Agrobased Group, PT Bank Mandiri (Persero) Tbk.									
							2010-2015	Director of Commercial & Business Banking, PT Bank Mandiri (Persero) Tbk.									
							2015 - Now	Vice President Director, PT Bank Rakyat Indonesia (Persero) Tbk.									
							3	Randi Anto		Director of Human Capital & Asset Management	55	40662	5 Year 8 Month	<ul style="list-style-type: none"> S1 Economics, University of Diponegoro 	2004-2006	Head of Division - Division of Compliance and Risk Management, PT Bank Rakyat Indonesia (Persero) Tbk.	<ul style="list-style-type: none"> Compliance Human Capital Certified Wealth Management
															2006-2007	Head of Division, Division of Credit Administration of the Head Office, PT Bank Rakyat Indonesia (Persero) Tbk.	
						<ul style="list-style-type: none"> S2 Banking, St. Louis University 	2007-2009	Head of Regional Office Palembang, PT Bank Rakyat Indonesia (Persero) Tbk.									
							2009-2011	Head of the Division of Human Resources Management, PT Bank Rakyat Indonesia (Persero) Tbk.									
							2011-2015	Director of Compliance, PT Bank Rakyat Indonesia (Persero) Tbk.									
							2015 - Now	Director of Human Capital & Assets Management, PT Bank Rakyat Indonesia (Persero) Tbk.									

No	Name	Position	Age	Date of Appointment	Term of Office	Education	Experience as Director/Head of Executive Institution		Specific Expertise
							Period	Position	
4	Mohammad Irfan	Director of Micro	57	19 March 2015	1 Year 9 Month	<ul style="list-style-type: none"> S1 Fisheries, Bogor Agricultural Institute 	2003-2006	Head of the Division of Technology and Information Systems, PT Bank Rakyat Indonesia (Persero) Tbk.	<ul style="list-style-type: none"> Micro Banking Regional Banking Information Technology Management & Application
							2006-2009	Head of Regional Office Padang, PT Bank Rakyat Indonesia (Persero) Tbk.	
							2010-2015	Head of Regional Office Jakarta 1, PT Bank Rakyat Indonesia (Persero) Tbk.	
							2015 - Now	Director of Micro, PT Bank Rakyat Indonesia (Persero) Tbk.	
5	Zulhelfi Abidin	Director of Operation	54	19 March 2015	1 Year 9 Month	<ul style="list-style-type: none"> S1 Informatics, Institute of Technology Bandung S2 Master of Science, University of Wollongong 	1997-2007	Head of the Division of Technology Information Systems, Bank Bukopin	<ul style="list-style-type: none"> Certified Information System for Auditor (CISA)
							2006-2012	President Commissioner of PT Bringin Gigantara	
							2007-2014	Head of the Division of Technology Information Systems, PT Bank Rakyat Indonesia (Persero) Tbk.	
							2012-2015	Commissioner of BRI Syariah	
							2014-2015	Senior Executive Vice President, PT Bank Rakyat Indonesia (Persero) Tbk.	
							2015 - Now	Director of Operation, PT Bank Rakyat Indonesia (Persero) Tbk.	
6	Susy Liestiwaty	Director of Credit Risks Management	56	19 March 2015	1 Year 9 Month	<ul style="list-style-type: none"> S1 Agronomic, Bogor Agricultural Institute S2 Management, University Case Western Reserve, USA Doktoral Degree, Bogor Agricultural Institute 	2006-2009	Head of Investment Banking Desk, PT Bank Rakyat Indonesia (Persero) Tbk.	<ul style="list-style-type: none"> Credit Risk Certified Wealth Management
							2009-2010	Head of Agribusiness Division, PT Bank Rakyat Indonesia (Persero) Tbk.	
							2010-2015	Head of Credit Risk Analysis Division, PT Bank Rakyat Indonesia (Persero) Tbk.	
							2011-2015	Commissioner of PT BRI Agroniaga Tbk.	
							2015 - Now	Director of Credit Risk Management, PT Bank Rakyat Indonesia (Persero) Tbk.	
							2010-2012	Head of Regional Office Medan, PT Bank Rakyat Indonesia (Persero) Tbk.	
7	Dosuwan Simatupang	Director of Commercial	59	19 March 2015	1 Year 9 Month	<ul style="list-style-type: none"> S1 Economics, University of Parahyanan S2 Investment Banking, Virginia Tech 	2010-2012	Head of Regional Office Medan, PT Bank Rakyat Indonesia (Persero) Tbk.	<ul style="list-style-type: none"> Commercial Banking Marketing Regional Banking
							2012-2013	Head of Regional Office Surabaya, PT Bank Rakyat Indonesia (Persero) Tbk.	
							2012-2013	Head of Regional Office Surabaya, PT Bank Rakyat Indonesia (Persero) Tbk.	
							2013-2015	Head of General Business Division, PT Bank Rakyat Indonesia (Persero) Tbk.	

No	Name	Position	Age	Date of Appointment	Term of Office	Education	Experience as Director/Head of Executive Institution		Specific Expertise
							Period	Position	
8	Haru Koesmahargo	Director of Finance	50	19 March 2015	1 Year 9 Month	<ul style="list-style-type: none"> S1 Technique of Agricultural Industry, University Brawijaya S2 Investment Banking, Emory University 	2008-2011	Head of Investor Relation Desk, Corporate Secretary Division, PT Bank Rakyat Indonesia (Persero) Tbk	<ul style="list-style-type: none"> Risk Management
							2011-2014	General Manager, Overseas Branch Office New York	<ul style="list-style-type: none"> Asset Liability Management
							2014-2015	Head of Treasury Division, PT Bank Rakyat Indonesia (Persero) Tbk	<ul style="list-style-type: none"> Treasury
							2014-2015	President Commissioner PT BTMU-BRI Finance	<ul style="list-style-type: none"> Corporate Valuation
							2015 - Now.	Director of Finance, PT Bank Rakyat Indonesia (Persero) Tbk	<ul style="list-style-type: none"> Mea and International Banking
9	Kuswiyoto	Director of Institution	51	12 August 2015	1 Year 4 Mont	<ul style="list-style-type: none"> S1 Economic, Universitas Airlangga S2 MBA Finance, Washington University 	2010-2014	Head of Agribusiness Division, PT Bank Rakyat Indonesia (Persero) Tbk	<ul style="list-style-type: none"> Corporate Banking Marketing Regional Banking
							2013-2014	Commissioner of, PT Bringin Indotama Sejahtera Finance	
							2014-2015	Head of Regional Office Makassar, PT Bank Rakyat Indonesia (Persero) Tbk	
							2015	Head of Regional Office Jakarta 1, PT Bank Rakyat Indonesia (Persero) Tbk	
							2015 - Now	Director of Institution, PT Bank Rakyat Indonesia (Persero) Tbk	
10	Sis Apik Wijayanto	Director of Consumer	55	23 March 2016	9 Month	<ul style="list-style-type: none"> S1 Business Administration, University of Brawijaya S2 Management, University of Airlangga 	2012-2014	Head of Special Region, PT Bank Rakyat Indonesia (Persero) Tbk	<ul style="list-style-type: none"> Marketing Consumer Banking Economy
							2014-2015	Head of Regional Office Banjarmasin, PT Bank Rakyat Indonesia (Persero) Tbk	
							2015	Head of Regional Office Jakarta 2, PT Bank Rakyat Indonesia (Persero) Tbk	
							2015-2016	Director of Funding & Distribution, PT Bank Tabungan Negara (Persero) Tbk.	
							2016 -Now	Director of Consumer, PT Bank Rakyat Indonesia (Persero) Tbk	

No	Name	Position	Age	Date of Appointment	Term of Office	Education	Experience as Director/Head of Executive Institution		Specific Expertise
							Period	Position	
11	Priyastomo	Director of Compliance	53	23 March 2016	9 Month	<ul style="list-style-type: none"> S1 animal husbandry, University of Gadjah Mada S2 International Management, University of Gadjah Mada 	2012-2014	Head of Regional Office Jayapura, PT Bank Rakyat Indonesia (Persero) Tbk	<ul style="list-style-type: none"> Compliance Risk Mitigation
							2014-2015	Head of Retail Business and Medium Enterprises Division, PT Bank Rakyat Indonesia (Persero) Tbk	
							2015	Head of Regional Office Yogyakarta, PT Bank Rakyat Indonesia (Persero) Tbk	
							2014-2015	Commissioner of PT Asuransi Bringin Sejahtera Artamakmur	
							2016	Head of Regional Office Bandung, PT Bank Rakyat Indonesia (Persero) Tbk	
							2016 - Now	Director of Compliance, PT Bank Rakyat Indonesia (Persero) Tbk	

Audit Committee

The Audit Committee assists the Board of Commissioners to evaluate the adequacy of internal controls, the effectiveness and appropriateness of audits conducted by Public Accountants Office. The Committee also reviews financial information in order to ensure compliance with accounting standards and regulations, and to oversee the effectiveness of risk management implementation with other Committees.

STRUCTURE OF AUDIT COMMITTEE

1. Audit Committee is under the coordination of the Board of Commissioners and structurally responsible to the Board of Commissioners.
2. Audit Committee is chaired by an Independent Commissioner.

MEMBERSHIP OF THE AUDIT COMMITTEE

The composition of BRI Audit Committee complies with POJK No. 55/POJK.04/2015 dated December 23, 2015 on the Establishment and Implementation Guidance of Audit Committee.

BRI's Audit Committee consists of a Chairman who is an Independent Commissioner and members consisting of two (2) independent commissioners and three (3) independent parties. Audit Committee members who are independent parties are selected by the Board of Commissioners through a recruitment and selection mechanism. Audit Committee members are appointed and dismissed by the Board of Commissioners, however it is stipulated by Decision of Directors.

The composition of BRI Audit Committee of BRI until October 5, 2016 was as follows:

No.	Name	Position	Profession	Terms of Office
1.	A. Fuad Rahmany	Chairman	Independent Commissioner	June 2015 - now
2.	Adhyaksa Dault	Member	Independent Commissioner	June 2015 - now
3.	A. Sonny Keraf	Member	Independent Commissioner	June 2015 - now
4.	Pamuji Gesang Raharjo	Member	Independent Party	February 2016 - now
5.	I Gde Yadnya Kusuma	Member	Independent Party	February 2016 - now
6.	Syahrir Nasution	Member	Independent Party	June 2015 - November 2016

The composition of BRI Audit Committee of BRI until December 31, 2016 was as follows:

No.	Name	Position	Profession	Terms of Office
1.	A. Fuad Rahmany	Chairman	Independent Commissioner	June 2015 - now
2.	Adhyaksa Dault	Member	Independent Commissioner	June 2015 - now
3.	A. Sonny Keraf	Member	Independent Commissioner	June 2015 - now
4.	Pamuji Gesang Raharjo	Member	Independent Party	February 2016 - now
5.	I Gde Yadnya Kusuma	Member	Independent Party	February 2016 - now
6.	Sunuaji Noor Widiyanto	Member	Independent Party	December 2016 - now

PROFILE OF AUDIT COMMITTEE MEMBER

Chairman of the Committee



A. Fuad Rahmany
Chairman of Audit Committee/
Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

Member of the Committee

Adhyaksa Dault

Member of Audit Committee/Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

Sonny Keraf

Member of Audit Committee/Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

I Gde Yadnya Kusuma

Member of Audit Committee

Born in Singaraja Bali, May 19, 1954. He served as a member of the Risk Management Monitoring Committee PT BRI (Persero), Tbk. since July 2010. Prior to his career with BRI, he had various positions at Bank Indonesia and at the Center for Financial Transaction Reporting and Analysis (PPATK) as Director of Research and Analysis. Obtaining a degree in Economics from Sekolah Tinggi Ilmu Ekonomi Swadaya, Jakarta (1993) and a Master degree in Economics from the University of Indonesia, Jakarta (2006).

Pamuji Gesang Raharjo

Member of Audit Committee

Born in Jakarta, April 10, 1968. He has served as member of the Audit Committee of PT BRI (Persero), Tbk. since February 1, 2016. Previously, he also served at the Risk Management Monitoring Committee member PT BRI (Persero), Tbk. Had a career in various positions at PT BNI (Persero), Tbk., PT Bank International Indonesia Tbk. ; PT Bank Danahutama; PT Pegadaian (Persero); and has served as Executive Director of Risk Management Center Indonesia (RMCI). Obtained a degree in Economics from the Faculty of Economics, Professor Dr. Moestopo (Religion) University, Jakarta (1996), Master of Management degree (Risk Management Program) obtained from Faculty of Economics, University of Indonesia (2003), and earned his doctorate from the Institut Pertanian Bogor (IPB) in 2014. Mr. Rahardjo also has Risk Management Certification Level from the Risk Management Certification Agency (BSMR) and a Certified Financial Consultant (CFC) from the Institute of Financial Consultant, Canada (2013).

Syahrir Nasution

Member of Audit Committee

Born in Siantar, September 21, 1952. He has served as member of the Audit Committee of PT BRI (Persero) Tbk. until 30 November 2016. He is a chartered accountant since November 2008. Previous career at BPKP, Jakarta up until 1990, at the BRI since 1990 to 2008 in the areas of audit and previously served as Inspector at BRI Inspection Office Jakarta. He earned a Bachelor of Economics in Accounting from the Institute of Finance, the Ministry of Finance, Jakarta (1981).

Sunuaji Noor Widiyanto

Member of Audit Committee

Born in Yogyakarta, January 1, 1960. Mr Widiyanto has served as a member of the Audit Committee of PT BRI (Persero), Tbk. since December 1, 2016. Previous career at PT BRI (Persero), Tbk., and has served as an Inspector at BRI Inspection Office Yogyakarta (2014-2016). He previously served as Chief of the Division of Procurement BRI Central Office (2012-2014). Mr Widiyanto had also been assigned as Chairman of BRI National Labor Union for 2 (two) period (2006-2012). He earned a Bachelor of Economics from the Indonesian Islamic University, Yogyakarta (1996) and obtained the certification of Qualified Internal Auditor (QIA) from the Internal Audit Foundation (YPIA) in 2015.

EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE OF THE AUDIT COMMITTEE

1. Is a member of Audit Committee professional organizations, has an understanding of auditing concepts, background knowledge and experience in the field of financial reporting or audits of at least 10 years (at least one member).
2. Has an adequate knowledge of the banking industry including all rules and regulations of banking and other applicable statutory regulations.
3. Has an adequate understanding of Good Corporate Governance (GCG) principles.
4. Has an adequate understanding of risk and risk control concepts in business activities as well as the Company's internal control.

INDEPENDENCY OF AUDIT COMMITTEE MEMBERS

All members of the Audit Committee have no affiliation with Directors, Commissioners and controlling shareholder of the Bank. The Audit Committee members are not shareholders, Commissioners, Directors and employees of companies that have affiliation or business with BRI.

Before appointment, members of the Audit Committee do not have the authority to plan, lead and control BRI and are not a former employee or former head of the Public Accountant Office used to audit the Bank.

DUTIES AND RESPONSIBILITIES

1. To monitor and evaluate audit planning and implementation, both internal and external, and to monitor the follow-up results of audits, both internal and external, in order to assess the adequacy of internal controls, including the adequacy of the financial reporting process that includes monitoring and evaluation of:
 - a. Execution of duties of Internal Audit Unit;
 - b. Conformity of audit by Public Accountant Office with applicable auditing standards;
 - c. Suitability of the financial statements with prevailing accounting standards;
 - d. Implementation of follow-up by Board of Directors on the findings of the Internal Audit Unit, public accountant office, and results of the supervision of the Financial Services Authority (OJK) and BPK-RI supervision;

2. To review financial information to be released to the public by BRI and/or other authorities, including financial statements, projections, and other reports related to BRI financial information;
3. To provide recommendations regarding appointment of Public Accountant and Public Accountant Office to the Board of Commissioners who shall submit it to the General Meeting of Shareholders, with due regard to the independency, scope of assignment and fees for Public Accountant and Public Accountant Office;
4. To examine complaints, both with regard to BRI accounting and financial reporting processes, or other complaints;
5. To review compliance to law and regulations related to the activities of BRI;
6. To review and provide advice to the Board of Commissioners in relation to the potential conflict of interest at BRI.

AUDIT CHARTER

BRI Audit Committee has a Handbook and Code of Conduct of the Audit Committee (Audit Charter) which outlines the duties, authority, obligation, responsibilities, division of labor, working time, work ethic, meetings, organizational structure, and implementation of the tasks of the Audit Committee.

The Guidelines were endorsed by the Audit Committee of the Board of Commissioners of BRI on May 12, 2015 and must be understood and are binding upon every member of the Audit Committee.

SHORT REPORT OF ACTIVITIES OF THE AUDIT COMMITTEE

Realization of work program of the Audit Committee in 2016 was as follows:

Review and Approval of The Annual Audit Plan SKAI in 2016

The Audit Committee has reviewed the 2016 Annual Audit Plan (PAT) which were prepared and submitted by the Internal Audit Unit in a letter No. B.13-AIN/SKA/01/2016 dated January 25, 2016 on material for Annual Audit Plan 2016.

Results of the review and recommendation of the Audit Committee were written in the form of opinions set forth in the Memorandum of the Department of Audit Committee No. B.08-KA/02/2016 dated February 11, 2016 and the Board of Commissioners Letter No. R.05-KOM/02/2016 dated February 12, 2016 regarding the approval of the Annual Audit Plan (PAT) 2016.

Evaluation of Adequacy of Internal Control

The Audit Committee regularly monitors implementation of SKAI examination to ensure the quality of the inspection conducted based on the methodology of risk-based internal audit (RBIA) with approach to business processes that are implemented gradually in accordance with its level of corporate risk management.

The evaluation on quarterly audit reports and follow-up of audit results for 2016 are as follows:

No.	Subject	Realization of Activity	Output
1.	IAU Audit Report Semester II - 2015	30 March 2016	Written recommendation in the form of opinion and suggestion of the Board of Commissioners to the Board of Directors which includes 1. Office Memo KA No.: B. 20-KA/03/2016 30 March 2016; 2. Office Memo KA No.: B.30-KA/05/2016 20 May 2016; 3. Office Memo KA No.: B.45-KA/08/2016 23 August 2016; 4. Office Memo KA No.: B.62-KOM/10/2016 30 November 2016
2.	IAU Audit Report Quarter I - 2016	20 May 2016	
3.	IAU Audit Report Semester I - 2016	23 August 2016	
4.	IAU Audit Report Quarter III - 2016	30 November 2016	

Audit Committee Analysis on SKAI's Review of Company's Quarterly Financial Statements

The Audit Committee conducted a review of the financial statements to be published including the Company's quarterly financial statements and annual reports. The results of the examinations may respond to Board of Directors requests for improvements or enhancement prior to published reports.

Implementation of the periodic review of the financial statements is as follows:

No.	Subject	Realization of Activity	Output
1.	Audited Financial Statements Review 2015;	10 March 2016	Written recommendation from AC to BoC to be submitted to BoD through Office Memo KA NO: B. 13-KA/03/2016 dated 10 March 2016
2.	Published Financial Statements Review (<i>unaudited</i>) Quarter I 2016;	25 April 2016	Written recommendation from AC to BoC to be submitted to BoD through Office Memo KA No.: B. 25-KA/04/2016, dated 25 April 2016.
3.	Financial Statements Review (<i>unaudited</i>) Semester I 2016;	20 September 2016	Written recommendation from AC to BoC to be submitted to BoD through Office Memo KA:B.49-KA/09/2016, dated 20 September 2016.
4.	Published Financial Statements Review (<i>unaudited</i>) Quarter III 2016;	24 October 2016	Written recommendation from AC to BoC to be submitted to BoD through Office Memo KA No.: B.56-KA/10/2016, dated 24 October 2016

Analysis Report on Whistleblowing System (WBS)

The Audit Committee has analysed the report on Whistleblowing System (WBS) and the complaints or written reports received by the Board of Commissioners. Implementation of analysis report on Whistleblowing System (WBS) is done simultaneously with the evaluation and discussion of the quarterly Audit Report (LHA) submitted by SKAI to the Board of Commissioners.

In addition, the Board of Commissioners also received a written complaint from the public or BRI customers. Complaints are then reviewed by the Audit Committee and must be clarified to the BoD or SKAI in order to be followed up in accordance with applicable rules and regulations. There were seven complaints received during 2016, and there were no complaints or reports in respect to alleged violations related to financial reporting.

Recommendations for Appointment of Office of Public Accountants

The Audit Committee provided recommendations to the Board of Commissioners related to provision of audit services from Public Accounting Firm (KAP) to conduct general audit of the consolidated financial statements and the financial statements of the Partnership and Community Development (CSR) for the financial year 2016.

Appointment of KAP was conducted in coordination with relevant work units, in particular the Division of Procurement of Goods and Services (PBJ) and was conveyed to the Board of Commissioners through the Audit Committee Office Memorandum No. B.36-KA/06/2016 dated June 14, 2016 regarding Implementation Report and Recommendations on Procurement of Audit Firm to conduct General Audit of Financial Statements and the Consolidated Financial Statements of the Partnership and Community Development Program of PT Bank Rakyat Indonesia (Persero) Tbk. for 2016 Fiscal Year.

Review of General Audit of Company's Financial Statements by Public Accountant Office

The target completion time and review of the implementation of the audit conducted by the Office of Public Accounting was as follows:

No.	Subject	Date of Realization	Output
1.	BRI Financial Statement Fiscal Year 2015	31 March 2016	Written recommendation in the form of opinions and suggestions of BoC to the Board of Directors was delivered through letter No. R.19-KOM/03/2016 dated March 31, 2016 on the Development of EY Audit on Financial Statements BRI in 2015
2.	PKBL Financial Statement Fiscal Year 2015	5 January 2016	Written recommendation in the form of opinions and suggestions of BoC to Board of Directors was delivered through letter No. B.59-KA/11/2016 dated 2 November 2016 on financial statements and evaluation of the implementation of community development and partnership programs at BRI
3.	Management Letter for Fiscal Year 2015	22 July 2016	Written recommendations in the form of opinions and suggestions of Board of Commissioners to the Board of Directors was conveyed with letter No. B.41-KA/08/2016 dated August 9, 2016 on management letter on the general audit of financial statements 2015

Analysis on Report of Fraud Incidents That Have Significant Impacts

The Audit Committee also analysed reports of fraud incidents that had significant impacts to the Company submitted by the Internal Audit and Compliance Director. Results of analysis were submitted by Audit Committee to the Board of Commissioners through the Audit Committee Office Memorandum no. B.53-KA/10/2016 dated October 20, 2016 regarding report of frauds that were estimated to have significant negative impacts.

The Audit Committee specifically conducted analysis and evaluation related to the robbery incident which occurred on several ATMs and BRI Units. The results of the Audit Committee's review and evaluation were submitted by the Audit Committee with official note of Audit Committee No. B.34-KA/06/2016 dated June 9, 2016 and the letter of the Board of Commissioners No. R.29-KOM/06/2016 dated June 21, 2016.

Evaluation Report on BPLK BRI Investment Performance

With reference to Article 24, paragraph 4 of Regulation of Financial Services Authority (POJK) No. 3/POJK.05/2015 dated March 31, 2015 on Pension Fund Investments, BRI Board of Commissioners as Supervisory Board of BRI BPLK (BRI Pension Fund) must submit evaluation report on Pension Fund's Investment Performance to the OJK at least 3 (three) months after the end of every semester.

Based on these POJK, the Audit Committee has compiled Evaluation Reports of BRI DPLK investment on December 31, 2015 prepared under BRI Pension Fund Letter No. B.611/DPLK/03/2016 dated March 15, 2016 on BRI Pension Fund Performance Report. Evaluation Report of BRI DPLK investment performance has also been submitted to the OJK by BoC Letter No. R.17-KOM/03/2016 dated March 30, 2016 on Pension Fund Investment Performance Evaluation Report for Fiscal Year 2015 BRI.

Furthermore, the Audit Committee has also made and conveyed evaluation reports on Pension Fund Investment Performance for Semester 1 of 2016 with Official Note of Audit Committee B.47-KA/08/2016 dated August 26, 2016 and submitted to the OJK by BoC Letter No. R.43-KOM/09/2016 dated 15 September 2016 regarding the Pension Fund Investment Performance Evaluation Reports for the First Half 2016 BRI.

Other Analysis Activities

The Audit Committee also conducted analysis and recommendation for approval of requests submitted by the Board of Directors to the Board of Commissioners, which is related to:

1. Request for Approval of the Use of Land owned by BRI for Ciliwung River Normalization Project (Audit Committee Office Memorandum No. B.26-KA/04/2016 dated 27 April 2016)
2. Request for approval of writing-off of BRI Directors' Official Houses in Jakarta (Audit Committee Office Memorandum No. B.61-KA/11/2016 dated 15 November 2016 regarding request for approval of BRI Official houses write-offs)
3. Evaluation of the implementation of Partnership and Community Development Program.

The Audit Committee conducted an evaluation on the implementation of the Partnership Program and Community Development (CSR). The evaluation was done through discussions with the Division of Corporate Secretary and other relevant work units in the Audit Committee Meeting Forum held on October 25, 2016.

Based on these discussions, the Audit Committee made several recommendations related to the implementation of the Company's PKBL, through the Audit Committee Office Memorandum No. B.59-KA/11/2016 dated 2 November 2016 concerning the Financial Report and Evaluation of the Implementation of the Partnership Program and Community Development (CSR) of the Company.

OPINION OF AUDIT COMMITTEE ON ANALYSIS ON IMPLEMENTATION OF COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT

Examination Opinion

Internal control and risk management system in the Company are believed to be sufficient in identifying risks, so the Company can understand and manage these risks.

Scope of Analysis/Examination

- application of quality accounting standards
- fairness of significant judgments
- clarity of disclosures in the consolidated financial statements
- adequacy of applied internal control framework

Examination Process

- Discussions with SKAI regarding:
 - Implementation of the scope and audit plan
 - Results of routine monitoring of Internal Audit Taskforce
 - Opinion on the adequacy of the implementation of follow up by management
- Discussions with the independent auditors regarding:
 - The quality of accounting standards and judgments that are used by Management in preparation and presentation of the Company's consolidated financial statements
 - Internal control deficiencies that are considered important.

Documentation of Analysis and Examinations Conducted during 2016

In determining the adequacy of the internal control, the Audit Committee has conducted a review as stipulated in the Summary Report of the Audit Committee on the Implementation of this Annual Report.

MEETING FREQUENCY AND ATTENDANCE OF THE AUDIT COMMITTEE (KA)

Meeting Agenda and Attendance of Audit Committee

No.	Agenda	Date	Attendance of KA Member	Note
1	Plan to Follow Up Results from Exit Meeting with OJK and Monitoring Follow Up of OJK Audit in 2014 and 2015	12 January 2016	7	Quorum
2	Progress of Audit on BRI Financial Statement in 2015	20 January 2016	6	Quorum
3	Continue - Progress of Audit on BRI Financial Statement in 2015	22 January 2016	5	Quorum
4	Audit Plan in 2016	9 February 2016	7	Quorum
5	Audit Report Quarter IV-2015 and Monitoring Follow Up of Audit Findings from External Auditor	8 March 2016	6	Quorum
6	BRI PKBL Financial Report in 2015	18 March 2016	4	Quorum
7	Audit Report Quarter IV-2015	18 March 2016	4	Quorum
8	Kick off Meeting of Procurement KAP as Follow Up of Resolution of GMS 2016	29 March 2016	6	Quorum
9	Pre Management Letter	12 April 16	4	Quorum
10	BRI Financial Statement Review Quarter I - 2016	25 April 16	6	Quorum
11	Memorandum of General Audit Result of EY in 2015	3 May 2016	5	Quorum
12	Audit Report Quarter I	17 May 2016	4	Quorum
13	Progress of Audit on Consolidated Financial Statement per 30 June 2016	29 July 2016	6	Quorum
14	Finalization of audit on BRI Consolidated Financial Statement semester 1 - 2016	12 August 2016	4	Quorum
15	Audit Report Quarter II - 2016	16 August 2016	5	Quorum
16	Discussion on Memorandum of General Audit Resu/Management Letter for Financial Statement Semester I - 2016	30 August 2016	5	Quorum
17	BRI Audit Planning	18 October 2016	4	Quorum
18	Financial Statement Review of Q III - 2016	21 October 2016	5	Quorum
19	BRI PKBL Report in 2016	25 October 2016	6	Quorum
20	Audit Report Quarter III - 2016	8 November 16	6	Quorum

No	Name	Position	Number of KA Meeting	KA Attendance	% Attendance
1	A. Fuad Rahmany	Chairman	20	20	100%
2	A. Sonny Keraf	Member	20	17	85%
3	Adhyaksa Dault	Member	20	15	75%
4	Pamuji Gesang Raharjo	Member	20	18	90%
5	I. Gde Yadnya Kusuma	Member	20	17	85%
6	Sunuaji Noor Widiyanto*	Member	2	2	100%

* Appointed in December 2016

FOLLOW-UP OF AUDIT COMMITTEE MEETING

The results of meetings and conference activities undertaken by the Audit Committee were documented in the minutes of meetings and followed up with letters to BoC and related parties.

EDUCATION/TRAINING IN FISCAL YEAR

Training attended by members of the Audit Committee during 2016 can be seen in the list of the education/training of the Board of Commissioners during 2016.

REMUNERATION OF COMMITTEE MEMBERS

Remuneration of committee members from the Board of Commissioners is included in the honorarium paid to the Board of Commissioners and there are no special honorarium for each member of the Committee.

Particularly for Committee Members who are independent parties (not commissioners), the amount of honorarium is determined by the Board of Commissioners with a maximum amount of 20% of salary of President Director and there is no other compensation other than the honorarium. This is in accordance with the Ministry of SOEs Regulation No. PER-12.MBU BUMN/2012 dated August 24, 2012 on Supporting Organs of a BoC.

Nomination and Remuneration Committee (NRC)

Nomination and Remuneration Committee assists the Board of Commissioners to evaluate remuneration policy, and overall human resources management as well as providing advice and constructive feedback on nomination systems and procedures and/or replacement of members of the Board of Directors and the Board of Commissioners as well as an independent members of the Board of Commissioners.

MEMBERSHIP OF THE NOMINATION AND REMUNERATION

The structure and composition has complied with Regulation No. 8/4/PBI/2006 as amended by Regulation No. 8/14/PBI/2006.

The BRI Nomination and Remuneration Committee is chaired by Chairman of BoC who is also an Independent Commissioner and members consisting of all members of the Board of Commissioners plus one executive officer, i.e Head of Human Resources Management Division. They are as follows:

No.	Name	Period of Tenure	Position	Profession
1.	Mustafa Abubakar	2015-now	Chairman	President Commissioner/Independent Commissioner
2.	Gatot Trihargo	2015-now	Member	Vice President Commissioner
3.	Adhyaksa Dault	2015-now	Member	Independent Commissioner
4.	Ahmad Fuad	2015-now	Member	Independent Commissioner
5.	A. Fuad Rahmany	2015-now	Member	Independent Commissioner
6.	A. Sonny Keraf	2015-now	Member	Independent Commissioner
7.	Vincentius Sonny Loho	2015-now	Member	Commissioner
8.	Jeffry J. Wurangian	2015-now	Member	Commissioner
9.	Eko Bambang Suharno (Head of Division of HR Policies and Development)	2015-now	Member	Ex-officio

PROFILE OF COMMITTEE MEMBER

Chairman of Committee



Mustafa Abubakar
Chairman of Nomination and Remuneration Committee/
Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

Member Komite

Gatot Trihargo

Member NRC/Vice President Commissioner

Profile can be found in the section of Member of BoC Profile.

Adhyaksa Dault

Member NRC/Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

Ahmad Fuad

Member NRC/Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

A. Fuad Rahmany

Member of NRC/Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

A. Sonny Keraf

Member of/Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

Vincentius Sonny Loho

Member of/Commissioner

Profile can be found in the section of Member of BoC Profile.

Jeffry J. Wurangian

Member of/Commissioner

Profile can be found in the section of Member of BoC Profile.

Eko Bambang Suharno

Member of Nomination and Remuneration Committee

Born in Wonosobo in 1960. Graduated with a Bachelor's Degree from the Faculty of Fishery Majoring in Social Economics, Bogor Agricultural Institute (IPB) in 1983. A MBA Degree was obtained from Virginia Commonwealth University in 1992. He started his career in PT Bank Rakyat Indonesia (Persero) Tbk. in 1985 and served in several important position, such as: Head of Bank BRI Branch Office Muara Bungo (1995-1998), Head of Bank BRI Branch Office Probolinggo (1998-2001), Head of Bank BRI Branch Office Bekasi (2001-2002), Deputy Head of MSDM Division (2002-2005), Head of Sharia Unit (UUS) of Bank BRI (2005-2009) and participating in the establishment of PT Bank BRISyariah and served as Director of PT Bank BRISyariah from 13 November 2008 until 8 April 2015. Then he served as Head of Service Division of BRI (April 2015 - August 2015) and as Head of HR Policy & Development Division (August 2015 - now), in addition to serving as Commissioner of BRI Syariah.

INDEPENDENCY OF THE COMMITTEE MEMBERS

- Independent members of the NRC have no affiliation with the Directors, other Commissioners or the controlling shareholder of BRI
- All members of the NRC are not shareholders, commissioners, directors and employees of companies that have affiliation or business with BRI.

DUTIES AND RESPONSIBILITIES**Nomination Function**

- To analyze, formulate and make recommendations to the Board of Commissioners on nomination and/or replacement systems and procedures of members of the Board of Commissioners and Board of Directors.
- To provide recommendations to the BoC on prospective candidates of the Board of Commissioners and/or Board of Directors.
- To monitor application of and analyse the criteria and selection procedure for candidates who directly report to the Board of Directors.
- To develop performance appraisal of Board of Commissioners and Board of Directors.
- To provide recommendations on the number of members of the Board of Commissioners and Board of Directors.
- To give opinions or advice on BoD's decision to transfer and/or appoint a non-career employee as senior executive one level under the Board of Directors.
- To analyse direct reports on senior officers' data submitted to the Board of Directors on a quarterly basis or at any time if there is a change.
- To provide recommendations to the Board of Commissioners on an Independent Party who will become a member of the Audit Committee or member of the Risk Management Monitoring Committee.

Remuneration Function

- a. To evaluate the remuneration policy applicable to the Boards of Commissioners and Directors and employees.
- b. To provide recommendations to the Board of Commissioners on:
 - Remuneration policy for the Board of Commissioners and Board of Directors.
 - Remuneration policy for executive officers and employees of the Company as a whole to be submitted to the Board of Directors.
- c. To provide recommendations option plans for Commissioners, Directors and employees, including stock options.
- d. To provide recommendations on pension system for the Company's employees.
- e. To provide recommendations on compensation and other benefits in case of Company lay-offs.

Others

- a. To evaluate and provide recommendations to the BoC related to employment/labor policy and other functions in human resources management which may have significant financial impacts and/or legal risks to the Company.
- b. To make recommendations on internal/external audit findings, and results of supervision of Bank Indonesia, specifically on policies of human resource management.
- c. To administer documents related to the duties and responsibilities of the Committee.

DESCRIPTION IMPLEMENTATION OF COMMITTEE ACTIVITIES IN 2016

Some of the NRC work program in 2016 included:

1. Preparing Recommendation on Nomination of Directors given to Board Of Commissioners

Before March 2016, the NRC had proposed the nomination of directors to the Board of Commissioners, which is preceded by the nomination process in January to February.

2. Reviewing Structure and Amount of Remuneration of Directors and Commissioners

In the first week of March 2016, NRC submitted a review and proposal of the remuneration of Directors and Commissioners to the Board of Commissioners to be proposed at the General Meeting of Shareholders in 2016.

3. Review of Employee Remuneration Implementation and Employment/Labor Policy

Review was conducted by evaluating implementation of HR architecture, human resource policies, and reports as well as presentation from Directors and/or the Human Resources Division. The review process was carried out on employment policy evaluation meeting held at the end of June 2016 and mid-November 2016 as well as on evaluation meeting of employee's remuneration and Employment Policies at the end of November 2016.

Based on those review processes, the NRC submitted recommendations regarding the implementation of Employee's Remuneration and Employment Policies to the Board of Commissioners. The recommendations would become input for the Board of Commissioners in order to offer opinions and advice to the Board of Directors to ensure BRI has set the remuneration and employment policies in a fair manner, can motivate all employees, and is in accordance with the financial capacity and performance of the Company.

Recommendations of NRC

The NRC and other committees (KA and RMOC) under the coordination of the Secretary to the Board of Commissioners provide recommendations in the form of opinions and suggestions related to Board of Directors measures that require the approval of the Board of Commissioners, such as:

- a. Appointment of BRI Subsidiaries' Directors and Commissioners
- b. A management contract for a period longer than 3 (three) years;
- c. Deciding organizational structure of direct reporting to the Board of Directors; and
- d. Deciding the appointment of the Head of Internal Audit and Head of Corporate Secretariat Division.

Documentation of NRC's Policy Reviews

No	Number of Letter	Subject
1	R. 01-KNR/01/2016, dated 20 January 2016	Proposal for NRC - MSOP Meeting
2	R. 02-KNR/02/2016, dated. 05 February 2016	Adjustment of Honorarium for Member who is not Commissioner
3	R. 03-KNR/02/2016, dated. 12 February 2016	NRC recommendation on proposal of remuneration for member of BoD and BoC
4	R. 04-KNR/03/2016, dated. 22 March 2016	NRC recommendation on Determination of Candidates for Member of BoD and/or BoC to be proposed at the GMS 23 March 2016
5	R. 05-KNR/06/2016, dated. 01 June 2016	Proposal for reappointment of the Secretary of BoC
6	R. 06-KNR/06/2016, dated. 01 June 2016	Recommendation for Applying as Independent Commissioner

OPINION OF THE NOMINATION AND REMUNERATION COMMITTEE ON THE COMPANY'S NOMINATION AND REMUNERATION

The Remuneration and Nomination Committee considered the nomination and/or replacement systems and procedures of members of the Board of Commissioners and/or Board of Directors as referring to prevailing regulations and good corporate governance principles. For example, in nominating candidates for the Board of Directors, each candidate must pass assessment conducted by independent parties and Directors should at least prepare two (2) candidates who subsequently will undergo fit and proper test by the Board of Commissioners with direct interviews.

The Nomination and Remuneration Committee concluded that performance measurement for the Board of Commissioners and Board of Directors which are currently conducted collegially/collectively was deemed sufficient. However, the Company needed to develop a system of individual performance appraisal, particularly for the Board of Directors. Individual appraisal can measure the effectiveness of each

Director's duties without ruling out that there is collective/collegial performance that affects individual Directors' performance (when the duties of a Director are affected by the others' duties and responsibilities).

In terms of criteria and selection procedure for prospective senior officers/direct reports to the Board of Directors, the Nomination and Remuneration Committee assessed that the Directors have implemented the system with prudent, transparent and accountable criteria and procedures.

Related to remuneration, the Company was deemed to apply remuneration of the Directors based on their performance, benchmarks and peers to industry group. Remuneration was also based on a comprehensive evaluation that was assisted by a competent independent parties.

Similarly, remuneration for employees as a whole was exercised in a fair manner in order to motivate employees, with due regard to the Company's financial capabilities and remuneration in the industry.

MEETING FREQUENCY, ATTENDANCE LEVEL AND AGENDA

Meetings held by the NRC in 2015 were as follows:

Meeting Agenda and Attendance of NRC

No	Meeting Agenda	Date	No NRC Minutes of Meeting	Attendance	Description
1	a. Progress on LTI Review b. Nomination and Remuneration - Preparation for GMS 2016	26 January 2016	B.01-KNR/01/2016	7	Quorum
2	Evaluation on remuneration for BoD and BoC in 2016 and Evaluation of Performance of BRI BoD	9 February 2016	B.02-KNR/02/2016	6	Quorum
3	Proposal for candidate of member of BoD of BRI	3 March 2016	B.03-KNR/03/2016	6	Quorum
4	Evaluation on the candidates for BoD and BoC to be proposed to GMS 2016	22 March 2016	B.04-KNR/03/2016	7	Quorum
5	Change of position from Commissioner to Independent Commissioner of BRI	31 May 2016	B.05-KNR/05/2016	8	Quorum

Meeting Agenda and Attendance of NRC

No	Meeting Agenda	Date	No NRC Minutes of Meeting	Attendance	Description
6	Evaluation on proposal of salary/honorarium of BoD and BoC in 2016	27 June 2016	B.06-KNR/06/2016	8	Quorum
7	Determination of salary/honorarium and tantiem BoD and BoC in 2016	28 June 2016	B.07-KNR/06/2016	6	Quorum
8	Evaluation on HR Policies	11 October 2016	B.08-KNR/10/2016	7	Quorum

No.	Name	Position	Number of NRC Meeting	Attendance of NRC	% Attendance of NRC
1	Mustafa Abubakar	Chairman	8	7	88%
2	Gatot Trihargo	Member	8	5	63%
3	Adhyaksa Dault	Member	8	7	88%
4	Ahmad Fuad	Member	8	7	88%
5	A. Fuad Rahmany	Member	8	7	88%
6	A. Sonny Keraf	Member	8	7	88%
7	Vincentius Sonny Loho	Member	8	5	63%
8	Jeffry J. Wurangian	Member	8	7	88%
9	Eko Bambang Suharno	Member	8	5	63%

EDUCATION/TRAINING IN FISCAL YEAR

Training attended by NRC members during 2016 are listed on the list of the education/training courses of the Board of Commissioners during 2016.

REMUNERATION OF COMMITTEE MEMBERS

Remuneration for NRC members from the Board of Commissioners is reported in the honorarium paid to the Board of Commissioners and there are no special honorarium for each member of the Committee.

Particularly for Committee members as independent party (not commissioner), the amount of honorarium was determined by the Board of Commissioners with a maximum amount of 20% of President Director's salary and no other remuneration other than the honorarium. This is in accordance with Ministry of SOEs Regulation No. PER-12.MBU BUMN/2012 dated August 24, 2012 on Supporting Organs of a BoC.

COMMITTEE CHARTER

The Nomination and Remuneration Committee has a Committee Charter that was endorsed by the Board of Commissioners on May 12, 2015, and remained unchanged up to 2016. The Charter regulates issues of committee objectives, membership, authority, duties and responsibilities,

position, as well as work and meeting ethics, and serves as a guide for the Nomination and Remuneration Committee in the discharge of its duties and responsibilities in support of the effective implementation of Board of Commissioners' duties and responsibilities related to Human Resources management.

SUCCESSION POLICY OF BOARD OF DIRECTORS

Nomination and Remuneration Committee

The Nomination and Remuneration Committee will solicit candidates for the Board of Directors based on the pre-established qualifications. This netting process involves external agencies, Assessment Center Indonesia (ACI) and the Assessment Center Telkom (ACT). After screening process, the NRC proposes candidates to the Board of Commissioners.

Board Of Commissioners

Through the mechanism of internal meetings, the Board of Commissioners proposed a list of candidates for the Board of Directors to the Shareholders of Series A Dwiwarna.

Shareholders of Series A Dwiwarna

Ministry of SOEs as representatives of Shareholders Series A Dwiwarna must evaluate candidates for Directors through fit and proper tests. Upon passing the tests, the Ministry of SOEs will approve succession of candidates for the Board of Directors and at the same time, will arrange a new organization structure to be decided by the General Meeting of Shareholders.

GMS

The GMS decides the structure and changes of members of Board of Directors of BRI. In the case where members of the Board of Directors who have been appointed but not yet been approved by the OJK, then the appointment is not deemed effective. Prospective members of the Board of Directors of BRI are prohibited from doing duties as members of the Board of Directors or be involved in Bank operations or other activities that have a significant influence on the policies and financial condition of the Bank, although they have been appointed by the GMS.

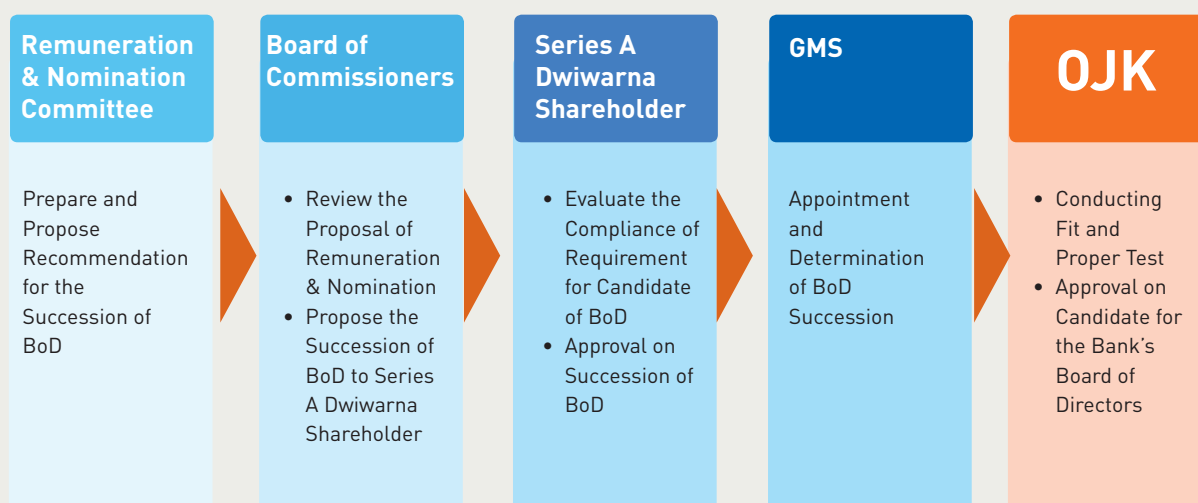
Corporate Secretary Division

Corporate Secretary Division files requests to OJK to conduct Fit and Proper Test.

OJK

OJK conducts fit and proper assessments on the appointed Directors. The test includes administrative examination and interview. Approval or rejection of the application in question will be given by the OJK no later than 30 (thirty) days after receipt of the complete application.

Scheme of BoD Succession



Risk Management Monitoring Committee (RMOC)

RMOC STRUCTURE

The Risk Management Monitoring Committee is one of the organs of the Board of Commissioners established in order to support the effective implementation of supervisory duties and responsibilities of the Board of Commissioners. The RMOC works collectively, and is independent in performing its duties and in reporting. The RMOC is directly responsible to the Board of Commissioners.

RMOC MEMBERSHIP

BRI RMOC membership consists of at least 1 (one) Independent Commissioner who is also chairman, 1 (one) Independent Party with expertise in finance, and 1 (one) Independent Party with expertise in the field of risk management.

Membership and expertise of Risk Management Monitoring Committee are as follows:

No	Name	Position at Risk Management Monitoring Committee	Period of Tenure	Note/Expertise
1	Ahmad Fuad	Chairman	2015-2017	Independent Commissioner
2	Mustafa Abubakar	Member	2015-2017	President Commissioner
3	A. Fuad Rahmany	Member	2015-2017	Independent Commissioner
4	Jeffry J. Wurangian	Member	2015-2017	Commissioner
5	Indrayeti	Member	2015-2017	Independent Party in Risk Management
6	Tubagus Nur Ahmad Maulana	Member	2015-2017	Independent Party in Risk Management
7	Suindiyo	Member	2015-2017	Independent Party in Financial
8	Totok Hermiyanto	Member	2015-2017	Independent Party in Financial

NAME, POSITION AND BRIEF HISTORY OF COMMITTEE MEMBERS

Chairman of RMOC



Ahmad Fuad
Chairman of Risk Management Monitoring Committee/
Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

Member of RMOC

Mustafa Abubakar

Member of Risk Management Monitoring Committee/
Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

A. Fuad Rahmany

Member of Risk Management Monitoring Committee/
Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

Jeffry J. Wurangian

Member of Risk Management Monitoring Committee/
Commissioner

Profile can be found in the section of Member of BoC Profile.

Indrayeti

Risk Management Monitoring Committee Member

Born in Sungai Liat, October 9, 1972. He has served as a member of RMOC PT BRI (Persero), Tbk since 2014. Mr. Indrayeti previously had career in other state-owned banks and some private banks in various positions. He earned a Bachelor of Economics in Accounting from Trisakti University, Jakarta (1995) and a Master of Commerce from the University of New South Wales (2000).

Tubagus Nur Ahmad Maulana

Risk Management Monitoring Committee Member

Born in Jakarta, May 7, 1971. He has served as a member of RMOC PT BRI (Persero), Tbk since February 2016. Mr Maulana previous career was a lecturer and consultant. He earned a Bachelor of Agriculture of IPB (1995) and an MBA Banking and Finance from the University of Birmingham (2000), MSc Finance from the University of Strathclyde (2001) and a PhD in Finance from the University of Strathclyde (2007).

Suindiyo

Risk Management Monitoring Committee Member

Born in Blora, April 27, 1959. Appointed as member RMOC PT BRI (Persero), Tbk in December 2015. His previous career was at PT BRI (Persero) Tbk in various positions. Among others: the Inspector (Executive Vice President of Audit), Vice President of Loan Restructuring and Recovery, Vice President of Credit Administration and Vice President of BRI Training Center. Mr Suindiyo also served as Commissioner of Non-Bank Financial Institutions. Obtained a degree in Economics from the University of Jember (1985) and a Master of Business Administration in Finance from Virginia Polytechnic Institute and State University (Virginia Tech) (1994).

Totok Hermiyanto

Risk Management Monitoring Committee Member

Born in Banjarmasin, June 22, 1959. Mr Hermiyanto has been a member of RMOC at PT BRI (Persero), Tbk since December 2015. His previous work was for more than 30 years at Bank Indonesia as Bank Supervisor, Auditor and Chief Representative. He earned a law degree from Diponegoro University in 1983 and a Master of Business Administration from Wollongong University in Australia (1996).

INDEPENDENCY OF THE MEMBERS OF THE COMMITTEE

All members of the RMOC have no affiliation with Directors, other Commissioners or the controlling shareholder of BRI. RMOC members are not shareholders, Commissioners, Directors or employees of companies that have affiliation or business with BRI.

Independency requirement of BRI RMOC Members are as follows:

- Not receiving compensation from the Company and the subsidiaries of the Company, or its affiliates, except for wages, salaries, and other facilities related to the tasks they have performed as a member of the Risk Management Monitoring Committee;
- Not having family or financial relationship with Directors or Commissioners;
- Not having dual position in the Company and other companies affiliated with the Company;
- Not having duties, responsibilities and authority which give rise to a conflict of interest;
- Not serving as members of the Board of Commissioners, the Secretary to the Board of Commissioners, secretary staff to the Board of Commissioners or member of a committee at a SOE or any other company.

No	Independency Criteria	Ahmad Fuad	Mustafa Abubakar	A. Fuad Rahmany	Jeffry J. Wurangian	Indrayeti	Tubagus NA. Maulana	Suindiyo	Totok Hermiyanto
1	Do not have a shareholding relationship with Commissioners, Directors and/or Controlling Shareholders or relationship with the Bank, which could affect ability to act independently.	√	√	√	√	√	√	√	√
2	Do not have a financial relationship Commissioners, Directors and/or Controlling Shareholders or relationship with the Bank, which could affect ability to act independently.	√	√	√	√	√	√	√	√
3	Do not have a management relationship with Commissioners, Directors and/or Controlling Shareholders or relationship with the Bank, which could affect ability to act independently.	√	√	√	√	√	√	√	√
4	Do not have family ties with Commissioners, Directors and/or Controlling Shareholders or relationship with the Bank, which could affect ability to act independently.	√	√	√	√	√	√	√	√

DUTIES AND RESPONSIBILITIES

The RMOC assists the BoC to carry out its duties and responsibilities in evaluating and ensuring the implementation of the Company's risk management in meeting adequacy of risk management procedures and methodologies, so that the Company's activities can be managed within acceptable limits and generate profit for the Company.

DESCRIPTION OF RMOC ACTIVITIES

Focus of RMOC work implementation in 2016

- Review and evaluate conformity between risk management policy and its implementation;
- Review and evaluate the Company's risk profile;
- Review and evaluate the implementation of the compliance function; and
- Monitor the implementation of prudential principle in disbursing credit facilities.

In 2016, the Risk Management Monitoring Committee conducted a variety of tasks and activities, including:

Evaluation of General Policy of Risk Management

Evaluation of General Policy of Risk Management has been carried out by taking into consideration the Company's risks and adhering to laws and regulations as follows:

- i. Law No. 09 on the Crisis Prevention and Management of Financial System (PPKSK)
- ii. POJK No. 04 on Robustness Level Assessment for Commercial Banks
- iii. POJK No. 11 on the Minimum Capital Requirement for Commercial Banks
- iv. POJK No. 18 on the Application of Risk Management for Commercial Banks
- v. POJK No. 38 on the Application of Risk Management in the Use of Information Technology for Commercial Banks.

Other changes from the General Policy of Risk Management in 2016 was to merge the general policy of integrated risk management so that the Company only has one general policy that applies to the Company as the main entity and to subsidiaries incorporated in the financial conglomeration.

Evaluation of Implementation of Risk Management Policies and Evaluation of Risk Profile

Evaluation of risk management policies and evaluation of risk profile were carried out by observing the quality of risk management of the Company and the level of inherent and material risk in the Company's operations.

Implementation of risk management includes active supervision by the Board of Directors and Board of Commissioners; the adequacy of risk management policies and procedures as well as the establishment of risk limits; adequacy of identification, measurement, monitoring, and controlling of risks; risk management information systems; and a comprehensive internal control system covering all types of risks, such as credit risk, operational risk, market risk, liquidity risk, legal risk, compliance risk, reputation risk and strategic risk.

Review and evaluation of risks is especially focused on:

- risks that have a rating of 3 (moderate) to rank 5 (high) and risks that have tendency to worsen.
- reporting period of Risk Profile in Quarter IV-2015, the first quarter 2016, second quarter of 2016 and the third quarter of 2016.

Complete reviews and evaluations through risk profile assessment were as follows:

No.	Subject	Realization	Output
1.	Risk Profile Report Quarter IV - 2015	23 March 2016	RMOC Office Memo No.B.02-KPMR/03/2016 dated 23 March 2016
2.	Risk Profile Report Quarter I - 2015	11 May 2016	RMOC Office Memo No.B.05-KPMR/05/2016 dated 11 May 2016
3.	Risk Profile Report Quarter II - 2015	6 September 2016	RMOC Office Memo No.B.11-KPMR/09/2016 dated 6 September 2016
4.	Risk Profile Report Quarter III - 2015	30 November 2016	RMOC Office Memo No.B.22-KPMR/11/2016 dated 30 November 2016

Review and Evaluation of Compliance Function

In line with the Company's business development, the Company needs to be supported by the application of prudential principles in order to ensure that all business activities and policies comply with all pertinent laws issued by both Bank Indonesia and other regulatory authorities. Review and evaluation are carried out mainly to fulfil the applicable regulations regarding the implementation of the prudential principle, which include adequacy of Capital Adequacy Ratio (CAR), Legal Lending Limit (LLL), Net Open Position (NOP), Derivative transactions, Statutory reserves (GWM) in Rupiah and foreign currency, and the level of Non-Performing Loans (NPL). Review and evaluation of the implementation of the

Compliance function is performed on a quarterly basis. In addition, the RMOC will also conduct review and evaluation of the Semester Reports on Duties of the Compliance Director as defined in Regulation No. 1/6/PBI/1999 dated 20 September 1999 on the Assignment of Compliance Director and Application of the standard implementation of Internal Audit function in Commercial Banks as further amended by Regulation No. 13/2/PBI/2011 dated January 12, 2011 on the Implementation of Commercial Bank compliance function.

Realization of a review and evaluation of the compliance function was as follows:

No.	Topic	Realization	Output
1.	Report on the Implementation of Duty of Director of Compliance Semester II - 2015	23 March 2016	RMOC Office Memo No.B.02-KPMR/03/2016 dated 23 March 2016
2.	Report on the Implementation of Duty of Director of Compliance Semester I - 2016	6 September 2016	RMOC Office Memo No.B.11-KPMR/09/2016 dated 6 September 2016

Review of Bank Rating Assessment

In accordance to PBI No.13/1/PBI/2011 dated January 5, 2011 on the Assessment of Commercial Banks' soundness, the Board of Commissioners is responsible for maintaining and monitoring the robustness level of the Bank and taking necessary steps to maintain and/or increase the soundness of the Bank. The Risk Management Monitoring Committee will evaluate the Bank's assessment results which includes assessment of the risk profile, Good Corporate Governance (GCG), Profitability (Earnings) and Capital (Capital). Complete reviews of the Bank's rating assessment were as follows:

No.	Topic	Realization	Output
1.	Soundness Assessment Report July - December 2015	23 March 2016	RMOC Office Memo No.B.02-KPMR/03/2016 dated 23 March 2016
2.	Soundness Assessment Report January - June 2016	6 September 2016	RMOC Office Memo No.B.11-KPMR/09/2016 dated 6 September 2016

Approval and Supervision of Company's Work Plan

The RMOC together with the Audit Committee, Corporate Governance Committee and the Integrated NRC under the coordination of the Secretary to the Board of Commissioners assists the Board of Commissioners in evaluating and approving the work plan of the Company, a guideline spanning the Company in conducting its business during 2016. In addition, the Board of Commissioners oversees the Realization of the Bank's Business Plan which will be submitted to Bank Indonesia no later than two months after the reporting period.

Report of GCG Implementation

The RMOC together with the Audit Committee, Corporate Governance Committee and the Integrated NRC under the coordination of the Secretary to the Board of Commissioners will evaluate the implementation of GCG. The evaluation is carried out using Self-Assessment approach to measure the effectiveness of GCG implementation at BoC, including by Committees under the Board of Commissioners.

Annual Report of The Board Of Commissioners

The RMOC together with the Audit Committee, Corporate Governance Committee and the Integrated NRC under the coordination of the Secretary to the Board of Commissioners prepared the BoC Activity Report for 2014 that will be included in the Company's Annual Report. The Annual Report will be submitted to the Board of Commissioners for further approval from GMS in 2016.

Credit Consultation of Directors to The Board Of Commissioners

Any credit transaction that meets the criteria set out in the Company's Articles of Association and/or in BoD's Circular Letters shall be consulted to the Board of Commissioners. Credit consultation can be carried out before or after Board of Directors' credit disbursement decision. The RMOC provides recommendations in the form of opinions or suggestions on any loan proposals being consulted to the Board of Commissioners. Furthermore, RMOC provides written recommendations in the form of opinions or suggestions to the Board of Commissioners after credit consultation meeting forums are held. During 2016, all loans that meet the criteria to be consulted to the Board of Commissioners have been presented in the credit consultation meeting and all the recommendations have been submitted in writing to the Board of Directors.

Credit consultation settlements referred to above were as follows:

Subject	Realization	Output
Results from Credit Consultations with Credit Consultation Meeting Forums	10 February 2016	RMOC Office Memo No. B.01-KPMR/02/2016 dated 10 February 2016
	27 May 2016	RMOC Office Memo No. B.06-KPMR/05/2016 dated 27 May 2016
	10 June 2016	RMOC Office Memo No. B.07-KPMR/06/2016 dated 10 June 2016
	30 June 2016	RMOC Office Memo No. B.10-KPMR/06/2016 dated 30 June 2016
	4 October 2016	RMOC Office Memo No. B.14-KPMR/10/2016 dated 04 October 2016
	31 October 2016	RMOC Office Memo No. B.17-KPMR/10/2016 dated 31 October 2016
	14 November 2016	RMOC Office Memo No. B.21-KPMR/11/2016 dated 14 November 2016
	28 December 2016	RMOC Office Memo No. B.28-KPMR/12/2016 dated 28 December 2016

Approval of Lending to Related Parties

The RMOC will provide recommendations in the form of opinions and advice to the Board of Commissioners related to the request for approval of credit facilities to the Company's subsidiaries or other Related Parties of the Company as set forth in the Company's Articles of Association and/or the Company Director Circular Letters.

Realization of credit disbursements to the subsidiaries or other related parties were as follows:

Subject	Realization	Output
Loan approval for Subsidiaries/other Related Parties	30 March 2016	RMOC Office Memo No. B.03-KPMR/03/2016 dated 30 March 2016 on Approval of the Change of Terms of Facility Uses for Related Parties, namely PT Bringin Gigantara.
	1 November 2016	RMOC Office Memo No. B.18-KPMR/11/2016 dated 1 November 2016 on Approval for Funding Provision for Related Parties, namely Kuswiyoto
	1 November 2016	RMOC Office Memo No. B.19-KPMR/11/2016 dated 1 November 2016 on Approval for Funding Provision for Related Parties, namely Sis Apik Wijayanto

Monitoring Follow-Up Action Plan on Active Supervision of Board Of Commissioners

The RMOC along with the Audit Committee and the Integrated Governance Committee will monitor Action Plans on active supervision of the Board of Commissioners as requested by Financial Services Authority (OJK).

Completion of Action Plan on Active Supervision of Board of Directors was as follows:

Subject	Realization	Output
Monitor Credit Performance	30 September 2016	RMOC Office Memo No. B.13-KPMR/09/2016 Date 30 September 2016 on Credit Performance and Portfolio Guideline Review.

Review Report on Implementation of Anti-Fraud Strategy

In accordance with Circular Letter No. 13/28/DPNP dated December 9, 2011 on the Application of the Anti-Fraud Strategy for Banks, banks are required to establish four (4) pillars of fraud control strategies that are related to each other, namely: (a) prevention; (B) detection; (C) investigation, reporting and penalties; and (d) monitoring, evaluation and follow-up. RMOC evaluates and analyses the implementation of fraud risk control in the Company biannually and provides advice and/or recommendations to the Board of Directors to increase the quality of the Company's Anti Fraud Strategy Implementation.

RMOC OPINION ON OVERSIGHT OF RISK MANAGEMENT:

Based on the results of active supervision during 2016 through meetings, working visits, consultation and review, the Committee expressed the following related to the implementation of risk management in the Company:

Risk management has been implemented properly reflected by the soundness of the Bank which obtained a composite rating of 1 (very healthy) in June 2016, as well as the implementation of the Compliance Function. Implementation of Corporate Governance (GCG) has also been running well. Nevertheless, risk management needs to be improved continuously in line with business development.

MEETING FREQUENCY, ATTENDANCE AND AGENDA

The Risk Management Monitoring Committee met 12 (twelve) times during 2016, with the level of attendance as follows:

No	Meeting Agenda	Date	Attendance of Member of RMOC	Note
1	1. Risk Profile Review Semester II - 2015 2. Soundness of Bank Review Semester II - 2015 3. Implementation of Compliance Function Semester II - 2015 4. Anti Fraud Strategy Semester II - 2015	16 February 2016 (B. 09-KOM/02/2016 dated 11 February 2016)	7	Quorum
2	Review the Parameter of Risk Profile	29 March 2016	7	Quorum
3	Gap Analysis Report Review/Validation of Risk Management by Deloitte	29 March 2016	8	Quorum
4	Risk Profile Quarter I - 2016	19 April 2016 (B. 32-KOM/04/2016 dated 12 April 2016)	8	Quorum
5	Risk Profile Report, soundness of bank, anti fraud strategy, and compliance function of quarter II of 2016, and implication on the determination of BRI as Systemic Bank.	9 August 2016 (14.00 - finish)	7	Quorum
6	Discussion of implementation for RMOC meetings	16 August 2016	6	Quorum
7	Internal control weaknesses related to Risk Management	26 August 2016	7	Quorum
8	Review of DPLK Governance	26 August 2016	7	Quorum
9	Review of loan portfolio of BRI semester 1 - 2016	30 August 2016	7	Quorum
10	1. BRI policy hierarchy 2. Policies and decisions that require approval from BoC 3. Update of external policies that require follow up/ approval from BoC	6 September 2016	4	Quorum
10	Discussing issues that need to be submitted to the BoD related to credit writeoff management policies	4 October 2016	8	Quorum
11	Risk profile report and implementation of compliance function Q III 2016	25 October 2016	8	Quorum
12	Review on general policy of risk management	20 December 2016	5	Quorum

No.	Name	Position	Number of RMOC Meetings	RMOC Attendance	% RMOC Attendance
1	Ahmad Fuad	Chairman	12	11	92%
2	A. Fuad Rahmany	Member	12	10	83%
3	Mustafa Abubakar	Member	12	10	83%
4	Jeffry J. Wurangian	Member	12	12	100%
5	Suindiyo	Member	12	12	100%
6	Indrayeti	Member	12	11	92%
7	Tubagus A. Maulana	Member	12	8	67%
9	Totok Hermiyanto	Member	12	11	92%

EDUCATION/TRAINING IN FISCAL YEAR

BRI RMOC members have competencies in their respective fields with a minimum of five-years of experience. BRI RMOC members' backgrounds are quite diverse. They have experience in the field of strategic management, risk management, banking, finance and accounting so as to ensure the quality of recommendations and suggestions for improvements to the BoC. Training courses attended by members of the Audit Committee during 2016 can be seen in the list of the education/training courses of the Board of Commissioners during 2016.

REMUNERATION OF COMMITTEE MEMBERS

Remuneration for Committee members from the Board of Commissioners is included in the honorarium paid to the Board of Commissioners and there are no special honorarium for each member of the Committee.

Particularly, for Committee Member from independent parties (non commissioner), the amount of honorarium is determined by the Board of Commissioners with a maximum amount of 20% of salary of the President Director. There is no other compensation other than the honorarium. This is in accordance with the provisions of Ministerial Regulation No. PER-12.MBU BUMN/2012 dated August 24, 2012 on Supporting Organs of a BoC.

Integrated Governance Committee (KTKT)

Integrated Governance Committee was established to assist the Board of Commissioners to oversee the implementation of Integrated Corporate Governance in order to improve the performance of the BRI Financial Conglomerate and improve compliance to prevailing law and regulation.

COMMITTEE STRUCTURE

The Integrated Governance Committee (KTKT) is one of the organs of the Board of Commissioners established to support effective tasks and responsibilities as well as supervision function of the Board of Commissioners. KTKT works collectively, and independent in performing its duties and in reporting and is directly responsible to the Board of Commissioners.

KTKT assists the BoC in carrying out its duties and responsibilities in evaluating and ensuring that corporate governance principles based on the principles of transparency, accountability, responsibility, independence or professional, and fairness are applied in an integrated manner across the Company's Financial Conglomerate.

KTKT MEMBERSHIP

Membership KTKT consists of at least 1 (one) Independent Commissioner who also serves as chairman, 1 Independent Commissioner from each Financial Services institution (LJK), 1 member from each LJK operating with Islamic principles and 1 (one) Independent Party who has expertise in finance/the field of risk management.

No	Name	Position in KTKT	Period of Tenure	Note/Expertise
1	Ahmad Fuad	Chairman	2015-Now	Independent Commissioner
2	Gatot Trihargo	Member	2015-Now	Commissioner
3	Vincentius Sonny Loho	Member	2015-Now	Commissioner
4	Bambang Supeno	Member	2015-Now	President Commissioner BRI Agro
5	Indra Kesuma	Member	2015-Now	President Commissioner BRI Syariah
6	M. Gunawan Yasni	Member	2015-Now	BRI Syariah Supervisory Board
7	Ridwan Rizki Nasution	Member	2016-2016	BRI Life Commissioner
8	Mulabasa Hurabarat	Member	2016 - Now	BRI Life Commissioner
9	Indrayeti	Member	2015-Now	Member of KTKT non Commissioner
10	Tubagus Nur Ahmad Maulana	Member	2015-Now	Member of KTKT non Commissioner

PROFILE OF INTEGRATED GOVERNANCE COMMITTEE

Chairman of KTKT



Ahmad Fuad
Chairman of Integrated Governance
Committee/
Independent Commissioner

Profile can be found in the section of Member of BoC Profile.

Member of KTKT

Gatot Trihargo

Member of Integrated Governance Committee/
Vice President Commissioner

Profile can be found in the section of Member of BoC Profile.

Vincentius Sonny Loho

Member of Integrated Governance Committee/
Commissioner

Profile can be found in the section of Member of BoC Profile.

Bambang Supeno

Integrated Governance Committee Member/
President Commissioner of BRI Agro

Born in Surakarta 23 November 1952, obtained a Bachelor degree from the Faculty of Animal Husbandry Diponegoro University (1979) and an MBA degree in International Business Sector from St. Louis University, USA (1991). Began his banking career in Bank Rakyat Indonesia in early 1981 to 2011, he served as Director of Compliance in 2006-2009, then Director of the SMEs in 2009-2010 and last position as Director of Compliance in 2010-2011.

During his tenure at BRI, he once served as Director of BRI Pension Fund in 2002-2004 and then was assigned to Bank BRI Syariah (2011-2014) as President Commissioner, and at the same time also served as Independent Commissioner PT Bank Rakyat Indonesia Tbk Agroniaga (BRI AGRO) from March 2014 until now.

The education/training that he took, among others IIA Conference, London (2014), ECIIA conference Viena, Austria (20013), Getting Ready for Basel II ICAAP and Bassel III, Tokyo, Japan (2012), IIA-Conference Eroupe Regional Conference, Viena Austria (2012), IIA-Conference Boston, USA (2012), Project Finance, Amsterdam (2010), The IIA-International Conference, Johanersberg, Africa (2009), The IIA International Conference, San Francisco, USA (2008) and etc.

Indra Kesuma

Integrated Governance Committee Member/
Commissioner of BRI Syariah

Born in Cirebon in 1949. He holds a Bachelor degree in Economics, University of Indonesia (1971), an MBA from Golden Gate University, San Francisco in 1986 and then went to The Economics Institute, the American Economic Association and the University of Colorado, United States in 2001. He has held various responsible positions including Director of Operations at Bank Bukopin (1989-1992), Director of the Commercial Bank Bukopin (1992-1995), as well as President Director of Bank Bukopin (1995-2000). He also served as President Commissioner of BRI Agro Bank Niaga (2011-2014) and President/Independent Commissioner of BRI Syariah (2015-present). Various trainings that Mr Indra Kesuma participated, among others are, The Seven Habits of Highly Effective People (1997) in Jakarta, Preparation of National Banks Toward AFTA 2003 and APEC 2020 (1997), National Symposium on reconceptualization of Agriculture as the Basis of Economic Nation (1999) and Good Corporate Governance for the Business World Indonesia (2000).

M. Gunawan Yasni

Integrated Governance Committee Member/
BRI Syariah Supervisory Board

Born in Jakarta on 17 September 1969. Completed Strata 1 (S1) at Department of Accounting, Faculty of Economics, University of Indonesia (1993) and holds a Masters in Financial Management from the Prasetya Mulya (1995).

During his career, Mr Yasni had been a manager of PT Pacific 2000 Investindo (Securities Financial Services), Deputy Head of Product Development PT Bahana Artha Ventura (Venture Capital), Jakarta (2000), Member of the Sharia Supervisory Board (DPS) PT Asuransi SIMAS Syariah (2004-2005), Sharia Supervisory Board (DPS) PT Jaminan Kredit Indonesia (2006), Advisor-Deutsche Bank Sharia Custodian & Investment Banking (2009), member of the Sharia Supervisory Board BRI Syariah (2008-present) and is active as a consultant and senior lecturer in economics and finance sharia for several financial institutions, as well as for educational institutions (Postgraduate).

Mr Yasni has several notable certifications such as Certified Islamic Financial Analyst of Post Graduate Studies of Middle East and Islamic University of Indonesia, Fellow in Islamic Insurance Society (FIIs) and the holder of Certification Level Advanced (Level IV) Banking Risk Management. Mr Yasni has Bapepam license as Investment Manager, Underwriter & Broker-Dealer

Mulabasa Hurabarat

Integrated Governance Committee Member/
Commissioner BRI Life

Born in Jakarta on January 6, 1954, served as a member KTKT since September 2016. Graduated as Bachelor in Economics, Development Studies, University of Indonesia (1982) and Master degree at the Department of Economics, Indiana University, USA.

He served in various positions at the Ministry of Finance such as, Secretary of the Directorate General of Financial Institutions (2000-2006), Head of the Pension Fund, Bapepam-LK (2006-2012), Head of Financing and Guarantee, Bapepam-LK (2012-2013), Secretary of the Fiscal Policy Office (2013-2014). In addition, he served as Commissioner of PT Pelindo I Medan (2002-2007),

Commissioner of PT Bank BTN (2008-2012), Chairman of the Board of Trustees of BPJS Ketenagakerjaan (2014-2016), Independent Commissioner of PT Asuransi Jiwa Bringin Jiwa Sejahtera (2015-Present), Independent Commissioner of PT Sinar Mas Multi Finance (2014-present), Independent Commissioner of PT Asuransi Jiwa Tugu Mandiri (2014-present). Mr. Hutabarat participated in various trainings, among others are Erma Bali International Seminar On Enterprise Risk Management 2015, Strategy to Be A Winner in Crisis: "Refocusing On Credit Risk Management, Pricing, Asset & Liability Management and Be Prepared in Upcoming Regulations" Frankfurt, Germany in 2012, risk management Level I, 2010, Training SPAMA 1998 Job Evaluation Workshop in 2001.

Indrayeti

Integrated Governance Committee Member/
BRI Life Commissioner

Born in Sungai Liat, October 9, 1972. He has served as a member of the Committee since 2014. Previously, his career was in other state-owned banks and some private banks in various positions. He earned a Bachelor of Economics in Accounting from Trisakti University, Jakarta (1995) and a Master of Commerce from the University of New South Wales (2000).

Tubagus Nur Ahmad Maulana

Integrated Governance Committee Member/
BRI Life Commissioner

Born in Jakarta, May 7, 1971. He serves as a member KTKT BRI since February 2015. Previously, he was a lecturer and consultant. He earned a Bachelor degree in Agriculture of IPB (1995) and an MBA Banking and Finance from the University of Birmingham (2000), MSc Finance from the University of Strathclyde (2001) and a PhD in Finance from the University of Strathclyde (2007).

INDEPENDENCY OF THE COMMITTEE MEMBERS

To ensure independency of views, suggestions and recommendations to the Board, independent members of the Committee have no affiliation with Directors, other Commissioners or controlling shareholders of BRI, are not a shareholder, commissioner, director or employee of a companies that has an affiliation or business with BRI.

Requirements of independent members of Committee are:

- Not receiving compensation from the Company, subsidiaries of the Company, or its affiliates, except for wages, salaries, and other facilities related to the tasks they have performed as a member of the Integrated Governance Committee;
- Not having a family or business relationship with Directors or Commissioners;
- Not have a dual position in the Company and other companies affiliated with Bank; and
- Not having duties, responsibilities and authority which give rise to a conflict of interest.

DUTIES AND RESPONSIBILITIES

Conduct a review of BRI and its subsidiaries in the areas of:

- Progress implementation of Integrated Corporate Governance
- Progress implementation of Integrated Risk Management
- Implementation of the Integrated Compliance Function
- Adequacy of Integrated Internal Control.

DESCRIPTION OF COMMITTEE ACTIVITIES

During 2016, the Integrated Governance Committee carried out the work program as follows:

Evaluation of Non Organic Growth

KTKT provided input to the Board of Commissioners of BRI on any non-organic growth pursued by the Board of Directors of BRI and which will have implications on changes in the Company's Financial Conglomerate. During 2016, the Committee did some consultation with the management of the Company related to BTMU BRI Finance and Bank BRI Agro.

The Committee provided recommendation on BTMU acquisitions by BRI, its additional facility as proposed by the Company's management, and additional capital to Bank BRI Agro. Details of the recommendations from the Committee are as follows:

No.	Subject	Realization	Output
1.	Acquisition Plan of BTMU BRI	1 March 2016	Office Memo B. 06-KTKT/03/2016 dated 1 March 2016
2.	Approval of Acquisition of BTMU BRI Finance	13 September 2016	Office Memo B. 11-KTKT/09/2016 dated 13/09/2016, date 13 September 2016
3.	Suppletion of BTMU BRI Finance Facility	30 September 2016	Office Memo R. 01-KPMR/09/2016 dated 30/09/2016
4.	Approval of Capital Increase to BRI Agro	4 October 2016	Office Memo R. 02-KPMR/10/2016 dated 04/10/2016

Evaluation of Integrated Governance Functions

Evaluation of Integrated Corporate Governance is conducted with respect to at least the following:

- Implementation of financial services management by the Board of Directors.
- Implementation of monitoring function by Board of Commissioners, including monitoring the implementation of corporate governance.
- Implementation of duties and responsibilities of integrated compliance function.
- Implementation of internal audit function at LJK in the BRI Financial Conglomerate.
- Implementation of external audit function by external parties on LJK financial statements.
- Implementation of risk management function which contains at least comprehensive and effective risk management policies based on the regulations regarding risk management that apply to each LJK.

Evaluation of the implementation of the integrated corporate governance functions for the period from Semester II/2015 and Semester I/2016 was done through BoD and BoC meetings on 31 May 2016 and 30 September 2016.

The Committee considered that the BRI Financial Conglomerate has implemented Integrated Corporate Governance remarkably well for Semester II/2015 and Semester I/2016.

Evaluation and Approval of Integrated Risk Management Policies

Evaluation on General Policy of Integrated Risk Management was conducted in December 2016. It deviated from the previously set target date (June 2016) for the evaluation in 2016 due to the Company's merged General Policy of Risk Management in the holding company with the General Policy of Integrated Management into one inseparable, hereinafter called Risk Management General Policy. Evaluation is done by considering the condition of the Company and the risk of adopting regulations including:

- i. Law No. 09 on the Prevention and Crisis Management of Financial System (PPKSK)
- ii. POJK No. 04 on robustness level for Commercial Banks
- iii. POJK No. 11 on the Minimum Capital Requirement for Commercial Banks
- iv. POJK No. 18 on the Application of Risk Management for Commercial Banks
- v. POJK No. 38 on the Application of Risk Management in the Use of Information Technology for Commercial Banks

Evaluation on Implementation of Integrated Risk Management

The Committee ensures the implementation of Integrated Risk Management in accordance with the characteristics and complexity of a business financial conglomerate. Furthermore, in paragraph 2 of Article 11 states that the Board of Commissioners shall ensure the implementation of risk management at each LJK in the Financial Conglomerate. Implementation of Risk Management for each LJK includes at least:

- i. Supervision of the boards of commissioners and directors of the LJKs;
- ii. Suitability of policies, procedures and limits of risk management;
- iii. Adequacy of identification, measurement, monitoring, risk control and risk management information system; and
- iv. A comprehensive internal control system toward risk management.

The Committee evaluated the implementation of integrated risk management for the period Semester II/2015 and Semester I/2016 through BoD and BoC meetings on 31 May 2016 and 30 September 2016.

The Committee considers that the Company has implemented an integrated risk management well as all has fulfilled OJK terms and conditions.

Review of Integrated Risk Profile Report

Risk profile review and evaluation was carried out based on Risk Profile Report which was prepared and submitted by the Board of Directors cq. Integrated Risk Management Unit.

Review and evaluation of the risk profile was conducted by considering the level of inherent risk in business activities that could potentially affect the BRI Financial Conglomerate.

Review and evaluation of the risk profile was also made to assess quality of risk management at the BRI Financial Conglomerate, which includes four (4) aspects, namely:

- (1) risk governance,
- (2) the risk management framework,
- (3) the risk management process, the adequacy of human resources, and the adequacy of risk management information systems,
- (4) the adequacy of risk control system that includes 10 types of risk, such as credit risk, operational risk, market risk, liquidity risk, legal risk, compliance risk, reputation risk, strategic risk, intra-group transaction risk and insurance risks. Reviews and evaluations of the risk profile are especially focused on the risks that have a rating of 3 (moderate) to rank 5 (high) and risks that have the tendency to worsen.

Review and evaluation of the integrated risk profile during 2016 was carried out for the period of Integrated Risk Profile Report Semester II-2015 and the first semester of 2016 through the Office Memorandum-KTKT B.18/12/2106.

No.	Subject	Realization	Output
1	Evaluation of Integrated Risk Profile Semester II 2015 and Semester I 2016	20 December 2016	Office Memo B.18-KTKT/12/2106, dated 20 December 2016

Based on the evaluation of integrated risk profile, the Company's Financial Conglomerate has been managed within acceptable limits of risk so that any risk event does not jeopardize the Company's business continuity.

Capital Adequacy Assessment, Liquidity Management, Intra-Group Transactions and Risk Management on Provision of Funds

The Committee has conducted an evaluation of intra-group transactions to make sure of the following:

- Financial Conglomerate capital adequacy;
- Liquidity management is effective;
- Monitoring of intra-group transactions in an integrated manner; and
- Risk Management on provision of funds including large exposures (large exposure) is effective.

The Committee through BoC meetings has submitted the results of the evaluation as follows:

- Date 30.09.2016 with meeting agenda of the BRI Financial Conglomerate structure
- Date 12.06.2016 with meeting agenda on the form and synergy of the BRI Financial Conglomerate and intra-group transactions.

Based on the evaluation of the Committee through the Office Memorandum-KTKT B.18/12/2106 dated December 20, 2016, the Company's capital is within safe limits to support the Company's development of the Financial Conglomerate, and intra-group transactions have been carried out with due regard to sufficient liquidity and better synergy.

No.	Subject	Realization	Output
1.	Integrated Audit Review	15 March 2016	Office Note B. 07-KTKT/03/2016
2.	Integrated Compliance Review	22 March 2016	Office Note B. 08-KTKT/03/2016
3.	Integrated Audit Review	20 December 2016	Office Note B. 19-KTKT/12/2016
4.	Integrated Compliance Review	20 December 2016	Office Note B. 20-KTKT/12/2016

Based on the evaluation of internal control functions and integrated compliance functions as well as control functions and the compliance functions in each LJK for the period above, the Committee believes that the main entity and LJKs have carried out these two functions very well in that there was no violation of external and internal rules which could jeopardize the Company's Financial Conglomerate.

The Committee concluded that the Company's structure of the Financial Conglomerate was in line with the Company's vision and mission as well as created long-term synergies that can increase the value of the Company on a consolidated basis.

Evaluation of Adequacy of Integrated Internal Control and Integrated Compliance Function

Review and evaluation of the implementation of integrated internal control function and integrated compliance function is carried out biannually with regard to Semester Report of BRI Director of Compliance and LJK members of the BRI Financial Conglomerate and is submitted to the Board of Commissioners. It is also intended to obtain explanation from presentations of each of LJK's commissioners who are members of the Integrated Governance Committee.

Review and evaluation are carried out mainly to comply with prevailing regulations concerning the results of the internal and external audits, implementation of the prudential principles which include financial statements of commercial banks, the Debtor Information System, Capital Adequacy Ratio (CAR), Lending Limit (LLL), Net Open position (NOP), Derivative Transactions, Statutory Reserves in Rupiah and in Foreign Exchange, Non Performing Loans (NPL and NPF), and APU-PPT program.

The evaluation results related to the adequacy of integrated internal controls and integrated compliance functions were submitted to the Board of Commissioners through memos with details as follows:

Evaluation of Integrated Corporate Governance Assessment Report

An assessment of the implementation of the Integrated Corporate Governance is based on the principle of the self-assessment. There are seven factors of assessment consisting of:

- (1) Duties and Responsibilities of Directors of Main Entity;
- (2) Duties and Responsibilities of the Board of Commissioners of Main Entity;
- (3) Duties and Responsibilities of Integrated Governance Committee;
- (4) Duties and Responsibilities of the Integrated Compliance Unit;
- (5) Duties and Responsibilities of the Integrated Internal Audit Unit;
- (6) Application of Integrated Risk Management; and
- (7) Formulation and Implementation of Integrated Corporate Governance Guidelines.

All these seven factors are assessed based on aspects of structure, process and output. They are also analysed for implementation adequacy and effectiveness.

The Integrated Governance Committee is responsible for self-Assessment against two assessment factors, namely:

- (1) Duties and Responsibilities of the Board of Commissioners of Main Entity,
- (2) Duties and responsibilities of the Integrated Governance Committee;

While the other five factors are the responsibility of the relevant work units.

During 2016, the Committee conducted two self-assessments; for Semester II/2015 and Semester I/2016. Results of Self Assessment of the Company received the ranking of one (1).

Evaluation on Annual Report of Integrated Corporate Governance Implementation

Evaluation on Annual Report of Implementation of Integrated Corporate Governance is conducted with respect to at least the following:

- i. Implementation of duties and responsibilities of integrated compliance function
- ii. Implementation of internal audit function at each LJK in the BRI Financial Conglomerate.
- iii. Implementation of the external audit function by external parties on the LJKs' financial statements.
- iv. Implementation of the risk management function which at least contains comprehensive and effective risk management policies based on regulations regarding risk management that applies to each LJK.

The evaluation results on the Annual Report of Integrated Corporate Governance was submitted on May 31, 2016 to the Board of Commissioners through meetings of the Board of Commissioners.

KTKT OPINION ON INTEGRATED IMPLEMENTATION OF GOVERNANCE

The Committee considers the implementation of Integrated Corporate Governance in general has been done very well. This was reflected in the results of Self-Assessment during the last 2 semesters (Semester II/2015 and Semester I/2016), which received a rating of 1. However, there are still some minor weaknesses that need to be addressed.

MEETING FREQUENCY, ATTENDANCE AND AGENDA

The Committee held 5 meetings in 2016 concerning:

No.	Meeting Agenda	Date	Minutes of Meeting	Attendance of Member of KTKT	Note
1	Discussion of the adequacy of Internal Control and Compliance Function at PT BRI Syariah and PT BRI Agroniaga	1 March 2016	B.1-KTKT/03/2016	6	Quorum
2	Credit Examination and Management for financial year 2014 and 2015 at PT BRI Agroniaga	3 May 2016	B.1-KTKT/05/2016	7	Quorum
3	Evaluation of the implementation of integrated corporate governance at BRI for semester II of 2015 and evaluation of general policies of risk management (KUMR)	31 May 2016	B.1-KTKT/05/2016	6	Quorum
4	Evaluation of the implementation of integrated corporate governance at BRI for semester I of 2016	30-Sep-16	B.1-KTKT/09/2016	6	Quorum
5	- Discussion of Adequacy of Internal Control and Compliance Function at PT BRI Syariah, PT BRI Agroniaga, Life BRI and BRI Finance. - BRI Financial Conglomerate	6 December 2016	B.1-KTKT/12/2016	7	Quorum

No	Name	Position	Number of KTKT Meetings	Attendance of KTKT Meeting	% Attendance of KTKT Meeting
1	Ahmad Fuad	Chairman	5	5	100%
2	Vincentius Sonny Loho	Member	5	3	60%
3	Gatot Trihargo	Member	5	3	60%
4	Indrayeti	Member	5	5	100%
5	Tubagus A. Maulana	Member	5	5	100%
6	Bambang Soepeno	Member	5	5	100%
7	Indra Kesuma	Member	5	5	100%
8	M. Gunawan Yasni	Member	5	5	100%
9	M. Ridwan Rizqi R Nasution*	Member	4	4	100%
10	Mulabasa Hutabarat**	Member	1	1	100%

EDUCATION/TRAINING IN FISCAL YEAR

BRI KTKT members have competencies in their respective fields with a minimum of five-years in experience. BRI's KTKT members have diverse background. Some have experience in the field of strategic management, risk management, banking, finance and accounting so as to ensure the quality of recommendations and suggestions for improvements to the BoC.

Training attended by KTKT members during 2016 can be seen in the list of the education/training of the Board of Commissioners during 2016.

REMUNERATION OF COMMITTEE MEMBERS

Remuneration for Committee members from the Board of Commissioners is included with the honorarium paid to the Board of Commissioners and there is no special honorarium for each member of the Committee.

For Committee members from independent parties (non commissioner), the amount of honorarium is determined by the Board of Commissioners with a maximum amount of 20% of salary of the President Director. There is no other compensation other than the honorarium. This is in accordance with the Ministry of SOEs Regulation No. PER-12.MBU BUMN/2012 dated August 24, 2012 on Supporting Organs of a BoC.

Secretary to the Board of Commissioners

Secretary to the Board of Commissioners is the organ of Board of Commissioners in charge of assisting smooth implementation of tasks and responsibilities of the Board of Commissioners.

PROFILE OF THE SECRETARY TO THE BOARD OF COMMISSIONERS



Rainoc SE
Head of Board of Commissioners
Secretary

Born in Sawah Lunto on October 7, 1969. Graduated from the Faculty of Economics, Andalas University in 1995. He served as Secretary to the Board of Commissioners of BRI since June 1, 2013 by Decision of BRI Board of Commissioners Nokep.: 02-KOM/BRI/06/2013 dated June 11, 2013. Previously he served as Secretary to the Board of Commissioners at PT Bank Negara Indonesia (Persero) Tbk (January 2011-May 2013) and Secretary to the Board of Commissioners at PT Perusahaan Pengelola Asset/Asset Management Company (March 2009-December 2010).

Besides serving as Secretary to the Board of Commissioners at BRI, he also currently serves as Head of Mining, Strategic Industry and Media I.a at Ministry of SOEs (since October 2015). He served as Head of Strategic Industries III (May 2014-October 2015), Head of Strategic Industries and Manufacturing III.a (September 2013-May 2014), Head of Service Business I.b (October 2010-September 2013), Head of Banking Business II (May 2008-October 2010), Head of Sub Section PKBL (May 2006-May 2008), Head of Division of Evaluation PUKK (July 2002-May 2006), and Head of Employee Rotation Sub Section (March 2001-July 2002).

LEGAL BASIS OF APPOINTMENT

Mr Rainoc SE was appointed the Secretary to the Board of Commissioners by SK BRI Commissioners Nokep: 03-KOM/BRI/05/2016 dated May 31, 2016 on the Re-Appointment of Secretary of BoC at PT Bank Rakyat Indonesia (Persero) Tbk.

THE POSITION

The term of office as Secretary to the Board of Commissioners is maximum of 2 (two) years commencing from June 1, 2016 until May 31, 2018, without disregarding the right of the Board of Commissioners at any time to dismiss before the end of term.

REPORT OF TASKS

Official Visit

Secretary to the Board of Commissioners, together with the Risk Management Monitoring Committee (RMOC), the Audit Committee (KA), and the Nomination & Remuneration (NRC) goes with the Board of Commissioners for official visits to the Company Working Units.

During 2016, the Secretariat of the Board of Commissioners assisted the BoC in 31 official visits to 19 Regional Offices and their supervised work units, as well as several other visits, to the Division of Satellites, PSCF and BRI IT building in order to monitor the readiness of the launch of the satellites BRI (BRISat).

Work Plan Approval & Company Monitoring

The Secretary to the Board of Commissioners together with BoC Committees (KA, RMOC, KTKT, NRC) assist the Board in evaluating and approving the work plan of the Company, a guideline for the whole Company in conducting its business activities during 2017.

During 2016 the Secretariat of the Board of Commissioners helped the BoC in carrying out its duties to give credit approval, recommendation and consultancy. It was recorded during 2016 that the Board of Commissioners gave approval 18 times, recommendation 27 times and credit consulting 42 times.

Annual Report of The Board Of Commissioners

The Secretary to the Board of Commissioners together with BoC Committee (KA, RMOC, KTKT, NRC) compiles the BoC Activity Report for 2016 which will be included in the Company's Annual Report. The Annual Report will be submitted to the Board of Commissioners to seek approval at AGM in 2017.

Work Meetings of The Board Of Commissioners

In order to review the realization of the BoC's Work and Budget Plan 2016 and to prepare a Work Plan and Budget of BoC 2017, the Secretariat of the Board of Commissioners together with Committees of the Board of Commissioners (KA, RMOC, KTKT, NRC) held a work meeting of the Board of Commissioners in Bali on December 8 to 10 2016.

COMPETENCE DEVELOPMENT PROGRAM

In order to develop competency of the Board of Commissioners, the Secretary to the Board of Commissioners facilitates a variety of educational seminars and conferences for the BoC to support their duties. During 2016, the Secretary to the Board of Commissioners conducted 8 domestic educational seminars and conferences, and 13 overseas educational seminar and conferences.

REMUNERATION OF THE SECRETARY TO THE BOARD OF COMMISSIONERS

In accordance to Regulation of the Ministry of SOEs No. PER-12.MBU/2012 dated August 24, 2012 regarding the Organs Supporting a Board of Commissioners/Board of Trustees of SOEs, remuneration of a Secretary to the Board of Commissioners and the staff of the BoC Secretariat are to be determined by the Board of Commissioners considering the capability of the Company.

Remuneration structure of the Secretary to the BoC may consist of:

1. Honorarium, a maximum of 15% of the salary of Director
2. Perks
3. Allowances
4. Bonus or performance incentives.

Maximum total annual income for the staff of the Secretariat BoC is equal to remuneration of other supporting organs of other Board of Commissioners.

Committees Under the Board of Directors

There are 10 Committees under the BoD, namely:

1. Asset and Liability Committee (ALCO)
2. Risk Management Committee (RMC)
3. Capital and Investment Committee
4. Credit Committee
5. Credit Policy Committee
6. Product Committee
7. Information and Technology Steering Committee
8. Project Management Office Steering Committee
9. HR Policy Committee
10. Position Evaluation Committee

- ALCO regularly holds meetings every month.
- ALCO meetings should be attended by at least 2/3 of the members of ALCO. If a division head who is a Member of ALCO is not available then s/he may appoint a Deputy Head of Division or at least a Section Head to represent.
- Decision of ALCO Meetings are made by consensus. In the case of disagreement, the decision of ALCO meetings is considered valid if approved by 2/3 of committee members who attend the meeting including two members of the Board of Directors, with one of them the Chairman/Chief Substitute.

ASSET AND LIABILITY COMMITTEE (ALCO)

Main Functions

ALCO is the committee that assists the Board of Directors of BRI in managing BRI Asset and Liability in an integrated manner to optimize balance sheet structure and asset productivity while managing liquidity, interest rate and exchange rate risk.

Duties and Responsibilities

- Managing and optimizing the structure of assets and liabilities.
- Managing liquidity, interest rate and exchange rate risks.

Authority

- Determine balance sheet and capital structure.
- Determine interest rates on deposits, loans and fund transfer prices.
- Decide on funding strategy.

Decision-Making

- BRI ALCO meeting is chaired by Chairman of ALCO. In the case of ALCO Chairman is absent, meetings will be chaired by ALCO Chairman Substitute I or if Substitute Chairman I is not available, by ALCO Chairman Substitute II.
- Coordinating implementation of ALCO Meetings is the responsibility of the Secretary of ALCO, which includes among others: preparing the meeting, presenting meeting materials, as well as making and distributing meeting minutes.

Membership and Voting Rights Status

All members of the ALCO have voting rights as follows:

ALCO Membership

Membership	Position
Chairman	President Director
Substitute Chairman I	Vice President Director
Substitute Chairman II	Director of Finance
Secretary	Head of Treasury Division
Member	1. BoD & SEVP
Member	2. All Head of Business Division
Member	3. Head of Accounting Division, and Financial Management
Member	8. Head of Credit Risk Analysis Division
Member	9. Head of RPKB Division
Member	10. Head of Credit Administration Division
Member	11. Head of Risk Management Division
Member	12. Head of CDS Division
Member	13. Head of Region DKI Jakarta I
Member	14. Head of Region DKI Jakarta II
Member	15. Head of Region DKI Jakarta III
Member	16. Head of Special Branch Office

Committee's Activities in 2016

ALCO meetings were held every month or 12 times during 2016.

RISK MANAGEMENT COMMITTEE (RMC)

Main Functions

- To ensure that the President Director understands the Bank's policies and risk profile, as well as to provide recommendations on the risk management strategy and risk limits.
- To provide recommendations to the President Director on improvement or enhancement of risk management implementation based on the evaluations.

Duties and Responsibilities

RMC is responsible to provide recommendations to the President Director in matters related to:

- Policy formulation and implementation of risk management policies.
- Preparation of a risk management strategy and contingency plan.
- Methodology of risk measurement and amendments.
- Formulation of risk limits and amendments thereto.
- Delivery of results report on risk profiles and monitoring.

Authority

- Providing recommendations regarding the Company's risk management to the President Director.

Membership and Voting Rights Status

RMC Membership

Membership	Position	Voting Rights
Chairman	President Director	Have Voting Rights
Substitute Chairman	Vice President Director	Have Voting Rights
Chairman I	Director of Compliance	Have Voting Rights
Chairman II	Director of Credit Risk Control	Have Voting Rights
Secretary	Head of Risk Management Division	Have No Voting Rights
Permanent Member	1. BoD and SEVP	Have Voting Rights
	2. All Heads of Divisions	Have No Voting Rights
	3. Pinwil Jakarta 1, Pinwil Jakarta 2, Pinwil Jakarta 3, and Pincasus	Have No Voting Rights
	4. Inspector of Head Office, Inspector of Jakarta 1, Inspector of Jakarta 2 and Inspector of Jakarta 3	Have No Voting Rights

Decision-Making Procedure

- RMC meetings are presided by Chairman of RMC. First or Second Chair can represent Chairman upon his absence.
- RMC Meeting convenes if attendance reaches at least two thirds of the permanent members without voting rights, including three (3) Directors with one of them the Director of Compliance.
- Decisions by RMC can be revoked by the Board of Directors provided the revocation is made at a Board of Directors meeting.
- Decisions are made in consensus after RMC deliberation. In the event that no agreement is reached, the permanent members with voting rights cast their votes. Decisions are approved if more than 50% of permanent members agree.

Committee's Activities During 2016

During 2016, RMC held four meetings in February, May, August and November. Discussions in the meeting included following-up decisions made on previous RMC meetings, external risk issue, BRI Risk Profile, stress-test results and capitalization analysis.

CREDIT COMMITTEE

Main Functions

The Credit Committee is an operational committee that assists the Board of Directors in evaluating and/or to deciding on loan applications based on certain limits of nominal amount and/or certain types of credit determined by the Board of Directors.

Duties and Responsibilities

- To perform credit risk analysis on loan applications.
- To discuss the credit risk management in the lending process.

Authority

- Approving or rejecting loan applications over a certain amount.
- Deciding on the amount of credit granted.
- Setting terms and conditions of credit agreements.

Membership and Voting Rights Status

Membership of Credit Committee

Membership	Position	Voting Rights
Chairman	President Director	Have Voting Rights
Substitute Chairman	Vice President Director	Have Voting Rights
	Director of Risk Management	Have Voting Rights
	Director of Commercial	Have Voting Rights
	Director of Institution	Have Voting Rights
	Director of Micro	Have Voting Rights
	Director of Consumer	Have Voting Rights
	Director of Finance	Have Voting Rights
	Director of Operational	Have Voting Rights
	Director of Human Capital and Asset Management	Have Voting Rights
	SEVP UKM and Consumer	Have Voting Rights
Secretary of the Committee	Head of Administration and Credit Policy Division	Have No Voting Rights

Committee's Activities During 2016

During 2016, the Credit Committee processed 142 loan applications where most of these loan applications came from agribusiness and infrastructure financing.

CAPITAL & INVESTMENT COMMITTEE

Principal Functions

The Capital & Investment Committee was established as one of the efforts to implement good corporate governance in managing corporate actions related to management of the Company's subsidiaries in order to create synergies between BRI and its Subsidiaries.

Duties and Responsibilities

Duties and responsibilities of Capital & Investment Committee is divided into two (2) areas, namely corporate action strategy formulation and management of its subsidiaries, as follows:

1. Evaluating the proposed corporate action from supporting Committees.
2. Managing performance of BRI Subsidiaries
 - a. Evaluating performance of subsidiaries on a regular basis.
 - b. Evaluating corporate actions of subsidiaries, namely additional investment or other strategic proposals.

Authority

- Determining recommendations for corporate actions.
- Providing recommendations on the management of subsidiaries.
- Requesting Board of Directors meeting to decide on recommendations.

Membership and Voting Rights Status

Membership of Capital & Investment Committee

Membership	Position	Voting Rights
Chairman	Director of Finance	Have Voting Rights
Secretary of the Committee	Head of Corporate Development and Strategy Division	Have Voting Rights
Permanent Member	Director of Human Capital & Asset Management	Have Voting Rights
	Head of Investment Services Division	Have Voting Rights
	Head of Legal Division	Have Voting Rights
	Head of Accounting and Financial Management Division	Have Voting Rights
	Head of Treasury Division	Have Voting Rights
Non Permanent Member	Head of Related Business Division	Have Voting Rights
	Director of Related Business	Have Voting Rights

Meeting Discussion, Frequency and Attendance

No.	Date of Activity	Subject	Director of Finance	Director of HC & Asset Mgmt	Head of CDS Div.	Head of Investment Services Division	Head of Legal Division	Head of Accounting and Financial Mgmt Division	Head of Treasury Division
1	01-02-2016	Presentation of Corporate Action Study & Business Plan of Subsidiaries	Yes	No	Yes	Yes	Yes	No	Yes
2	17-02-2016	Business Plan of Subsidiaries	Yes	No	Yes	Yes	Yes	Yes	Yes
3	22-04-2016	Performance Exposure & Business Plan of Subsidiaries	Yes	No	Yes	Yes	Yes	Yes	Yes
4	11-05-2016	Performance Exposure & Business Plan of Subsidiaries	Yes	No	Yes	Yes	No	Yes	Yes
5	24-06-2016	Presentation of Corporate Action Study	Yes	No	Yes	Yes	Yes	Yes	Yes
6	08-12-2016	Business Plan of Subsidiaries	Yes	No	Yes	Yes	Yes	Yes	Yes
7	09-12-2016	Business Plan of Subsidiaries	Yes	No	Yes	Yes	No	Yes	Yes
8	29-12-2016	Business Plan of Subsidiaries	Yes	No	Yes	Yes	Yes	Yes	Yes

CREDIT POLICY COMMITTEE

Principal Functions

- To provide recommendations to President Director on credit policy.
- To monitor and evaluate implementation of credit policies and management of non-performing loans, particularly of big debtors.

Duties and Responsibilities Of Committee

1. Conducting periodic review of credit policy.
2. Carrying out studies to assess effectiveness of Internal Credit Control System.
3. Delivering regular written reports and providing improvement suggestions to the BoC with a copy to the BoC regarding:
 - a. Results of supervision over the implementation and execution of General Policy of Credit (GPC);
 - b. The results of monitoring and evaluation on the implementation of the credit decision authority, implementation of Legal Limit Lending, compliance and settlement of credit with applicable regulations, adequacy of provisions, credit write-offs, and credit quality of particularly large borrowers in the category "under special surveillance".

Authority

Providing recommendations to the Board of Directors related to the main functions of the Committee.

Structure and Membership Committee

Chairman : President Director

- Members :
1. Deputy President Director
 2. Director of Credit Risk Management
 3. Director MSME
 4. Commercial Director
 5. Director of Institutional Arrangement
 6. Consumer Director
 7. Director of Finance
 8. Compliance Director
 9. SEVP SME and Consumer
 10. SEVP Internal Audit Unit
 11. Head of relevant division.

Decision-Making

1. Frequency of meetings at least 1 time in 3 years following the periodic review GPC carried out in at least 3 years.
2. CPC meeting is chaired by President Director as chairman of the CPC. In the case of CPC chairman is unable to attend, the meeting would be chaired by Director of Credit Risk Management or one of the Company's Directors who is a member of CPC.

3. Meeting of the CPC is deemed valid if attended by at least 2/3 of the members of the CPC, consisting of (minimum) three (3) directors: Director of Credit Risk Management, Compliance Director and Business Director, and Head of ADK Division, Head of Risk Management Division, Head of Compliance Division, and SEVP Internal Audit Unit. If the Head of Division/Work Unit, a member of the CTF is absent, then s/he may appoint a representative.
4. With regard to any change in the content of BRI's GPC where the proposed changes based on the results of pre CTF meeting have no substantial changes to the credit process, then approval of GPC changes can be done by CPC through circulars to the entire Board of Directors.
5. GPC decisions must be made in consensus by CPC. In the event that no agreement is reached, the decision would be determined in a meeting of the Board of Directors.

Committee's Activities During 2016

During 2016, there was no implementation agenda of Credit Policy Committee.

IT ADVISORY COMMITTEE

Main Functions

To provide direction and recommendations on policy, development and IT operations.

Duties and Responsibilities

1. To develop policies and strategies for IT management in the long term (five years) and short term (one year).
2. To evaluate IT development and implementation, including the current one and the plans.

Structure and Membership Committee

Composition of BRI IT Advisory Committee membership is as follows:

Chairman	:	Vice President Director
Vice Chairman	:	Director of Compliance
Chairman of IT Planning and Development	:	SEVP of IT Strategy and Satellite of BRI
Secretary	:	Head of IT Planning and Development Division of BRI
Member	:	All Head of Units at BRI Head Office, IT user, including Head of Division/Desk, Internal Audit Unit and Change Management.

Authority

- Aligning IT development plan, including prioritization of IT projects.
- Determining allocation of budget and evaluating IT budget realization.
- Monitoring and evaluating IT performance.
- Providing recommendations for resolution of various IT issues that cannot be solved by IT users and providers in the work units.

Decision-Making

1. IT Advisory Committee Meeting is chaired by Chairman of IT Advisory Committee. In the case that Chairman of IT Advisory Committee is absent, the meeting may be chaired by Deputy Chairman of the IT Advisory Committee, or if absent can also be replaced by Head of IT Planning and Development - IT Advisory Committee, or if absent also be replaced by Head of IT Operations - IT Advisory Committee.
2. IT Advisory Committee Meeting must be attended by at least:
 - a. Chairman or Deputy Chairman or Head of IT Planning and Development or Head of IT Operations
 - b. Secretary
 - c. 2/3 (two thirds) of IT Advisory Committee members who are invited and relevant to agenda of IT Advisory Committee Meeting, including other IT Advisory Committee members such as:
 - 1) Head of IT Operations
 - 2) Head of Satellite and Network Infrastructure
 - 3) Head of Risk Management Division
 - 4) Head of Internal Audit TSI
 - 5) SEVP Change Management
 - 6) Head of Corporate Strategy & Development
 - 7) Head of Procurement
 - 8) Head of Management Accounting and Finance.
3. Decisions made by IT Advisory Committee Meeting should be agreed in consensus. In the case of disagreement, the decision of IT Advisory Committee meeting is considered valid if approved by 2/3 (two thirds) of number of members in attendance.

Committee's Activities During 2016

ITAC held one meeting on January 29, 2016.

HR POLICY COMMITTEE

Main Functions

To provide recommendations to President Director on HR management policy.

Structure and Membership of Committee

HR policy committee consists of all members of the Board of Directors:

Chairman: President Director

- Member :
1. Director of Operational
 2. Director of Compliance
 3. Director of Credit Risk Management
 4. Director of Finance
 5. Director of Network and Services
 6. Director of Institutional Banking
 7. Director of Commercial Banking
 8. Director of Consumer Banking
 9. Director of SME Banking

Authority

Recommending HR policy to the Board of Directors, including:

1. HR Planning, Recruitment and Selection, Career Development, Performance Management, Employee Welfare, Industrial Relations, Assessment and Human Resource Management Information System.
2. Promotion, Rotation, Demotion, Performance Appraisal and Disciplinary Sanctions for Echelon 1 and 2 officials.

Decision-Making

Resolutions of HR Policy Committee must be agreed in consensus after deliberation. In the event that no agreement is reached, the decision of HR Policy committee meeting is considered valid and binding if the Chairman of the Committee, Director of Operations and HR policy committee members who attend the meeting agree to sign HR policy committee meeting minutes.

Committee Activities During 2016

HR Committee held one meeting on April 18, 2016 to discuss appraisal result of Performance Management System (CMS) in 2016 for the post of Deputy President and Executive Vice President (EVP).

JOB EVALUATION COMMITTEE

Main Functions

Recommending certain job descriptions.

Duties and Responsibilities Of Committee

To review job descriptions.

Structure and Membership Committee

Job Evaluation Committee consists of:

1. Director who heads the Organization
2. Director in charge of Human Capital
3. Head of Organization Management Unit
4. Head of Human Capital Management Unit.

Committee’s Activities During 2016

During 2016, there was 1 Job Evaluation Committee meeting on 22 April, which was attended by members of the committee as follows:

1. Deputy Director as a Director who heads the Organization
2. Director of Human Capital & Asset Management as a Director in charge of Human Capital
3. Head of Corporate Development & Strategy Working representing Organizational Management Unit
4. Head of Policy & Human Capital Development Unit representing Capital Management Unit.

PROJECT MANAGEMENT OFFICE STEERING COMMITTEE (PMO-SC)

Main Functions

PMO-SC has a role in providing strategic direction and decisions in the management of projects.

Duties and Responsibilities Of Committee

- To determine criteria for project monitoring in the PMO Working Unit and for selecting priority projects.
- To provide recommendations based on the results of the Post Project Implementation Evaluations (EPIP).

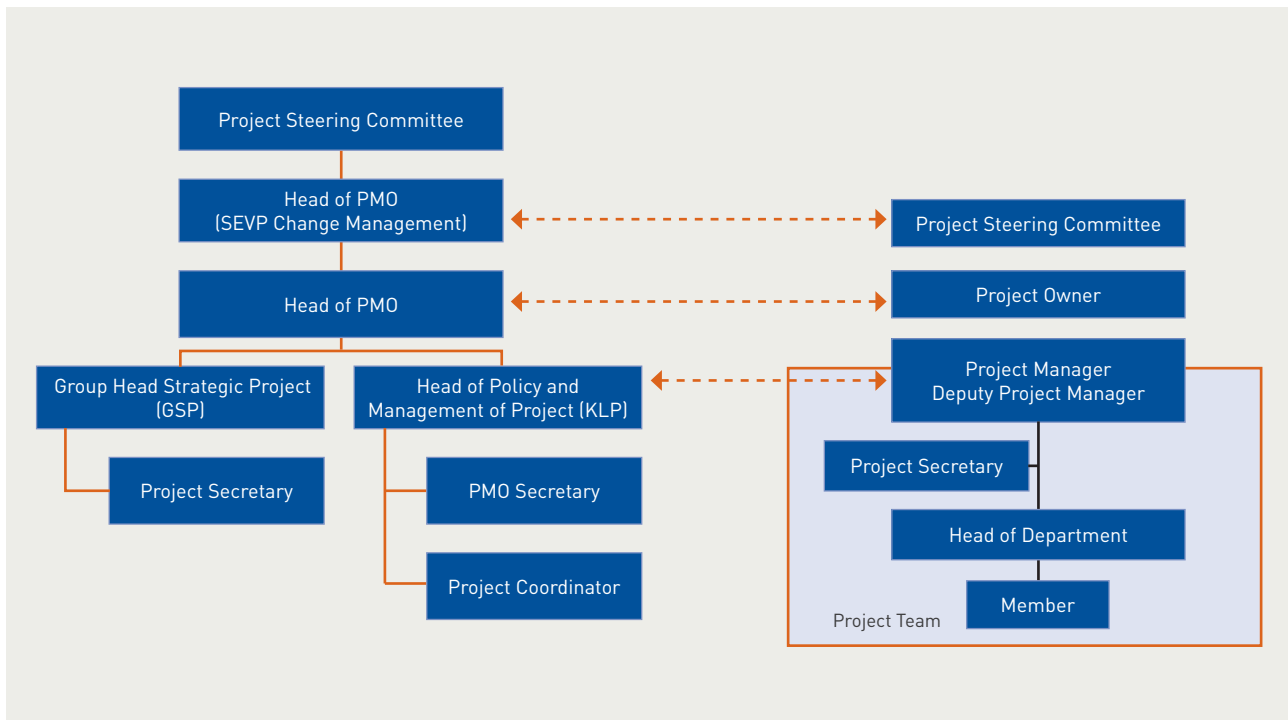
Authority

- Approving, modifying or cancelling planned projects and project implementation.
- Giving decision on issues escalated to the PMO Steering Committee.

Structure and Membership Of Committee

PMO Steering Committee (PMO-SC) is the highest forum/ Committee in project management at BRI corporate level. PMO-SC is chaired by the President Director/Executive Vice President, consisting of:

1. Board of Directors.
2. Head of PMO and SEVP.
3. Head of Working Unit (Project Owner)
4. Head of Working Unit (Project Support).



Decision-Making

1. In the case of the Chairman PMO-SC (Director/VP) is unable to attend the Meeting PMO-SC, the Head of PMO-SC Meeting is Head of PMO.
2. Decisions in PMO-SC Meeting are affirmed in PMO-SC Minutes of Meeting which must be signed by the Head of PMO.

Committee Activities During 2016

In 2016, PMO Steering Committee met once on December 9, 2016, attended by:

1. Director of Consumer Banking
2. Director of Human Capital & Management Assets
3. Director of Finance
4. Director of Micro Banking
5. Director of Credit Risk Management
6. Director of Compliance
7. Director of Institutional Banking
8. SEVP of Change Management
9. SEVP IT Strategy & Satellite
10. SEVP Network & Service

PRODUCT COMMITTEE

Main Functions

Evaluating the performance of BRI's products and providing recommendations to the Board of Directors on BRI's product development strategy.

Duties and Responsibilities Of Committee

- Evaluate the proposed product development.
- Evaluate the performance of products.

Committee Structure and Membership

- a) Chairman:
Deputy director
- b) Members with Voting Rights:
 - Director of Consumers
 - Director of Product Owner
 - SEVP Change Management
 - SEVP Information Technology Strategy & Satellite
 - SEVP Networks and Services
- c) Members without Voting Rights:
 - Head of Product Owner
 - Head of Business Owners
 - Head of the Initiator
 - Head of Risk Management Division
 - Head of Compliance Division
 - Other division Head, invited by the relevance of the discussion of the problems
- d) Secretary:
Head of Transaction Banking Division

Authority

- Deciding on the proposed development of products, except for loan products.
- Deciding on the proposed termination of products, except for loan products.

Decision-Making

- Product Committee Meeting is chaired by the Deputy Director as Chairman of the Product Committee. If the Deputy Director is unable to attend for any reason, he can be replaced by a Substitute Director who will act as Chairman of the Product Committee in accordance with applicable regulations.
- Attendance of Members the Voting Rights in the Product Committee Meeting cannot be represented. If the Member with Voting Rights is unable to attend for any reason, he can be replaced by Director/SEVP Substitute in accordance with applicable regulations
- Product Committee meetings can be held if attended by Chairman of the Product Committee and attended by a minimum of 3 (three) Members with Voting Rights. At least one of these three members of the Product Committee with Voting Rights who attend must be 1 (one) Director.
- Decisions in Product Committee Meeting are to be unanimously agreed. A decision can be approved if the Product Committee Chairman and Members with Voting Rights Committee who attended the meeting agreed.

Committee Activities During 2016

1. The Product Committee held two meetings on May 20, 2016, and August 29, 2016.
2. Agenda at BRI Products Committee Meeting on May 20, 2016 was:
 - a. Discussion on stages of product development
 - b. Discussion on the proposed Intraday Liquidity Facility
 - c. Discussion on the proposed forfeiting facilities for KMK Partner
 - d. Discussion on the proposed credit facility for Nucleus Communities near the border.
3. Agenda at Products Committee meeting on August 29, 2016 was:
 - a. Discussion on Notional Pooling products
 - b. Discussion on Virtual Card Numbers (VCN)
 - c. Discussion on BRI Business Internet Banking products.

Corporate Secretary

The corporate secretary has an important role as a liaison between the Bank and external parties, such as capital market regulators, shareholders, media and other stakeholders. The Corporate Secretary is also instrumental in helping the Board of Directors and the Board of Commissioners in the implementation of corporate governance in accordance with the regulations in the capital market.

CORPORATE SECRETARY PROFILE



Hari Siaga Amijarso
Corporate Secretary

Indonesian citizen, currently residing in Jakarta. Age 51.

Appointed as Corporate Secretary of BRI since October 1, 2015 based on the Decision of BoD No. R. 226-DIR/KPS/09/2015 dated September 28, 2015. The appointment had been reported to the OJK and published through BRI and Indonesia Stock Exchange website.

He earned his Bachelor Degree in Public Administration from the University of Brawijaya, Malang and started a career in BRI in 1990. In the course of his career, he served in various positions, among others, the Branch Manager of BRI in various regions and Head of Directorate Bureau of Corporate Secretary Division.

DESCRIPTION OF DUTIES AND RESPONSIBILITIES

1. To supervise activities in Divisional strategy formulation and enhancement to ensure alignment with the vision, mission and strategy of BRI.
2. To supervise activities in the formulation, implementation and evaluation of public relations strategy and programs, including but not limited to, conveying information to stakeholders, either by direct communication or through the print or electronic media, managing issues with potential negative impact to the Company, managing events/exhibitions, sponsorships and BRI Corporate

Social Responsibility program as a means of enhancing BRI's corporate image.

3. To supervise activities in investor relations through the implementation of a communication strategy with investors, analysts, fund managers, regulator and the capital market community to disseminate information on the Company's performance and prospects, ensuring full compliance with all capital market regulations, and the creation of a fair valuation of the Company's fundamentals.
4. To supervise activities in organizing the General Meeting of Shareholders or Extraordinary Meeting of Shareholders, board meetings (Board of Directors, Board of Commissioners and joint meeting of Directors and Commissioners), and internal and external forum to ensure the implementation of such meetings.
5. To supervise activities in the formulation, analysis and evaluation of policies related to the provision of privileges and facilities for the Board of Commissioners, Board of Directors and SEVPs, and secretariat activities to ensure fulfillment of the privileges and facilities for the Board of Commissioners, Board of Directors and SEVPs, as well as activities in corporate secretariat.
6. To supervise activities in the administration of secretariat activities, administration and documentation of Company correspondences (correspondences to/from the Board of Commissioners, Board of Directors and SEVPs, and including numbering of outgoing correspondences, Work Assignment Letter (SPK) related to Company publications, photos, videos, recordings of manuscripts, Government Regulation related to BRI's duties, print and electronic media) in line with regulations.
7. To supervise activities in the implementation and evaluation of protocols related to the activities of the Board of Commissioners, Board of Directors and SEVPs in line with regulations.

DUTIES AND RESPONSIBILITIES

The Corporate Secretary is in charge of following the development of capital markets, especially regarding relevant regulations, to provide input to the Board of Commissioners and Board of Directors on compliance with capital market regulations. In addition, the Corporate Secretary is also responsible for implementing good governance in the following areas:

- a. Reputation risk management, through information disclosure to the public, including the preparation of communication strategies and CSR, as well as the management of corporate websites.
- b. Implementation and documentation of the GMS, the Board of Directors Meeting.

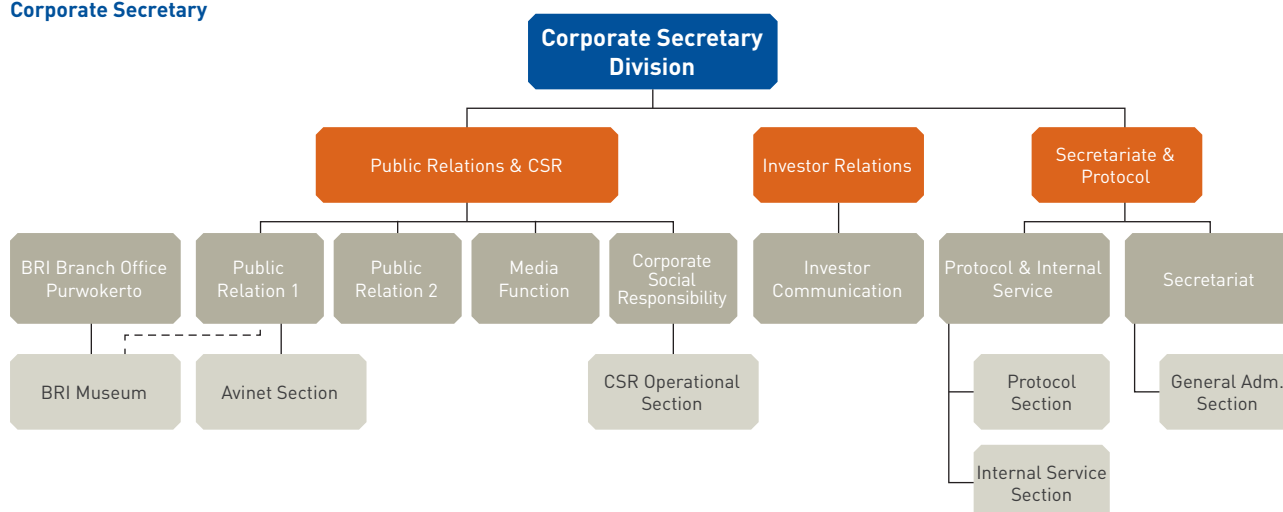
- c. Organizing orientation programs for Commissioners and Directors.
- d. Submission of report to the Financial Services Authority in accordance with the regulations in the capital market.
- e. As a liaison between the Company with shareholders and regulators in the capital market such as the Financial Services Authority, the Indonesia Stock Exchange as well as other stakeholders.

ORGANIZATIONAL STRUCTURE DIVISION CORPORATE SECRETARIAT BRI

In carrying out its function and duties, BRI's Corporate Secretary is accountable to the President Director, and as the Head of Corporate Secretary Division, who also doubles as the Corporate Secretary, is assisted by second echelon officials in charge of the work unit of Investor Relations, Public Relations and CSR, as well as the Secretariat and Protocol.

The organizational structure of BRI Corporate Secretariat Division are as follows:

Organizational Structure Corporate Secretary



CORPORATE SECRETARY PERFORMANCE APPRAISAL

In 2016, the Corporate Secretary's performance was assessed based on several indicators, among others:

No	Strategy Objective	Measurement
1	Compliance Risk Management	<ol style="list-style-type: none"> 1 Update capital market regulations 2 Reporting to the capital market regulator in a timely manner 3 Number of fines/warning 4 Implementation of General Meeting of Shareholders & Public Expose 5 Managing documents and administration of the Company as a public company
2	Social Program Management	<ol style="list-style-type: none"> 1 Realization of Community Development Program 2 Realization of Corporate Social Responsibility Program
3	Corporate Image Management	<ol style="list-style-type: none"> 1 Number of positive news coverage 2 Management of negative news 3 Number of BRI website visitor
4	Market Expectation Management	<ol style="list-style-type: none"> 1 Price to Book Value 2 Stock price movement against Jakarta Composite Index
5	Management on HR Development	<ol style="list-style-type: none"> 1 Employee Engagement Index 2 Number of Employee Coaching & Mentoring
6	Internal Customer Satisfaction	Internal Satisfaction Index
7	Investor Relations Management	<ol style="list-style-type: none"> 1 Diversification of the concentration of public shareholders 2 Convenient access for investors and analysts 3 Number of analyst coverage

TRAINING PROGRAM IN DEVELOPING THE COMPETENCE OF CORPORATE SECRETARY

In 2016, the competency development program attended by the Corporate Secretary included the following:

Corporate Secretary Training

No	Training	Venue	Date
1	Matriculation, Help Session and Risk Management Certification Competency Test Level 4	Jakarta	1 September 2016
2	Secretariat Training on Indonesian State Institutions	Jakarta	25 – 26 February 2016

CORRESPONDENCE OF CORPORATE SECRETARY

Corporate Secretary correspondence includes the following activities:

External

- **Communication Program With Investors**

The implementation of communication with investors is managed by the Investor Relations Desk chaired by the Head of Investor Relations. Explanation on the duties, responsibilities and implementation of the communication program are further described in the section of "Investor Relations".

- **Communication With The Media**

The management of communications with the media is under the Head of Public Relations and CSR. Explanation of the implementation of the communication program is further described in the "Access to Information".

- **Implementation Of GMS**

General Meeting of Shareholders is organized by the Head of Secretariat and Protocol. During 2016, BRI held 1 Annual General Meeting of Shareholders (GMS). All stages of the GMS were executed in accordance with the above mentioned POJK and BRI's Articles of Association, including notices, announcements and invitation of GMS as well as the submission of the minutes of GMS.

Annual GMS in 2016	Date	Letter
Notification of Plan to OJK, Minister of SOE & Board of Commissioners	4 February 2016	R.349-DIR/SKP/02/2016; R.350-DIR/SKP/02/2016; R.351-DIR/SKP/02/2016
Announcement of GMS in Bisnis Indonesia, websites of OJK, IDX and BRI	15 February 2016	B.31-SKP/DHI/02/2016; B.32-SKP/DHI/02/2016
Invitation to GMS in Bisnis Indonesia, websites of OJK, IDX and BRI	1 March 2016	B.34-SKP/DHI/03/2016; B.35-SKP/DHI/03/2016
The GMS	23 March 2016	-
Announcement of minutes of GMS in Kompas and Bisnis Indonesia, websites of OJK, IDX and BRI	24 March 2016	B.47-SKP/DHI/03/2016 B.48-SKP/DHI/03/2016 B.49-SKP/DHI/03/2016
Submission of GMS minutes	17 May 2016	B.80-SKP/DHI/05/2016

Explanation of meeting agendas, resolutions and follow-up is further discussed in the section of "GMS".

- Public Expose**

In 2016, the Corporate Secretary held one public expose on August 3, 2016 in the event of Investor Summit and Capital Market Expo 2016 held at the Indonesian Stock Exchange. The Public Expose has been reported to the Indonesia Stock Exchange in accordance with the Indonesia Stock Exchange Regulation No. I-E as follows:

No. Letter	Date	Regarding	Information is Available in
B.116-SKP/DHI/07/2016	7/20/2016	Submission of the Plan for Public Expose of BRI in 2016	Websites of Indonesian Stock Exchange and BRI
B.117-SKP/DHI/07/2016	7/29/2016	Submission of the Material for Public Expose of BRI in 2016	Websites of Indonesian Stock Exchange and BRI
B.123-SKP/DHI/08/2016	8/8/2016	Report on the Implementation of Public Expose of BRI in 2016	Websites of Indonesian Stock Exchange and BRI

- Submission of Disclosure of Information to the Public**

During 2016, there were 16 disclosures of information submitted to the Indonesia Stock Exchange and uploaded to the websites of the Company and the Indonesia Stock Exchange, as follows:

No	No. Letter	Date of Letter	Information Disclosure
1	B.04-SKP/DHI/01/2016	01/08/2016	Revaluation of Fixed Assets
2	B.12-SKP/DHI/01/2016	01/19/2016	Publication of public offering prospectus of Sustainable Bonds phase I phase II 2016
3	B.13-SKP/DHI/01/2016	01/19/2016	Implementation of the Share Buyback In Other Conditions
4	B.18-SKP/DHI/01/2016	01/29/2016	Additional information on BRI public offering 1 Phase II in 2016
5	B.19-SKP/DHI/02/2016	02/01/2016	Changes in Composition of Credit Committee
6	B.57-SKP/DHI/04/2016	04/08/2016	BRI Rating
7	B.413-DIR/DIS/04/2016	04/11/2016	Use of Proceeds from the public offering of BRI Sustainable Bonds Phase II in 2016
8	B.107-SKP/DHI/07/2016	07/01/2016	Appointment of Public Accounting Firm 2016
9	B.113-SKP/DHI/07/2016	07/12/2016	The signing of the Sale and Purchase of Shares Agreement on the Increase of Capital Participation in the of Form of Shares of PT BTMU BRI Finance 2016
10	B.114-SKP/DHI/07/2016	07/14/2016	Notification on the Audit of Financial Statements of Quarter II 2016
11	B.136-SKP/DHI/08/2016	08/25/2016	The rating on BRI Sustainable Bonds I Year 2015
12	B.138-SKP/DHI/08/2016	08/30/2016	Explanation on the Notice to Mass Media on the Acquisition of Bank Muamalat
13	B.1231-DIR/SKP/09/2016	09/30/2016	Increase of Capital Participation in the of Form of Shares of PT BTMU BRI Finance 2016
14	B.167-SKP/DHI/11/2016	11/24/2016	Submission of Proof of Publication of Additional Information and/or revised brief prospectus for Shelf Registration (PUB) II BRI Phase I 2016
15	B.173-SKP/DHI/12/2016	12/07/2016	Changes in the Composition of the Audit Committee of PT Bank BRI
16	B.180-SKP/DHI/12/2016	12/20/2016	Change of the Head of Internal Audit

- Correspondences with OJK, IDX and Ministry of SOE**

During 2016, a total of 115 correspondences were made, each is described in the section of "Access of Information" in this GCG report.

Internal

- **Organizing Orientation Program for New Members Of BoD**

The Corporate Secretary coordinates the implementation of orientation program as described in the section of "Board of Directors" in this GCG report.

- **Organizing and Documentation of BoD Meeting and BoD-BoC Joint Meeting**

Corporate Secretary is in charge of coordinating the joint meetings of BoD and BoC, which refer to Article 16 OJK Regulation No. 33/POJK.04/2014 dated 8 December 2014 on BoD and BoC of Issuers or Public Company.

In discharging his duties, the Corporate Secretary is assisted by the Head of Secretariat and Protocol, which during the implementation of BoD Meeting and BoD-BoC Joint Meeting is in charge of the following:

- a. Collecting the proposed agenda and materials to be decided in the BoD Meeting and BoD-BoC Joint Meetings from the Divisions/Desks/other work units.
- b. Ensuring delivery of content, quorum and decision-making in BoD Meeting and BoD-BoC Joint Meetings is conducted in accordance with the provisions.

- c. Preparing minutes of Board of Directors Meetings, to be signed by the Board of Directors in attendance.
- d. Documenting the minutes of Board of Directors Meetings.
- e. Submitting the decisions of BoD Meeting and BoD-BoC Joint Meeting to the Divisions/Desks/work units to be immediately followed up.

In 2016, BRI held 58 BoD meetings and 12 Joint Meeting of Board of Directors and Board of Commissioners. Details of the implementation of the BoD meetings and the Joint Meeting of the Board of Directors and the Board of Commissioners can be found in the section of "Meeting of the Board of Directors and the Board of Commissioners" in this GCG report.

- **Submitting the Capital Market Developments to the Board Of Directors**

The reports on the development of capital market conditions in Indonesia are submitted in ALCO monthly meetings, while the updates of the development of capital market regulations are carried out in accordance with the latest conditions to ensure the fulfillment of the prevailing capital market regulations.

Investor Relations

PROFILE OF HEAD OF INVESTOR RELATIONS



Ninis K. Adriani
Investor Relations

Indonesian citizen, age 50, Ninis K. Adriani graduated with a Bachelor's Degree from Bogor Agricultural Institute in 1989 and in 2000 received an MBA from New York State University at Buffalo.

Serving as the Head of Investor Relations since July 2014, and began her career in BRI in 1990. In the course of her career, she served as Account Officer in the Division of Agribusiness and as Expert in the Section of Microfinance International Cooperation, and as Deputy Head of the International Business Division, Head of Overseas Relations of the International Business Division.

Contacts

Name : Ninis K Adriani
Address : Gedung BRI 1 Lantai 20 Jl. Jend Sudirman Kav 44-46
Jakarta Pusat 10210
Telephone: (021) 575 2019/1969
Fax : (021) 575 2010
E-mail : ir@bri.co.id
Website : www.ir-bri.com

DESCRIPTION OF DUTIES

The main responsibility of the Head of Investor Relations of BRI is to formulate the strategy and to execute communication programs with investors and the capital market community, as well as to evaluate the valuation of BRI's shares, so that the prepared material reflects the fundamental performance of the Company.

To fulfil its responsibility as well as to comply with the rules and to enhance the effectiveness of communication, BRI Investor Relations Desk carries out the following activities:

- Public expose: It is mandatory for BRI as a public company to disclose information on the latest performance and development of the Company, at least once a year, in order to have such information widely spread.

- Analyst meeting: a regular activity intended to detail the performance of BRI to analysts/securities companies every quarter so that analysts can present reports with the latest data to investors.
- Company visits - field visits: to receive visits from investors/analysts who wish to update performance or to witness the operations of the Bank at the head office or at the operational units.
- Conference call: conducting teleconference to accommodate the needs of investors/analysts to gain corporate information and the economic condition that might impact the Company.
- Investor newsletter: updating information through the publication of newsletter uploaded in the websites of BRI investor relations.
- Investor conference and non-deal roadshow: conducting 1-on-1 or group meetings with investors in Indonesia as well as abroad in the world's financial centers in Asia, Europe and America.
- Rating Review: conducted to have BRI rated by international rating agencies (Moody's, Fitch Rating, S&P) or local (Pefindo).

COMPETENCE DEVELOPMENT PROGRAM

In addition of attending seminars on macro economy, investor conferences and non-deal roadshows with investors, training was attended including:

1. Client Training Seminar "Baden-Wuerttemberg" by Commerzbank, Frankfurt, October 2011
2. Tutorial of Certified Documentary Credit Specialist, International Chamber of Commerce Indonesia, Jakarta 2011
3. Investor Relations Seminar, Jakarta 2008
4. Training of Trainer for Risk Management Certification Program Level III
5. Financial Institutions for Private Enterprises Development, John F. Kennedy School of Government, Harvard University, USA, 2003.

INVESTOR RELATIONS ACTIVITIES

A number of activities with investors and analysts were conducted by the Investor Relations Desk in 2016, among others:

1. Organized Analyst Meeting every quarter
2. Conducted communication activities, namely 163 company visits, 18 field visits, 7 overseas roadshows, and 7 conferences in the country.
3. Organized Annual Rating Review for Fitch, Moodys, S&P and Pefindo.
4. Organized Public Expose
5. Organized Annual and Extra-Ordinary General Meeting of Shareholders
6. Managed the website of Investor Relations (www.ir-bri.com).

To help the investors, analysts and public in general with the easy access of information and to ensure that such information can be accessed at all time, BRI provided the website for Investor Relations Desk, namely www.ir-bri.com, which linked to the corporate website of BRI, namely www.bri.co.id. The information available in Investor Relations Desk website, among others:

- The Stock Performance of BRI
- Corporate Presentation
- Financial Performance
- Calendar Event
- Announcement on GMS

To ensure that investors, analysts and general public can get the most updated information, BRI updates the website on regular basis.

Compliance Function

Duties and Responsibilities of Compliance Function

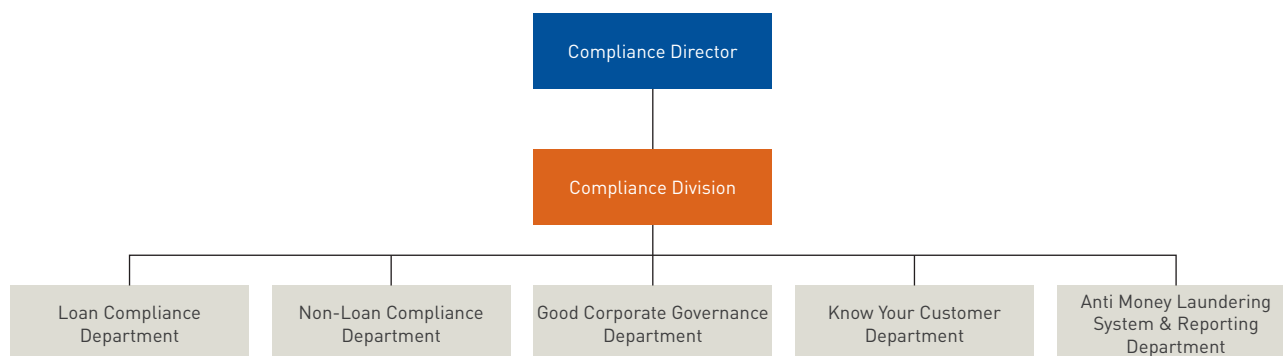
The duties and responsibilities of the Compliance Division in discharging the compliance function refers to the Regulation of Bank Indonesia No. 13/2/PBI/2010 dated 12 January 2011 on the Implementation of Compliance Function of Bank, among others:

- Preparing strategy for the implementation of GCG to promote the Culture of Compliance in all lines of business of BRI at all level of organisation.
- Managing Compliance Risk by referring to Bank Indonesia Regulation.
- As liaison between the bank and external parties in managing the Bank's compliance.

Structure of Organisation of Compliance Function

The Compliance Function has a preventive function (ex-ante) concerning the policy plan and/or decision plan of the Company. BRI's Compliance Function is conducted by the Head of Compliance Division, overseeing 5 (five) Departments, each in charge of: Credit, Non-Credit, GCG, KYC Management by Know Your Customer Department (PMN), and AML management by Anti Money Laundering Department.

The main duties of the Compliance Division, among others testing the prudential principles on the plan for policies and/or decisions of the BoD, KYC policies, and Suspicious Transaction Report (STR) and Cash Transaction Report (CTR), in addition also conducting assessment and evaluation on the implementation of GCG at the Company.



Profile of the Head of Compliance Function

BRI's Compliance function is chaired by the Director of Compliance, Priyastomo, whose profile can be found on the CV of the Board of Directors in this Annual Report. In carrying out functions, the Director of Compliance is assisted by the Division of Compliance, chaired by the Head of Division whose profile is as follows:



Eti Istiyanti
Head of Division

Indonesian citizen, age 55 years, Eti Istiyanti graduated with a Bachelor's Degree from the University of Soedirman, Purwokerto in 1958.

Currently, she serves as Acting Head of Compliance Division, since 5 September 2016, replacing Djunia Satriawan. She began her career at BRI on May 2, 1989, and has been serving in various positions. In the last five years, she served as Head of Compliance of Non-Credit Department, Head of Credit Department, and Deputy Head of the Compliance Department.

Work Program of Compliance Function

The Compliance Division work program for 2016, among others, was to:

- **Improve Culture of Compliance**

The compliance executives continuously carry out the dissemination and internalization of the compliance function so as to realize and promote the culture of compliance (compliance awareness) at all levels of organization and business activity of BRI.

- **Manage Compliance Risk**

Compliance risk management is carried out together with the Risk Management Division, as a risk management unit of BRI. In managing compliance risks, the Compliance Division conducted the following:

- Risk Identification, through Prudential Principle Testing and internal policies review in order to keep in line with the provisions in force,

- Risk Measurement and Monitoring, based on the evaluation of AML management as well as Incident Management data concerning violations of regulations.

- Risk Control, by evaluating the impact of new policies on corporate performance and to monitor the follow-up on audit findings related to compliance risk management activities.

Implementation of Compliance Function Duties

During 2016, the Compliance Unit has carried out a compliance work program, with the following activities:

Implementation of Compliance Function

Activities	2015	
	Credit	Non Credit
Prudential Principles Testing	363	234
Monitoring	250	182
Policies Responses	19	98
Internal Policies Review	14	30
Resume & Continuation of External Policies	26	62
External Policy Impact Analysis	24	15

Integrated Compliance Unit Reports

To comply with the Financial Services Authority Regulation No.18/POJK.03/2014 Dated 18 November 2014 on the Implementation of Integrated Governance for Financial Conglomerates, the Integrated Compliance Unit conducts the following:

1. The report of the Compliance Function of Financial Services Institution (LJK) of the BRI Financial Conglomerate to be prepared based on the format specified by BRI as a Parent Entity, taking into account the organizational structure and the duties and responsibilities of the compliance function of each LJK.
2. The Format of the Compliance Function Implementation Report of LJK in the BRI Financial Conglomerate, at least include the following:
 - a. Prevention on the Irregularities against Prudential Principles
 - 1) Prudential Principles Testing
 - 2) Responses, Impact Analysis and Review
 - 3) Monitoring the Implementation on Prudential Provisions
 - b. Monitoring the commitment made by the Bank
 - c. Compliance Risk Management
 - d. The development of the Implementation of APU and PPT Program
3. Implementation of monitoring and development of APU and PPT program implementation at work units.
4. Updating of bank's customer data
5. Integrated Information System of Financial Service Users (SIPESAT)
6. Foreign Account Tax Compliance Act (FATCA)
7. Other issues related to the development of the Implementation of Anti-Money Laundering (AML) and Combating the Financing of Terrorism (PPT)
8. The obligation to report to the INTRAC conducted regularly and in accordance with applicable regulations
 - a) Cash Transaction Report (CTR)
 - b) Suspicious Transaction Report (STR)
 - c) International Funds Transfer Instructions (IFTI)
 - d) Bank to receive and follow up external party letters, among others request for the financial data of customers, requests for blocking and requests for LTKM
 - e. Evaluation/Monitoring of Compliance by BoC
 - f. Evaluation by the Financial Services Authority (OJK)/ Bank Indonesia (BI)/Supreme Audit Agency (BPK)/ Other Regulators
 - g. Report on Transactions/Decisions containing Conflict of Interest.

Report on Implementation of Compliance Function

Compliance Function Evaluation Meeting:

Quarter I Date 29 April 2016

No	LJK Conglomeration	Results of Evaluation
1	BRIngin Life	<ul style="list-style-type: none"> Developing conditions for prudential principle testing preparing the resume and impact analysis of external regulations issued by the Government/Regulator. Conducting inventory of all liabilities of reporting to Regulator. Developing Guidelines for APU PPT Developing the amendment of the Company's Articles of Association in order to optimize the management of the bank's operation.
2	BRI Agro	<ul style="list-style-type: none"> Performing the prudential principle testing, as was done in the Parent Entity by still considering the conditions/organizational structure of BRI Agro. Analysis of the impact on external policy
3	BRI Syariah	<ul style="list-style-type: none"> Monitoring and reporting as committed. Monitoring relevant units on the potential fines against SID reporting, Socialization of Guidelines on the Implementation of CTR and STR. Developing System for Transaction Monitoring and Reporting APU PPT

Quarter II Date 05 August 2016

No	LJK Conglomeration	Results of Evaluation
1	BRIngin Life	Developing policies and guidelines related to Compliance and Governance.
2	BRI Agro	<ul style="list-style-type: none"> Monitoring the Follow-Up on the results of Credit Approval Testing, conducting policy review periodically, prioritizing policies that have long been published, and delivering Compliance Aspects Responses in compliance function reporting. Considering the internal audit unit of BRI Agro acting as PIC/Liaison Officer for External Auditor. Adding indicators on application development.
3	BRI Syariah	<ul style="list-style-type: none"> Improving the monitoring of the follow-up on results of prudential principle testing and conducting resume and impact analysis of external regulations. Applying the prudential principle in carrying out its activities and always adhering to the applicable provisions, both internal and external. Developing Policies on the Management of Transactions/Decisions containing Conflict of Interest for all employees of BRISyariah.

Quarter III Date 26-27 October 2016

No	LJK Conglomeration	Results of Evaluation
1	BRIngin Life	<ul style="list-style-type: none"> Monitoring the progress of the policy, scheduling the dissemination of policies on compliance and GCG throughout BRIngin Life Unit, and conducting on-site benchmarking to other insurance companies. Standardizing the Customer Data Updating Form. Results from monitoring the prudential principle testing to be submitted in the next reporting period.
2	BRI Agro	<ul style="list-style-type: none"> Developing provisions that govern the limits of credit approval Adding parameters on AML System
3	BRI Syariah	<ul style="list-style-type: none"> Submission of the results of resume and impact analysis to be carried out in a formal manner. Documenting the results of the evaluation of the Board of Commissioners. Developing the Policy of Management of Transaction/Decisions containing Conflict of Interest

Quarter IV date 25-26 January 2017

No	LJK Conglomeration	Results of Evaluation
1	BRIngin Life	<ul style="list-style-type: none"> To complete the supporting documents for the prudential principle testing. To perform data updating and unification of CIF. To disseminate the APU and PPT for all workers.
2	BRI Agro	<ul style="list-style-type: none"> To review the policy of the prudential principles. To adjust the internal regulations. To improve compliance risk monitoring. To add parameter on Anti Money Laundering (AML) system. To update customers data in accordance with Risk Based Approach. To measure the effectiveness of socialization.
3	BRI Finance	Completing the scope of the prudential principle policy of BRI Finance.

Internal Audit



Saptono Siwi
Head of Internal Audit

Profile can be found in SEVP Profile.

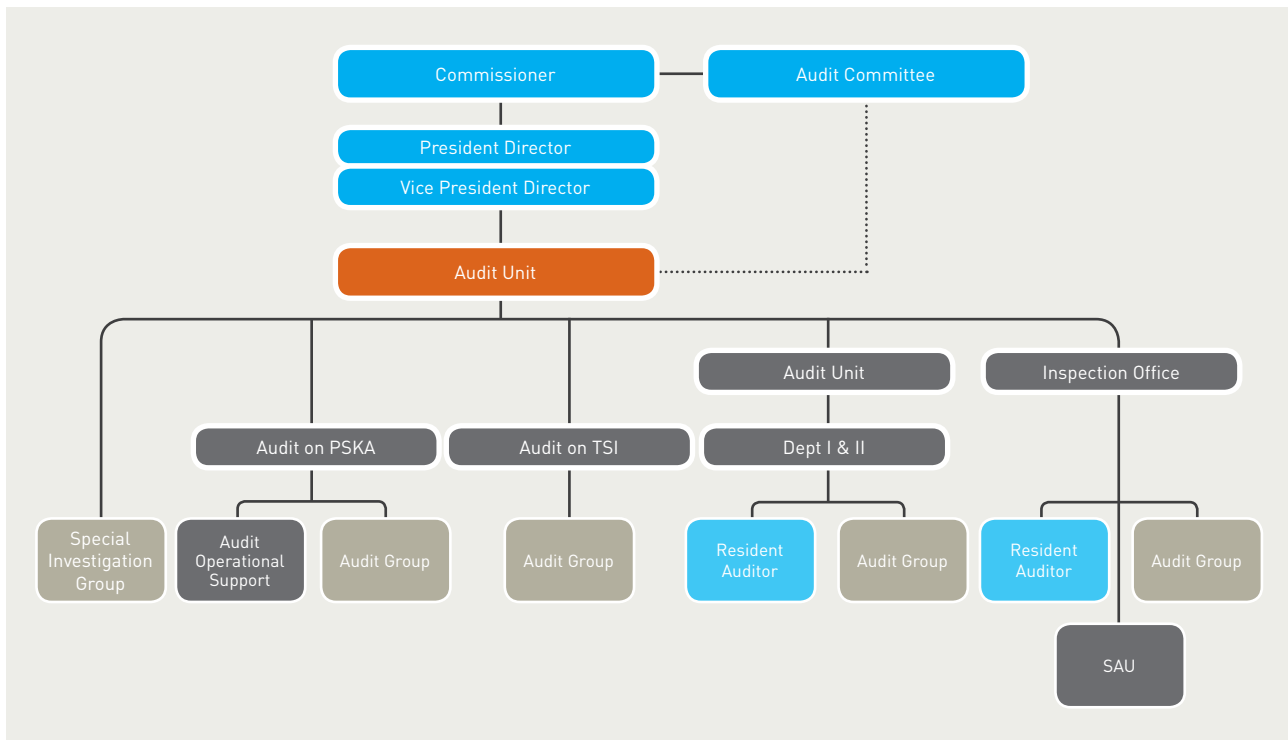
HEAD OF SKAI APPOINTMENT AND TERMINATION

SKAI is chaired by the Head of SKI (in the same level with Senior Executive Vice President) who is appointed and terminated by the President Director with the approval of the Board of Commissioners.

SKAI POSITION IN THE COMPANY

Internal Audit Working Unit is independent structurally and directly responsible to the Vice President and President Director. SKAI also has a communication line with Audit Committee in a form of coordination and presentation on regular audit reports. To maintain objectivity of Internal Audit, BRI changes the duties periodically.

Organization of SKAI



Structurally, SKAI consists of Audit Working Unit with Delivery Function and Audit Working Unit with Support Function with the details as follows:

1. Audit Working Unit with Delivery Function consist of:

a. IST Audit

IST Audit conducts assurance and consultation activities on business units involved in management process and TSI utilization (including development and Core and Non-Core Banking application operational; TSI infrastructure operational on Data Center, Disaster Recovery Center & entire Business Units; information security; application; TSI infrastructure; TSI development strategy and policy; TI risk management; TSI support (asset management and logistics, IT procurement of goods and services conducted by the Head Office of BRI) as well as End User Computing.

b. Head Office/Special Branch Offices/Overseas Units & Subsidiaries Audit

Head Office, Special Branch Offices, Overseas Units & Subsidiaries audit conduct assurance activities and consultation on the Business Units in Head Office, Special Branch Offices, Overseas Units, and Subsidiaries.

Other than assurance activities, Head Office, Special Branch Offices, Overseas Units & Subsidiaries audit also conducts reviews on matters regulated by

regulators. The review activities conducted include: risk management implementation review, anti-fraud strategy implementation review, implementation of APU and PPT review, and others.

c. Inspection Office (KANINS)

Kanins conduct assurance and consultation activities on Regional Offices, Branch Offices, Sub-Branch Offices, Cash Offices, and BRI Units.

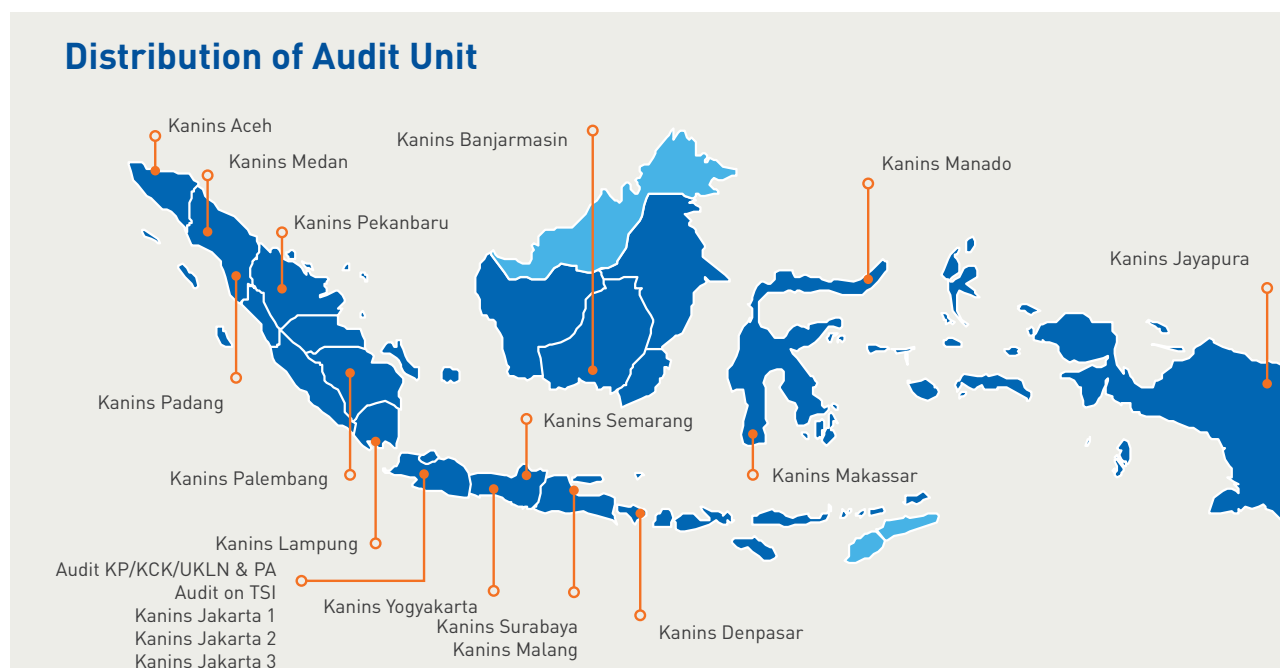
d. Investigation Audit Group

Investigation Audit Group conducts investigation on fraud indications as well as red flags analysis.

2. Audit Working Unit with Support Function

Audit Working Units with Support Function drafted a vision, mission and strategies of SKAI, reviews SKAI organization, manages SKAI resources, formulates audit policies and procedures, reviews and designs software and hardware to support audit activities.

Other than Audit Working Units as mentioned above, SKAI has Resident Auditor Function which is carried out in Branch Offices and BRI Units. Resident Auditor conducts assurance and early warning signs regularly. Resident Auditor Kanca monitors and audits Branch Offices (Kanca), Supporting Branch Offices (KCP), and Cash Offices. While Resident Auditor Unit monitors and audits on BRI Units and Teras BRI with the ratio of RA Unit:BRI Unit as 1:4.



DUTIES AND RESPONSIBILITIES

SKAI is responsible to conduct assurance and consultation activities independently and objectively to provide value added and improve operational activities. SKAI helps the organization to achieve its goals through a systematic and organized approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes. As regulated in the Internal Audit Charter, duties and responsibilities of SKAI include:

- Assist the President Director and Board of Commissioners in the supervisory duties by providing operational details with regards to audit planning, execution, and findings.
- Develop and implement Annual Audit Plan.
- Analyze and assess on the efficiency and effectiveness of Financial, Accounting, Operations, Human Resources, Marketing, Information Technology and other activities, through direct audits and indirect monitoring.
- Identify ways to improve and enhance efficiency of resources and funding.
- Provide objective improvement recommendations for audit activities at all levels of the management.
- Monitor, analyze, and report the follow-ups on recommended improvements.
- Give assessments on the level of quality in carrying out the risk management process, internal control system, and corporate governance are implemented adequately and effectively in entire BRI working units.
- Conduct audits in all BRI working units including Head Office, Regional Offices, Branch Offices, Sub-Branch Offices, Cash Offices, BRI Units, Foreign Branch Offices/ Overseas Representatives and Financial Services Entities under BRI Financial Conglomerate (Subsidiaries and Related Parties), as well as non-LJK Subsidiaries in which BRI owns more than 50% of the shares.
- Conduct special audits whenever necessary.
- Develop and submit audit reports to the President Director and Board of Commissioners.
- Formulate quality evaluating program for SKAI activities.
- Conduct consultation, including consultation given based on the request of particular parties as well as mandatory consultation carried out in accordance to prevailing provisions including; review on risk management implementation, review on the implementation of anti-fraud strategy, review on the implementation of anti-money laundering (APU) & Terrorism Fund Prevention (PPT), review on the implementation of Internal Capital Adequacy Assessment Process.

AUDIT METHODOLOGY

SKAI adopts a risk-based audit (RBA) methodology. The RBA is implemented gradually according to risk management maturity. The implementation of audit universe is implemented through risk evaluation and internal control in line with corporate goals, hence minimizing significant potential risks according to the risk appetite.

Through the RBA methodology, business process, activities or working units which are estimated to have significant risks in achieving the Company's goal will be prioritized for an audit to ensure that any significant risks are mitigated in accordance with the defined risks tolerance. To support efficiency and effectiveness of RBA implementation, in the analysis process and examination, this is supported by utilizing Computer Assisted Audit Techniques (CAAT's).

Other than audit activities, SKAI also conducts early warning signals on potential fraud risks through monitoring of off-site activities conducted by KANINS as well as regular monitoring activities conducted by Resident Auditor.

SKAI CODE OF ETHICS

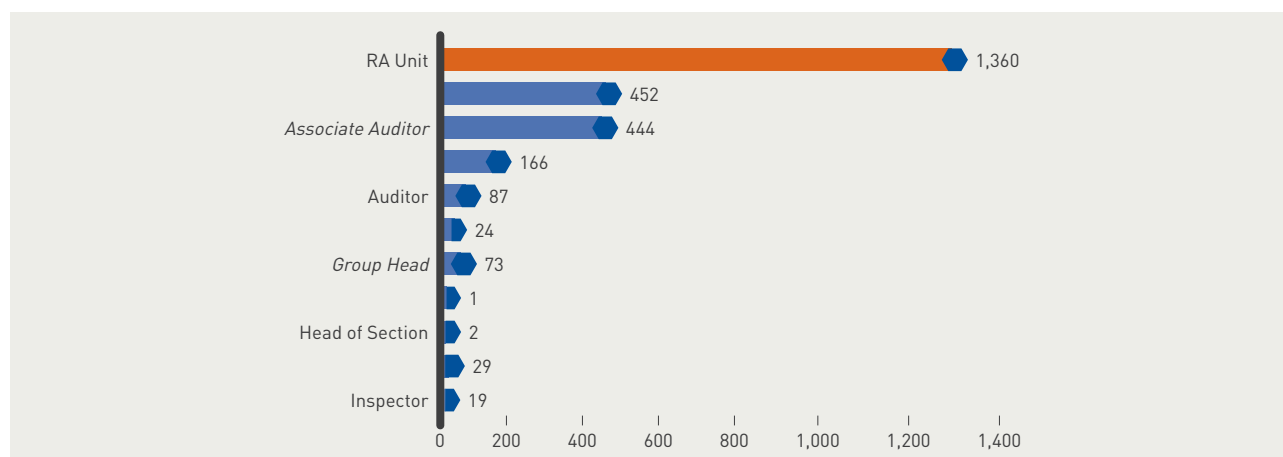
In carrying out its function, Internal Auditors are obliged to comply with the Code of Ethic which was formulated as the basis principal of individual behavior to maintain a culture and ethics in the Internal Auditor profession. The Code of Ethics in BRI's Internal Audit consist of: Integrity Principle, Objectivity Principle, Confidentiality Principle, and Competency Principle. The commitment of Internal Auditor with the Code of Ethics is stated through a Declaration of the Internal Audit Code of Ethics, retaken regularly.

HUMAN RESOURCES OF SKAI

Number of Employee in AIN Working Unit

As per 31 December 2016, SKAI has 2,657 employees which consists of: 19 Inspectors, 29 Deputy Inspectors, 2 Heads of Section, 73 Group Heads, 1 Junior Staff, 721 Auditors (Senior Auditors to Associate Auditors), 452 Resident Auditors in Branch Offices, and 1,369 Resident Auditors in Units. The following graph depicts the employee composition.

Graphic of Number of SKAI Employees



AIN Certification

All SKAI managers have international or national level certification. In order to prepare the ASEAN Economic Community (AEC), SKAI has a certification program for auditors and all Internal Auditors are expected to be certified by 2018. Certificates obtained by SKAI's employees, among others, are:

SKAI Professional Certification

Certification	2016	2015	Certification Agency
Risk Management Certification	197	136	Risk Management Certification Agency
Certified Fraud Examiner	34	7	ACFE (Association of Certified Fraud Examiners)
Qualified Internal Auditor	30	34	YPIA (Internal Audit Education Foundation)
Big Data Administrator	4	-	TUV Rheinland Germany
Certified Information System Audit	2	2	ISACA (Information System Audit and Control Association)
Certified Ethical Hacker	1	1	International Council of Electronic Commerce Consultants (EC Council)
Certified Data Center Professional	1	1	Enterprise Product Integration (EPI)
Certified Forensic Security Specialist	1	1	Association on Forensic Sciences and Expert Witness (AFSEW)
Total	270	182	

Formal Education Background

The formal education qualification by job position is as follows:

SKAI Formal Education

Formal Education Level	2016	2015
S - 3 (Doctor)	1	2
S - 2 (Master)	121	131
S - 1 (Bachelor)	2,276	2,236
Others	259	333
Total	2,657	2,702

Education and Training

In 2016, SKAI conducted education, public courses, and seminars (both conducted by institutions from internal and external to BRI) to 6,647 participants. Summary of education conducted in 2016 is as follows:

Recapitulation of Education, Seminar and Workshop Participants

No	Type of Education	Number of Participants
1	In House Training Education	5,801
2	Domestic Public Course	592
3	Audit Education Program	240
4	Certification Education	12
5	Overseas Public Courses	2
Total		6,647

BRIEF REPORT ON SKAI ACTIVITIES

Audit activities are carried out in accordance to 2016 Audit Plan which was approved by the President Director and President Commissioner as well as based on the assessment of risk potential. In 2016, SKAI conducted regular audits, special audits, and thematic audits. Audit activities realized are depicted in details including:

Regular Audits

The objects of SKAI's regular audits are in two groups: Working Unit and Electronic Channel.

Regular Audits conducted on Working Units are as follows:

Realization of Audit on Working Unit

No	Audit Object	Target	Realization	%
1	Division	44	43	97.73%
2	Regional Office	38	38	100.00%
3	Branch Office	462	462	100.00%
4	Sub Branch Office	596	601	100.84%
5	Cash Office	347	451	129.97%
6	BRI Unit (including Teras BRI)	1,714	2,814	164.18%
7	Inspection Office	19	19	100.00%
8	Audit on Information System Technology	20	20	100.00%
Total		3,240	4,448	137.28%

Regular Audits conducted on Electronic Channels are as follows:

Realization of Audit on Electronic Channel

No	Audit Object	Target	Realization	%
1	Electronic channel	23,804	46,441	195.10%

Special Audits

Special audits are conducted with particular scope and purpose (both based on SKAI, management, auditee initiatives, or conducted for regulator required purposes). In 2016, SKAI conducted 884 special audits.

Thematic Audits

Thematic audits are conducted to secure adequacy and effectiveness profiles of comprehensive internal controls. SKAI conducted thematic audits as follows:

- Micro Business productivity thematic audit
- The productivity of information technology resources thematic audit
- Thematic audit on infrastructure and Operational Working Unit security regarding BRIsat integration.

INTERNAL WORKING UNIT REPORT INTEGRATED AUDIT

In implementing integrated governance in a financial conglomerate, the exercise of integrated internal audit activities is conducted by SKAI BRI as that of the parent entity as regulated in the BRI Internal Audit Charter.

Duties and responsibilities of SKAI BRI generally are conducting audits to LJK both individually and in group, or based on the report from Internal Audit Working Unit of LJKs. The results of these activities are communicated with Integrated Governance Committee regularly.

In 2016, SKAI BRI has conducted following activities:

1. Coordinate with SKAI in Subsidiaries regularly including evaluation on SKAI function in Subsidiaries, formulate Annual Audit Plan, quarterly audit performance, workshop on synchronizing methodology and audit tools.
2. Monitor on SKAI's function in the Financial Conglomerate of LJK Subsidiaries based on Quarterly and Half Year of SKAI in LJK KK Subsidiaries.
3. Conduct individual audits based on the request of Subsidiaries:
 - a. Security & Infrastructure technology on information system in BRI Agro
 - b. Cash Management System in BRI Agro
4. Conduct Quality Assurance Review on the implementation on the function of SKAI in BRI Agro

5. Consult in updating process of audit methodology on SKAI of LJK in the Financial Conglomerate.
6. Sharing Knowledge (in loans, operational, and fraud audits) in In House Training in Subsidiaries.
7. Conduct Self-Assessment on Integrated Governance in order to comply with Decision Letter of Financial Services Authority No 15/SEOJK.03/2015 on the Implementation of Integrated Governance for Financial Conglomerations.

The above mentioned activities were presented in written reports on the Implementation of Integrated Internal Audit Function to the President Director or Deputy Director and Financial Director with a copy also sent to the Compliance Director, as well as presented to the Board of Commissioners. The implementation of the monitoring function of SKAI was also presented to the Integrated Governance Committee.

AUDIT IMPLEMENTATION EFFECTIVENESS

To improve the effectiveness of internal audit implementation, SKAI conducts quality assurance and improvement programs (QAIP) to evaluate the quality of audit activities hence maintenance and improvement are continuously carried out. The implementation of QAIP including internal assessments and external assessments such as follows:

Internal Assessment

Internal assessment is conducted within the audit process (on going monitoring) and periodically (periodic assessment).

On going monitoring is conducted through supervisory activities by the superintendent during the audit process. While periodic assessment is an evaluation activities by particular party/function (within SKAI organization) which conducted periodically. The implementation of periodic assessment through internal quality assurance reviews and peer reviews.

External Assessment

External assessment is an evaluation conducted by independent external parties to ensure that SKAI audit activities comply with the prevailing provisions and best practices.

The result of internal and external assessment implemented then become Key Performance Indicators in auditor's performance assessment.

QUALITY MANAGEMENT SYSTEM

In order to maintain the quality of audit implementation, external and internal quality assurance reviews or external assessment conduct quality assurance on SKAI. The quality assessment by external party was conducted by PT SGS Indonesia through surveillance ISO 9001.

Surveillance ISO 9001:2008 is focused on the congruence the implementation of quality management system (SMM) by BRI SKAI with ISO 9001:2008 standard. The third and fourth surveillance ISO 9001:2008 visits for 2016 were conducted without major or minor findings. The congruence target on

the quality management system implementation on SKAI BRI is the absence of major non-conformities with the ISO 9001:2008 standard.

AUDIT RESULT FOLLOW UP

SKAI regularly monitors the implementation of the commitment of management to improve internal control weaknesses as well as to give adequate opinion in following up the improvement conducted by the management. The results of the monitoring toward management commitment until 31 December 2016 are as follows:

Result of Monitoring Management Commitment

No	Result from RPM Monitoring	%
1	Adequate	93.37%
2	Ongoing Monitoring	4.85%
3	Poor	1.78%
Total		100.00%

Other than monitoring on the follow ups of SKAI findings, SKAI also monitors the progress of follow ups and improvements based on the findings found by external auditor and regulators. The result of management's commitment on the findings from external auditor and regulators up to 31 December 2016 are as follows:

No	External Auditor/Regulator	Number of Findings	Follow Up			
			Resolved		Ongoing Monitoring	
			Total	%	Total	%
1	BPK RI	480	378	78.75%	102	21.25%
2	Financial Service Agency	336	293	87.20%	43	12.80%
3	Public Accounting Firm	102	69	67.65%	33	32.35%
4	Bank Indonesia	94	90	95.74%	4	4.44%

Public Accountant

NAME AND YEAR OF PUBLIC ACCOUNTANT, PUBLIC ACCOUNTING FIRM AND FINANCIAL STATEMENT AUDIT FEE IN THE LAST 5 YEARS

Public Accounting Firm, Name of Public Accountant, and Financial Statement Audit Fee in the last 5 years, including Partnership Program and Community Development Program (CSR) Audit can be seen in the table below.

Public Accounting Firm, Name of Public Accountant, Fee for the Last 5 Years

Year	Public Accounting Firm	Name of Accountant (Partner in Charge)	Fee
2016	Purwantono, Sungkoro & Surja	Sinarta	6,950,000,000
2015	Purwantono, Sungkoro & Surja	Sinarta	6,950,000,000
2014	Purwantono, Suherman & Surja	Sinarta	6,775,000,000
2013	Purwantono, Suherman & Surja	Sinarta	5,550,000,000
2012	Purwantono, Suherman & Surja	Peter Surja	5,580,000,000

Note: Including VAT 10%, other related tax and out of pocket expense (OPE)

OTHER SERVICES GIVEN BY PUBLIC ACCOUNTANT IN THE LATEST FISCAL YEAR, OTHER THAN ANNUAL FINANCIAL STATEMENT AUDIT

Limited review on BRI's financial report in the period of 30 June 2016 with a fee of Rp6,595,000,00 with the following details:

KAP Fee for General Audit	
• BRI Consolidated (Parent Entity)	Rp3,109,100,000
• BRI Agroniaga	Rp824,375,000
• BRI Syariah	Rp824,375,000
• BRI Life	Rp800,800,000
KAP Fee for Issuance of Comfort Letter	
• BRI Consolidated (Parent Entity)	Rp706,600,000
• BRI Agroniaga	Rp329,750,000

Note: Including VAT 10%, other related tax and out of pocket expense (OPE).

Risk Management

Profile of Head of Risk Management Division

Fahmi Subandi

Head of Division

Indonesian citizen, age 55. Domiciled in Jakarta.

He has served as Head of Risk Management Division since July 2016. Previously, he served at the Accounting Management and Finance Division, in various positions, such as Head of Accounting Policy and Head of Accounting Oversight and Control.

Risk Management Certification: Level 4 from LSPP

RISK MANAGEMENT SYSTEM

Risk Management Implementation References

Risk management implementation at BRI refers to the OJK Regulation No. 18/POJK.03/2016 on the Application of Risk Management for Commercial Banks which includes 4 (four) pillars of risk control, individually and consolidated with its subsidiaries.

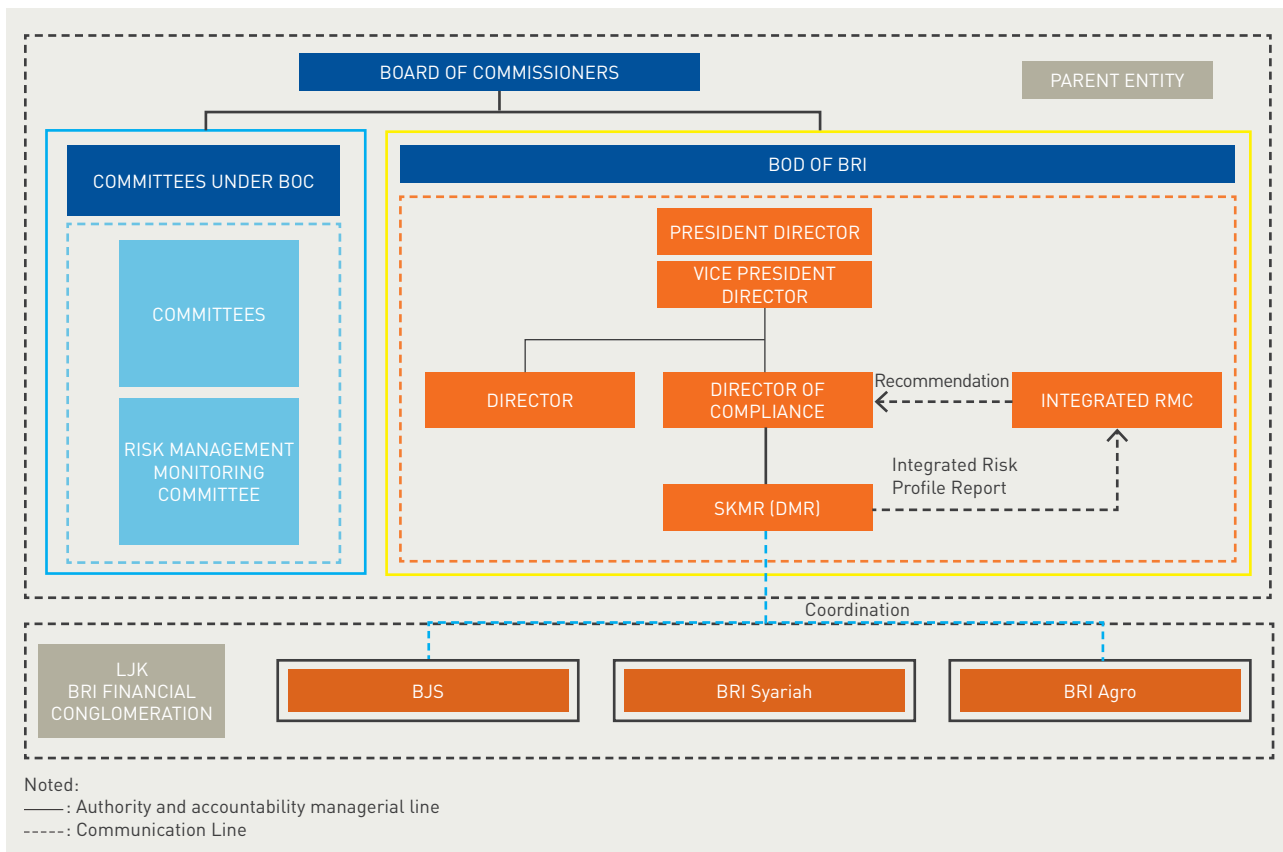
Risk Management Governance Structure

Risk Management Governance Structure consists of:

1. Integrated Risk Management Structure

The application of Integrated RM of the BRI Financial Conglomerate is supported by the Integrated Risk Management Committee (RMC) forum, which convenes meeting twice a year. Integrated RMC is the highest committee in the BRI Financial Conglomerate management system authorized to make recommendations for improvement or refinement of the evaluation of the implementation of the Integrated Risk Management to the Board of Directors of BRI.

Integrated Risk Management Structure

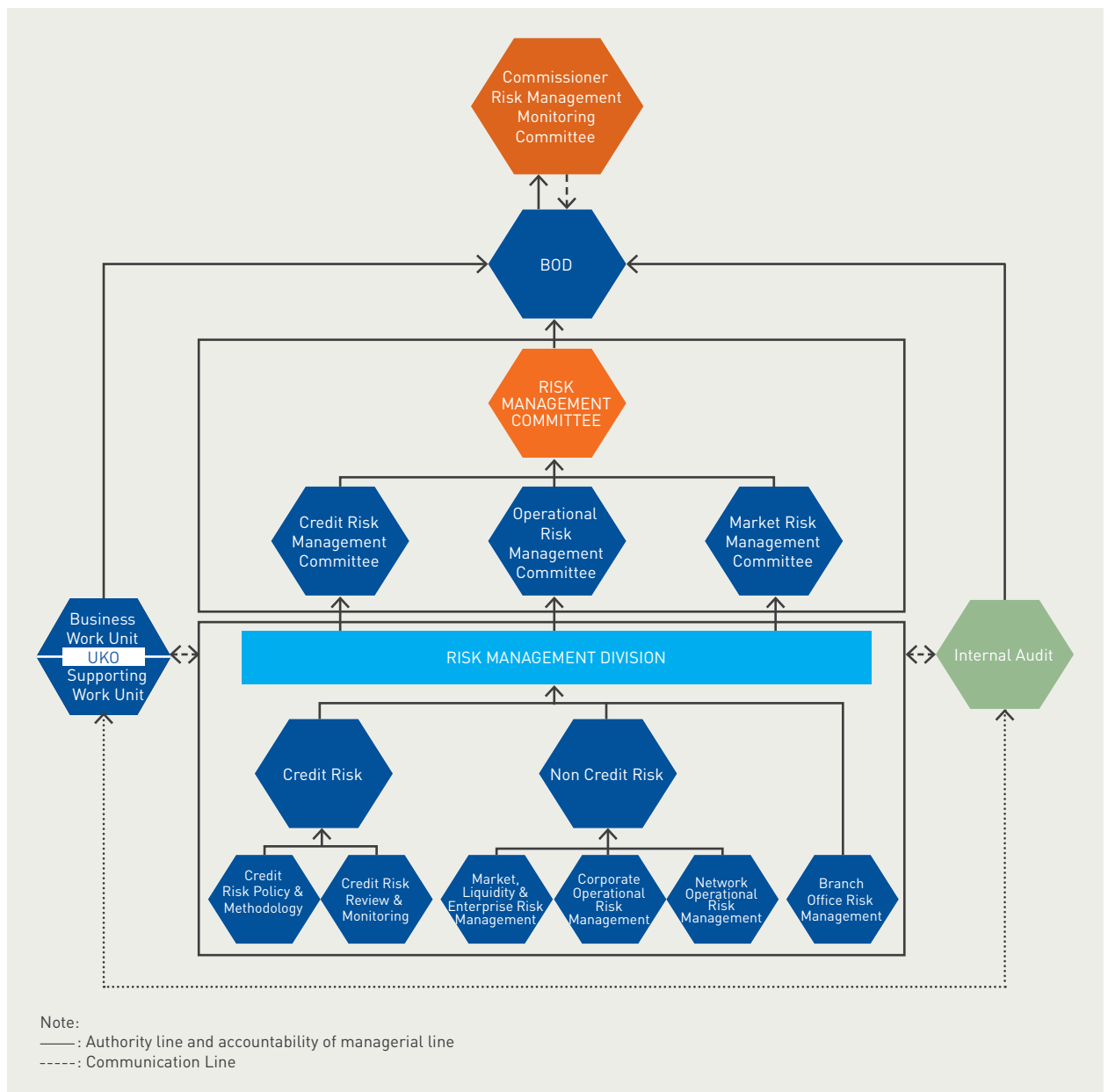


2. BRI Risk Management Structure

In order to optimize the management of risk exposure of BRI, the Board of Directors is assisted by the Risk Management Committee (RMC) as the highest committee in BRI's risk management system. RMC is a non-structural and independent-of-operations work unit. RMC is responsible for providing recommendations to BoD in formulating policies, enhancing policy implementation, evaluating the progress and condition of the risk profile, as well as providing inputs and remedial measures. RMC is carried out regularly, at least once in three months.

To discuss problems specific to certain types of risk which require immediate decision, limited RMC, or sub-RMC, meeting is conducted. There are 3 (three) Sub-RMCs, namely CRMC (Credit Risk Management Committee), MRMC (Market Risk Management Committee), and ORMC (Operational Risk Management Committee), established to discuss issues relating to credit risk, market risk, operational risk and other risks.

BRI Risk Management Structure



Risk Management System

BRI's integrated risk management system is translated into the following:

Pillar 1 Active Supervision from the Board of Commissioners and Board of Directors

The Board of Commissioners and Board of Directors are in charge of the effectiveness of risk management implementation at BRI. To ensure the effectiveness of management of activities and risks by the Board of Directors, the Board of Commissioners through RMOC evaluates the policy and implementation of risk management by the Board of Directors.

RMOC assisted the Board of Directors in determining the direction of risk management policies and strategies and its comprehensive implementation. The Board of Directors ensures that all material risks and the impact has been followed up, and the corrective measures for problems or irregularities in business activity are implemented. Culture of risk management, including risk awareness at all levels of the organization are also of the Board of Directors concern.

Pillar 2 Adequacy of Policies, Procedures, and Limit

Risk management policy at BRI is set forth in BRI General Policy of Risk Management (KUMR BRI). KUMR BRI stipulates the basics of risk management policies and is the highest provision of risk management at BRI, serving as reference for policies, procedures, and guidelines for risk management in accordance with prevailing regulations.

KUMR set forth in detail the Guidelines for the Application of Risk Management (P3MR), which includes several stages of process of risk management, among others: risk identification, risk measurement, risk monitoring and risk control. P3MR BRI consists of Guidelines for the Application of Credit Risk Management (P3MRK), Guidelines for the Application of Operational Risk Management (P3MRO), Guidelines for the Application of Market Risk Management (P3MRP), Guidelines for the Application of Liquidity Risk Management (P3MRL) and Guidelines for the Application of Enterprise Risk Management (P3ERM).

Management procedures and limits for each type of risk should be managed in all products and business activities of BRI, according to the risk appetite, taking into account experience of managing the risk in question. Limit is reviewed periodically in order to adjust it in accordance with the changing conditions.

BRI's Board of Directors has the authority to establish risk limits, tolerance levels for each type of risk, and risk exposure, by taking into account the experience, capital ability, capability of systems and risk management tools, available resources, as well as the applicable regulations.

Pillar 3 Risk Management Process and Risk Management Information System

Identification

BRI identifies risk by analyzing all types and characteristics of risks inherent in the business of the BRI Financial Conglomerate. Risk identification is proactive, covers all business activities of the BRI Financial Conglomerate and is carried out in order to analyze the source and possible risks and impacts. Risk identification, among others is based on the loss that occurred in the past.

Identification of risk issues for Operational Risk and Other Risks are conducted by the Head Office, Regional Offices and Branch Offices throughout Indonesia by using risk management tools. In this stage, determination and updating of risk issues were brought about.

Measurement

Risk measurement is conducted periodically for all business activities of the BRI Financial Conglomerate. The use of risk measurement models is tailored to the needs, size, and complexity of business activities, as well as the benefits.

Risk measurement is implemented to measure BRI risk exposure, as a reference for control. Risk assessment is conducted periodically both for product and portfolio, as well as for all business activities of BRI. The approach and methodology of measurement may be quantitative, qualitative, or a combination of both.

Risk measurement system is evaluated and refined periodically, or at any time if deemed necessary to ensure the suitability of assumptions, data sources, as well as the procedures used to measure risk. Stress testing is carried out to complement the risk measurement system by estimating any potential loss to the BRI Financial Conglomerate under crisis, using stress scenarios specific for the BRI Financial Conglomerate and stress scenarios of the market.

Risk measurement is reflected in the Consolidated Risk Profile Quarterly Report, Monthly Risk Profile Dashboard, Risk Profile Monthly Report from Regional Offices, consolidated RCSA quarterly report stress testing analyzing quarterly report, market risk potential loss weekly report, cash ratio monitoring monthly report, and quarterly Top Risk issue Book.

Monitoring

BRI has adopted monitoring systems and procedures that include the monitoring of the magnitude of risk exposure, risk tolerance, adherence to internal limit, and the results of stress testing as well as the consistent implementation of policies, procedures, and limits.

Risk monitoring activities are conducted by evaluating risk exposure inherent in the BRI Financial Conglomerate business activities, as well as the effectiveness of integrated risk management processes. One form of monitoring is conducted by regularly hold Integrated Risk Management Committee to evaluate Risk Management process and provide recommendations/proposals related to implementation of Risk Management to members of the BRI Financial Conglomerate.

The results of risk monitoring can be used to enhance existing risk management processes. The evaluation of the risk exposure is conducted by monitoring and reporting of risks that are significant or affecting the capital of the BRI Financial Conglomerate.

Control

Risk control process is carried out with due regard to the internal control system prepared in accordance with the applicable regulations and aims to manage certain risks that can jeopardize the business continuity of the BRI Financial Conglomerate. The framework for risk management process is based on results from risk exposure evaluation in the business of the BRI Financial Conglomerate. The main priority in the risk mitigation is against the risks that have high impacting losses or high frequency of occurrence.

BRI ensures that the members of the BRI Financial Conglomerate have applied risk control methods against risks that can jeopardize the business continuity of the BRI Financial Conglomerate, among others, by hedging, risk mitigation methods, and additional capital to absorb potential losses.

Pillar 4 Internal Control Systems

A thorough internal control has been implemented through:

- a) Determination of organization structure with a clear segregation of functions between operational units (business units) and operating units that manage risk control functions (risk management unit).
- b) Determination of risk management unit, namely an independent operating unit that creates the risk management policies, risk measurement methodologies and performs risk limit setting and data/model validation.
- c) Each transaction and functional activity with exposure to risk is reviewed and monitored as required by each business unit.
- d) Data validation is conducted by executives and independent units of the operational units. Data validation is conducted at least once a month for all risks.
- e) Regular audits are conducted by the Internal Auditors, to audit the implementation of risk management processes and system in any functional activity with risk exposures.
- f) Implementation of the segregation of duties by applying the concepts of Maker, Checker, Signer (MCS) in all of BRI's operational activities.
- g) Implementation of risk management information system, to facilitate the risks identification, measuring, monitoring, and controlling process. The risk management information system includes Operational Risk Assessor (OPRA), Loan Approval System (LAS), and Treasury and Market Risk System (GUAVA).

EFFECTIVENESS OF THE EVALUATION OF RISK MANAGEMENT SYSTEM

The evaluation of the quality of implementation of Risk Management on the four pillars of risk management system mentioned above is conducted in an integrated manner through Self Assessment which include the following:

Evaluation on Risk Governance

Evaluation on Risk Governance includes:

- **Formulation of Risk Levels**

The formulation of risk appetite and risk tolerance is adequate. Such formulation is aligned with the strategic objectives and the bank's business as a whole. The parameter for corporate level risk limit is documented in the internal regulation regarding Circular Letter on the Guidelines for Risk Based Bank Rating of PT Bank Rakyat Indonesia (Persero) Tbk.

- **Adequacy of Active supervision by the Board of Commissioners and Board of Directors**

Adequacy of active supervision by the Board of Commissioners and Board of Directors, including the implementation of the authority and responsibilities of the Board of Commissioners and Board of Directors is considered adequate. BoC has established Risk Management Monitoring Committee set out in the Risk Management Monitoring Committee Charter, among others:

1. Evaluate and analyze the adequacy of risk management policies on regular basis.
2. Evaluate and analyze the risk profile report on quarterly basis.
3. Supervise and evaluate the implementation of Risk Management Committee and Risk Management Division duties.

Risk Management Monitoring Committee regularly convenes meeting and provides recommendation for improvement that were documented and the follow-up are monitored. Meeting to discuss risk profile and risk management was conducted 4 (four) times on February 16, 2016, March 29, 2016, August 9, 2016 and October 25, 2016. In addition to the implementation of RMC, in general, the implementation of duties of BoC and BoD is considered adequate with the establishment of BoD Committees, such as ALCO, Business Performance Review (BPR), and the Strategic Forum (Forstra).

Evaluation on the Framework for Risk Management

Evaluation on the Risk Management Framework includes:

- **Risk Management Strategy**

Risk Management Strategy which was considered adequate and in line with risk appetite and risk tolerance of the business strategy is stipulated in the corporate plan, RBB, and RKAP.

The strategy has included discussion on the risk management strategy formulated in line with the risk appetite.

- **Risk Management Organization Tool**

- a) The organization tool that supports the effective implementation of Risk Management is considered adequate with clearly defined authority and responsibility in every business activities.

In managing credit risk there was a separation of loan officers, between Relationship Management and Credit Risk Management. Delegation of authority is set forth in the internal regulations on Circular of Credit Committee (KK) and Decision of Loan Authority Delegation, and evaluated regularly by the authorized official.

- b) In the market risk management, the function of market risk management consist of front office work units (Treasury Division), back office (Operation Center Division), and middle office (Risk Management Division) as explained further in the Market Risk management in this Annual Report.
- c) In the management of operational risk there is separation of duties and authority of maker, checker, signer (segregation of duty and dual control) on the implementation of all operational activities in the work unit. Delegation of authority in the operational processes at work units is running well as reflected in the review of cost fiat of employee which conducted dynamically according to the competence and experience of the employees/officials.

- **Policies, Procedures and Limit Determination**

Policies, procedures and limits determination are considered adequate. BRI has placed policies and procedures in any risk management, and the policy is regularly refined in accordance with the latest provisions from the regulator. Monitoring of latest regulations is the responsibility of Compliance Unit.

EVALUATION ON RISK MANAGEMENT PROCESS, HUMAN RESOURCE ADEQUACY AND RISK MANAGEMENT PROCESS INFORMATION SYSTEM ADEQUACY

Risk Management process

Risk Management process is adequate in identifying, measuring, monitoring and controlling risks in accordance with results from discussion in RMC forum held on a quarterly basis throughout 2016. The description of risk control process for each type of risk are described further in the risk management efforts in this Annual Report.

Human Resources

The Human Resource appointed to manage risks have sufficient competence and appropriate education according to the job level. Each employee is required to attend training at least once a year. In addition, in order to have effective and efficient human resource development, fulfillment of formation is tailored to the needs and determination of formation.

To develop competencies in Risk Management, it is mandatory for the Board of Commissioners, Board of Directors, as well as officials to four levels below the Board of Directors to attend certification training in Risk Management. In addition, refreshment to the Human Resources also conducted regularly.

Information System

Implementation of Risk Management is supported by various information systems, among others:

- Credit initiatives process is carried out in the LAS system that has been integrated with the Debtor Information System (SID), Credit Risk Scoring Module (CRS) and Credit Risk Rating (CRR) to take into account the risk level of the borrowers.
- Credit portfolio management process is supported by Data Warehouse reporting information systems and Management Information System (MIS)
- The support of information system for the operational process is embodied in the unification of authority delegation upon approval of transactions in the Core Banking information system.
- Process monitoring against the Operational Risk is supported by the Operational Risk Assessor (OPRA) information system in capturing and identifying the occurrence of new risks, Key Risk Indicators (IRU) to monitor the movement of risk parameters and Incident Management (MI) to document the risk occurrence and its impact, as well as monitoring of the follow up on the risk occurrence.
- Strategic Risk Monitoring is supported by MIS capable of generating reports on the development of business performance on a regular basis.
- Reputation Risk Monitoring is equipped with Complaint Handling System (CHS) information systems equipped with provision on the escalation of customer complaints report to the Head Office level.

EVALUATION ON THE ADEQUACY OF RISK CONTROL SYSTEMS

Risk control systems is adequate since it has conducted evaluation on the adequacy of Internal Control System by Risk Management Unit (SKMR), Internal Audit Unit and External Auditor.

The evaluation conducted by SKMR includes the methods, assumptions and variables used to measure and set limit of risk, while the review conducted by Internal Audit Unit and External Auditor includes the reliability of Risk Management framework and implementation of Risk Management by business unit and/or supporting unit.

EXPLANATION ON RISKS FACED BY THE COMPANY

10 types of risks that should be managed by the BRI Financial Conglomerate are:

Credit Risk

Credit Risk is any risk arising from failure by borrowers and/or other parties to meet their obligations to Bank. Credit risk can be sourced from a variety of business activities of the Bank.

Market Risk

Risks arising from movements in market variables (adverse movement) from the Bank's portfolio, which may be detrimental to the Bank. Market variables in this point are the interest rate and exchange rate.

Liquidity Risk

Among others, risks arising from the failure of the Bank in meeting its overdue obligations.

Operational risk

Among others, risks arising from the inadequacy or failure of internal processes, human error, system failure, or external problems affecting the operations of the Bank

Legal Risks

Risks arising from the weakness of the judicial aspect. The weakness of judicial aspect among others due to lawsuits, the absence of supporting legislation or weakness of contract, such as the failure to fulfill the requirement for a valid contract and imperfect commitment.

Strategic Risk

Among others, risks arising from the failure of the Bank to determine or implement the right strategy, making wrong business decision or failed to respond the external changes.

Reputation Risk

Risks arising from negative publicity related to the business activities of the Bank or negative perceptions towards the Bank.

Compliance Risk

Risks that are resulted from failure to comply with or to implement legislation and other prevailing regulations. Compliance risk management is conducted through the consistent implementation of internal control systems

Intra-Group Transaction Risk

The risk of reliance to an entity either directly or indirectly in a financial conglomerate in order to fulfill its written or unwritten contractual obligation agreements either followed and/or not followed by transfer of funds.

The risk of intra-group transactions, among others, may arise from

- Cross ownership between LJK in Financial conglomerate
- Centralized management of short-term liquidity
- Guarantees, loans, and commitments given to or obtained from an LJK to another in financial conglomerate
- Exposure to controlling shareholders, including the exposure of loans and off-balance sheet items such as guarantees and commitments
- Purchase or sale of asset to another LJK within Financial conglomerate
- Transfer of risk through reinsurance; and/or
- Transaction to transfer third-party risk exposure among LJK in the financial conglomerate

Risk Insurance

Risks due to failure of the insurance company to meet obligations to policyholders as a result of the inadequacy of underwriting (risk selection) process, setting premiums (pricing), use of reinsurance, and/or the handling of claims

EFFORTS TO MANAGE RISK

BRI has conducted risk management based on four pillars as follows:

Credit Risk

PILLAR 1

- The process of credit decision above a certain nominal limit requires approval from BoD's Credit Committee and consultation with the Board of Commissioners
- Follow-up/action must be monitored by the Board of Commissioners and Directors if risk limit is exceeded
- Implementation of quarterly RMC forum that discusses strategic issues related to enterprise risk management
- Reporting monthly risk profile by Risk Management Unit to Board of Directors

Pillar 2

- Regulation on target markets
- Determination of risk limits at the corporate level (risk appetite statement) regarding the NPL and NPL Coverage
- Regulations on tiered credit authorization/PDWK

Pillar 3

- **Identification** of credit risk is carried out using a system of Credit Risk Rating (CRR) and Credit Risk Scoring (CRS) since 2001. Internal Rating (Credit Risk Rating/Credit Risk Scoring) used at BRI currently is based on empirical data/historical data of existing BRI debtors with statistical methodology. Based on this internal ranking, periodic review of the accuracy of models and assumptions used to project is conducted to forecast failure, and adjustments of assumption should be made if there is a change of regulations, both in external (regulatory) and internal. In order to overcome weaknesses that may arise from the use of internal models of the rating, an independent working unit has been working to validate the working unit who applies the model. The validation process or review of the credit risk measurement models is carried out by back testing method.
- **Measurement** of credit risk is done by using standard method of calculating the probability of default and loss given default for each business segment based on the shifting of each segment's credit collectibility. Currently, BRI is still developing its Internal Rating Based Approach (IRBA). In addition, a series of stress test is also performed to measure the maximum potential loss in the event of stress conditions. Stress test is done based on some hypotheses and assumptions, such as: economic growth, inflation, world oil prices and the rupiah exchange rate fluctuations.
- **Monitoring** credit risk is done through a process of monitoring loan portfolio which is the responsibility of credit administration units at the headquarters. Monitoring loan portfolio is based on credit quality, economic sector, use of credit, geographic factor of initiator unit, and so forth. Monitoring is also undertaken to limit credit risk, among others: NPL, SML, composition of the Loan at Risk, Credit Cost, NPL Coverage ratio, PH, Recovery income and Recovery Rate.
- **Control** of credit risk is through:
 - Credit Decision should take into account collateral analysis, which must comply with the provision of minimum loan to value or minimum coverage against the loan
 - Procedure of credit quality improvements through restructuring

- Procedures to minimize the loss of credit risk through credit settlement and collection/billing optimization
- Write-off procedures of problem loans

Pillar 4

- 4 eyes principles: separate functions of credit initiators and credit decision makers
- Separation unit between credit initiator (business) and a working unit of credit risk analysis for Corporate segment
- Use of Loan Approval System (LAS) application, which includes the identification of credit risks through the calculation of CRR and CRS as well as loan decision in accordance with the provisions of tiered PDWK.
- Determination of CKPN is automatically based on an internal model to calculate the reserve adequacy of credit risk based on credit portfolio per segment.
- Integration between surpassing the limit of credit risk and performance assessment of business and individual working units, including loan composition in Collectability category 2 and NPL.

Market Risk

Pillar 1

- Follow-up monitoring by Board of Commissioners and Directors if risk limit is surpassed
- Implementation of quarterly RMC forum that discusses strategic issues related to the Company's risk management
- Reporting of monthly risk profile by Risk Management Unit to Board of Directors

Pillar 2

Policies, procedures, and market risk limit has been compiled and stipulated in the Treasury Policy and Market Risk Management Policy (KUMR and P3MRP). Market Risk Limits listed in the policy, among other things are: open position limits for trading, dealer transaction limit, limit of cut loss and stop loss, uncommitted credit line limit, counterparty limits, as well as limit Value at Risk (VaR).

Pillar 3

Identification

- Calculation of Interest Rate Risk by standard methods is carried out against the position of all BRI financial instruments which are classified in Trading Book as exposed by Interest Rate Risk and Calculation of Foreign Exchange risk by standard methods is carried out on BRI's foreign exchange positions in the Trading Book and in the Banking Book which is exposed to Foreign Exchange Risk,
- Risk factors which are considered in interest rate risk in the standard method are:
 - Specific Risks of any securities or financial instruments, regardless of a long or a short position.

Thus the process of offsetting is not possible unless those positions are identical;

- General Market Risk of the overall portfolio, where a long position or a short position of different securities or instruments can offset each other.
- The market value of securities used in the calculation of Specific Risk and General Risk is the dirty price, i.e the market value of securities (clean price) plus the present value of the interest income to be received (accrued interest). The calculation of the present value of accrued interest can not be done if it is based on the coupon payment term where the present value does not cause material differences. Foreign Exchange Risk calculations is performed for all BRI positions, both Trading Book and Banking Book in foreign currencies, including gold, with reference to the calculation of the Net Open Position (NOP). The position of an instrument that denominated in foreign currency, in addition to Foreign Exchange Risk exposed, can also lead to Interest Rate Risk (e.g for cross-currency swaps instrument). In this case, the Interest Rate Risk exposures should also be taken into account.

Scope of portfolio accounted for in the Capital Adequacy Ratio (CAR), among others are

- Position held for resale in the short term.
- Position held for the purpose of obtaining short-term profits from actual and/or potential price movements.
- Position held for the purpose of maintaining the advantages of arbitrage (locking in arbitrage profit).
- Derivative instruments related to securities or interest rates, such as Bond Forward, Bond Options, Interest Rate Swaps, Cross Currency Swaps, Forward Foreign Exchange, Interest Rate Options and Forward Rate Agreements/Fras.
- All debt securities with a fixed or floating interest rates, and all financial instruments that have similar characteristics, including Negotiable Certificates of Deposits and securities sold by BRI on condition of repurchase (Repo/Securities lending).
- BRI foreign exchange position in the trading book and the banking book which is exposed to foreign exchange risk

Measurement

- Calculation of Interest Rate Risk by standard methods is carried out against the position of all BRI financial instruments classified in Trading Book as exposed to Interest Rate Risk and Foreign Exchange Risk Calculation by standard methods is carried out on BRI's foreign exchange positions in the Trading Book and the Banking Book, which is exposed to Foreign Exchange Risk,

- Measurement of market risk are conducted regularly (daily, weekly and monthly), among others by calculating market risk using standardized measurement approach and internal measurement models (VaR) through the application of GUAVA, conducting NII simulation everytime there is a change in market interest rates and managing maturity profile of securities,
- Valuation of trading book and banking book portfolio is done by using market prices quotes of the instruments that are actively traded (mark to market). The market prices reflect the actual and routine transactions which are reasonably conducted. The result of the valuation based on market value (mark to market) is validated periodically to ensure consistency and fairness of the market price used in the process. If market prices are not available because the instruments are not actively traded, the determination of fair value will use price simulation approach (mark-to-model).

Monitoring and Control

In carrying out market risk management, the Board of Directors regularly evaluates market risk through daily reports on net open position, Asset & Liability Committee (ALCO) forums, and report of market risk exposure in the market risk profile. In addition, BRI also organizes Market Risk Management Committee forum on a quarterly basis.

Pillar 4

Separation of Front, Middle and Back office Functions

BRI's market risk management functions consist of front office work units (Treasury Division), middle office (Risk Management Division) and back office (Operations Center Division) with each division has different authority.

- Front office division is authorized to conduct financial instruments transaction and is responsible for monitoring the movement of the market price.
- Middle office sets and monitors market risk limit as well as regularly ensure market data (market price) used to mark-to-market (MTM).
- Back office division conducts treasury transaction settlement and sets daily market price (MTM) at the end of the day. Implementation of delegation of authority is realized through setting tiered transaction limits in accordance with the competency and experiences.

Market Risk Control Systems Integrated with Front Office Functions

BRI has implemented treasury and market risk application systems (Guava), which is an integrated system that is used by the front office, middle office and back office functions. Through this application, BRI can perform integrated market risk measurement in its daily transactions process. In addition to monitoring the risk exposure of the instruments, BRI also monitors market risk limit and transactions limits including transactions dealer nominal limits, open position limit, uncommitted Credit Line Limit (UCL), cut loss limits and stop loss limits. Monitoring is conducted daily to accelerate the provision of current information that supports decision-making by line officials and management on a timely basis, especially for the instruments included in the trading classification.

Integration Between Surpassing Market Risk Limits and Performance Assessment of Work Business Unit

Liquidity Risk

Pillar 1

- Implementation of ad-hoc ALCO mini meetings and weekly Board of Directors Meeting when market of BRI liquidity conditions is quite tight.
- Follow-up/action plan monitoring by the Board of Commissioners and Directors if risk limit is surpassed
- Implementation of quarterly RMC forum that discusses strategic issues related to the Company's risk management
- Reporting monthly risk profile by Risk Management Unit to Board of Directors

Pillar 2

- Determination of minimum Secondary Reserves limit to the minimum reserve requirement (risk appetite statement)

Pillar 3

- Risk Identification, Measurement and Monitoring through dashboard of daily liquidity
- Risk Control through liquidity contingency plan Protocol

Pillar 4

- Monitoring system of daily liquidity position
- Integration between surpassing liquidity risk limit and performance evaluation

Operational Risk

Pillar 1

- Follow-up monitoring by the Board of Commissioners and Directors if risk limit is surpassed
- Implementation of quarterly RMC forum that discusses strategic issues related to the Company's risk management
- Reporting monthly risk profile by Risk Management Unit to Board of Directors

Pillar 2

- Tiered approval limit for a given transaction

Pillar 3

- **Identification** of operational risk is done through the RCSA covering seven functional activity of banks, namely: Activity of credit, Treasury and Investment, Operational and services, trade financing, funding and debt instruments, information technology and management information systems, and human resource management.
- **Measurement** of operational risk is carried out using Basic Indicator Approach (BIA). Currently, BRI is gradually preparing the calculation method using Standardized Approach (SA), which will be followed by the Advanced Measurement Approach (AMA).
- **MONITORING** of risk profile is conducted with Key Risk Indicators (IRU), based on assessment results of risk profile and operational loss data is managed through the Incident Management (MI).
- **Controlling** OF risk through:
 - Assessment Procedures for New Products and Activities for any new products or services, where any such product must go through a review by the Risk Management Unit and Compliance and Legal Unit (if necessary) before it is registered to a regulator
 - Business Continuity Management protocol for events that are catastrophic. In this case, BRI has a Crisis Management Team (CMT), which plays an important role during disturbances or disaster and is responsible to step in including reputation risk management. TMK structure is established in all BRI working units ie CMT Headquarters, CMT Regional Offices, Branch Office CMT. Strategic aspects that must be considered in the management of reputation risk at times of crisis is to maintain customers, shareholders, and the public confidence on BRI good reputation.

Pillar 4

- Segregation of duties among Maker-Checker-Signer in the operational activities of banking, where most of the approval process has been embedded in Core Banking, Asset Management and HR MIS systems
- Procedures of Complaint Handling with a specific SLA
- Implementation of SOP (Standard Operating Procedure) related to APU and PPT to protect BRI from money laundering and terrorism-related crimes. As well as a system of AML (Anti Money Laundering) exists to monitor suspicious transactions (CTR and STR).
- Integration between the surpassing limit of operational, legal, strategic and compliance risks and performance assessment of either individual and/or business units

Compliance Risk

Pillar 1

Discussion on compliance risk profile and its management as well as the follow-up are discussed in the RMC, and RMOC Meetings

Pillar 2

- The compliance risk management process is described in both DUJ and/or BPO of Compliance Work Unit.
- Establishment of Special Working Unit at both branch offices and Headquarters is to coordinate the management of compliance risk which mainly related to APU and PPT program
- Management of compliance risks becomes part of the duties and responsibilities of the Risk Management function, which coordinates the implementation of Risk Management for eight types of risk including compliance risk.

Pillar 3

- Identification of compliance risks is done through compliance risk profile reports submitted by each work unit to Compliance Division
- Each transaction process as well as new products and activities that have potential compliance risks must initially be reviewed by Compliance Division.
- Compliance monitoring with the latest regulations is the responsibility of Compliance Work Unit. Each regulatory changes, including legislation, regulation, POJK, and PBI are reviewed by Compliance Division and had its impacts assessed for the company.

Pillar 4

- Compliance Risk Management Process is supported by an adequate information system to identify and monitor the claim for money laundering and terrorism-related funding. The systems includes Anti-Money Laundering system and Cash Transaction Reporting System and Suspicious Transaction Report inherent in Core Banking.
- Compliance Division is actively disseminating the new regulatory impact on the business and operations of the company.

Reputation Risk**Pillar 1**

The discussion on reputation risk profile and management as well as the follow-up are discussed in RMC, and RMOC Meetings

Pillar 2

In order to control reputation risk, SKP Division has been appointed to handle any negative information. Reputation risk management process is described in DUJ and BPO of the Corporate Secretary Division.

Pillar 3

- The identification of risk reputation is done regularly by the SKP Division to see the amount of negative coverage of BRI, the number of customer complaints in both printed and electronic media, call center and company rating.
- Measurement of reputation risks aims at estimating the level of vulnerabilities of BRI in facing reputational risks. After identification process, there will be measurement against risk of reputation to assess reputation risk categories by using several parameters correspond to the limit stated in the reputation risk profile report.
- Monitoring of risk undertaken by SKP Division is to conduct regular monitoring of the number of complaints and negative publicity in the media and to report in the reputation risk profile.
- Monitoring of reputation risk in the Regional Office carried out by OJL Section Service Subsection at each Regional Office is to conduct periodic monitoring of the quality of service in main branch offices, branch offices and each of BRI Assistance Units, where quarterly report compiles report on handling of customer complaints on Headquarter Report of Commercial Banks/LKPBU for every year.
- BRI reputation risk is controlled, among others, with the presence of SE policy and Management Information Services, while at the same time, SKP Division coordinates with Service Division and relevant work units to resolve negative press and complaints from customers in accordance with predefined SLA.

Pillar 4

Compliance Division is actively disseminating the new regulatory impact on the business and operations of the company.

Strategic Risk**Pillar 1**

Discussion on strategic planning, target achievement monitoring and evaluation of strategies are deliberated in the Joint Meeting of Commissioners and Directors (Radirkom) during the discussion on RBB approval, approval of work and budget plan of the Company/CBP, and the discussion of the quarterly results.

Material in strategic forum (Forstra) which is held each year to support the strategy formulation process are also discussed in the meeting of the Board of Directors. In addition, Board of Directors Committee meetings such as ALCO Committee Meeting also discusses performance achievements and financial performance.

Pillar 2

The process of planning, monitoring and evaluation of the strategy set out in BPO and DUJ of Corporate Development and Strategy Division and of Accounting and Financial Management Division.

Pillar 3

- Implementation of Joint Planning Session during the preparation of RBB to discuss business strategy along with the work plan of each Work Unit at the Divisions in Headquarters
- Organizing the Workshop on Alignment of Inter-Unit Strategic Work Program Plan in the Headquarters office in order to achieve the targets in the CBP and RBB.
- Implementation of BRI Performance Management with the Balanced Scorecard approach, through the establishment of Key Performance Indicator (KPI) with the principle of vertical and horizontal synergies.
- Monitoring the Company's strategic initiatives by Change Management Work Unit. The Strategic Initiatives is non-routine work programs that are very strategic and critical, which should be carried out in order to achieve targets of work unit.
- Establishment of Corporate Plan Team to prepare BRI Long-Term Plan for the Period of 2018-2022

- At the level of the Regional Office, BRI has Operations, Network, Services & Performance Management whose role is to monitor the achievement of business targets in their working area.
- Monitoring and review of performance targets achievements that have been set in the CBP, RBB and CPR are performed regularly at the corporate level by Corporate Development and Strategy division. Review has also made towards the achievement of work programs (Functional Work Plan/RKF) from a work unit at regional office. This review is undertaken to achieve performance targets of Budget Plan - RKA.

Pillar 4

If there is the realization of one unit's work program is still behind schedule due to linkages with other units, there will be an alignment/acceleration work program to support them. Alignment and acceleration of the work program is monitored by Corporate Development and Strategy Division.

Legal Risk

Pillar 1

Discussion about material legal case, legal risk management and its follow-up are examined in the RMC, RMOC Meeting and Audit Committee Meeting.

Pillar 2

- Legal guidelines are drawn up by the Legal Division at Headquarters and disseminated throughout the operational working units.
- There is authority division to assist legal cases between Legal Division at Headquarters and Legal Officer in the Regional Office

Pillar 3

- Each transaction process as well as new products and activities that may have potential legal risks must initially be reviewed by the Legal Division.
- Legal Risk Monitoring on all Operational Work in Indonesia is conducted by Legal Officer at the Regional Office through mechanism of legal cases reporting and documentation.
- Legal Officer at the Regional Office and Headquarters will provide legal assistance according their authority if there is legal cases in operational work unit

Pillar 4

Legal Division is actively disseminate crime mode of operation and its legal handling procedures to minimize legal risks in operational working units.

Intra Group Transaction Risk

Pillar 1

- BRI Compliance Director is Director in charge of the Integrated Risk Management function for BRI Financial conglomerate.
- BRI Board of Directors established Integrated Risk Management Committee, and has held RMC Integrated forum to discuss Intra-Group Risk and Policy in BRI Financial conglomerate
- Board of Commissioners of the main entity is responsible for the effective implementation of the Integrated Risk Management and is responsible for:
 - Directing, approving and evaluating policies of Integrated Risk Management
 - Evaluating and providing guidance to improve the implementation of Integrated Risk Management Policy on a regular basis
- Integrated Risk Management Unit has held regular forum with BRI Subsidiaries to discuss Intra-Group's risk profile.

Pillar 2

These policies below have been regulating Integrated Risk Management:

- Decree Nokep: DIR 313 - DIR/DMR/06/2015 dated June 30, 2016 on Integrated Risk Management Policy of PT Bank Rakyat Indonesia (Persero), Tbk And Subsidiaries
- Circular Letter No S. 18 - DIR/DMR/07/2015 on Guidelines for Risk-Based Bank Rating at PT Bank Rakyat Indonesia (Persero) Tbk dated July 24, 2015 in which regulates Intra-Group Risk Profile and Integrated Corporate Governance
- Decree of the Integrated Risk Management Committee, Nokep: 137 - DIR/DMR/12/2016 dated December 30, 2016.

Pillar 3

- Identification of Intra-Group Integrated Risk is carried out by the Integrated Risk Management Unit, both quantitative and qualitative assessment that will significantly influence BRI financial conglomerate conditions.
- Measurement of inherent Intra-Group Risk and quality of implementation of integrated Intra-Group Risk management are conducted through integrated risk Profile Report
- Monitoring and Control Risks are done through Discussion Forum on Subsidiaries' Risk Profile which is held regularly to discuss Intra-Group risk issues and action/follow up plans
- Intra-Group Risk management process is deemed adequate. In order to control the risk of intra-group transactions, Investment Service Division has been assigned as work unit to manage BRI's subsidiaries.

Pillar 4

- a) Effectiveness of Intra-Group Risk Awareness Culture at BRI Financial conglomerate
- b) Independent review on the quality of implementation of intra-group risk management is conducted by Internal Audit Unit regularly, at least once every year.

Risk Insurance**Pilar 1**

- a) BRI Compliance Director is Director in charge of the Integrated Risk Management function for BRI Financial conglomerate.
- b) BRI Board of Directors established Integrated Risk Management Committee, and has held a forum to discuss Insurance Risks and policies in BRI financial conglomerate.
- c) The Board of Commissioners of the main entity is responsible for the effective implementation of the Integrated Risk Management and is responsible for:
 1. Directing, approving, and evaluating Integrated Risk Management policy
 2. Evaluating and providing direction on improvement of implementation of Integrated Risk Management Policy periodically
- d) An Integrated Risk Management Unit has held a forum with BRI subsidiaries on a regular basis to discuss the Insurance Risk Profile.

Pillar 2

These policies below have been set to regulate Integrated Risk Management:

- a) Decree Nokep: DIR 313 - DIR/DMR/06/2015 dated June 30, 2016 on Integrated Risk Management Policy at PT Bank Rakyat Indonesia (Persero), Tbk and Subsidiaries.
- b) Circular Letter S. 18 - DIR/DMR/07/2015 on Guidelines for Risk Based Bank Rating at PT Bank Rakyat Indonesia (Persero) Tbk dated July 24, 2015, in which regulates integrated insurance risk and Integrated Corporate Governance.
- c) Decree of Integrated Risk Management Committee Nokep: 137 - DIR/DMR/12/2016 dated December 30, 2016.

Pillar 3

- a) Identification of integrated insurance risk is conducted by Integrated Risk Management Unit, both quantitative and qualitative assessment that may significantly influence BRI financial conglomerate conditions.
- b) Measurement of Inherent Insurance Risk and of quality of implementation of insurance risk management is conducted through Integrated Risk Profile Report
- c) Monitoring and Control Risks are done through regular Risk Profile Discussion forum with BRI subsidiaries to discuss insurance risk Issues and action plans

Pillar 4

- a) Effectiveness of Insurance Risk Awareness culture on BRI Financial conglomerate
- b) Independent review on the quality of the Insurance Risk Management is conducted by Internal Audit Unit regularly, at least once every year.

INTEGRATED IMPLEMENTATION OF RISK MANAGEMENT

A complete Integrated risk management process includes stages of identification, measurement, monitoring and control in accordance with applicable regulations. Risk management process is carried out on all risk factors, both quantitative and qualitative, which significantly affect the financial condition of the financial conglomerate BRI.

In applying Integrated Risk Management, BRI as the main entity ensures risk management through the following matters:

- a. Determination of Integrated Risk Limit

Preparation of the limit is done by considering inputs from members of BRI Financial conglomerate. Risk limits determination includes overall limit, limit for each kind of risks and limit for each financial conglomerate member who has risk exposure. These limits are reviewed regularly by BRI Risk Management Division to adjust to changing conditions. BRI's Risk Management Division periodically submit the results of the limit monitoring to BRI Board of Directors or to Integrated RMC.

- b. **Integrated Risk Profile Report**
Integrated Risk Profile Report is compiled each semester up to end of June and December position, presented comparatively with the position of the previous semester. Overall risk profile of BRI conglomerate in December 2016 is low to moderate.
- c. **Capital adequacy of BRI Financial Conglomerate is maintained through risk profile monitoring and the calculation of integrated minimum capital requirement (CAR).**
BRI compiles and reports the calculation of integrated minimum capital requirement of BRI Financial Conglomerate every semester in pursuant of FSA regulation.
Integrated Minimum Capital Requirement Ratio of BRI and its Subsidiaries in December 2016 reached 236%. Integrated Capital Adequacy Ratio is above the minimum threshold of 100%.
- d. **Liquidity management.** Consolidated Liquidity Coverage Ratio (LCR) of BRI on December 2016 achieved 200.21%. The ratio of Consolidated LCR has met the minimum requirement of 80%.
- e. **Intra-Group Transactions Monitoring**
Total intra-group transactions to total assets, calculated on all balance sheet transactions (money market borrowing and placement) for both subsidiaries to BRI and vice versa reached Rp1.3 trillion, less than 0.2% of total assets of the Bank.
- f. **Implementation of Integrated RMC**
Integrated Risk Management Committee (RMC) is the highest committee in the risk management system of the BRI Financial Conglomerate. In 2016, BRI implemented Integrated RMC 3 times, on March 7, 2016, September 28, 2016 and December 7, 2016.

Internal Control System

BRI implements internal control in every business activity as well as everyday banking operations.

LEGAL REFERENCE

1. Financial Services Authority Regulation (POJK) No 18/POJK.03/2016 dated 16 March 2016 on the Implementation of Risk Management for Commercial Bank.
2. Circulation Letter of Financial Services Authority (SEOJK) No 34/SEOJK/03/2016 dated 1 September 2016 on the Implementation of Risk Management for Commercial Bank.
3. Circulation Letter of Bank Indonesia (SEBI) No 5/22/DPNP dated 29 September 2003 on Guideline of Internal Control System for Commercial Banks.

IMPLEMENTATION OF INTERNAL CONTROL SYSTEM

Financial Control

The process on drafting BRI's financial report is certified by Societe Generale de Surveillance (SGS) with ISO 9001:2008 in the scope of "The Process of Preparing Financial Statements", valid until 9 December 2017.

The control processes to maintain the quality of transparency in line with accounting rules and prevailing provisions are as follows:

ACCOUNTING AND FINANCIAL MANAGEMENT DIVISION:

- Prepare annual Work Plan and Revenue Budget in bottom-up manner according to proposals from each working unit in the head office as the budget manager.
- Monitor the accomplishment of RKAP monthly to the Finance Director.
- Prepare financial reports derived from Data Management Information System.

HEAD OFFICE BUDGET MANAGEMENT WORKING UNIT

- Distribute the budget to Branch Offices and monitor the expenses as well as evaluate the effectiveness of the budget expenses.

FINANCE DIRECTOR AND PRESIDENT DIRECTOR:

- Approve and determine annual RKAP.
- Approve and determine financial reports.

Audit Committee

- Appoint Public Accountant.
- Reviewing financial reports.

All Directors and Commissioners

Responsible on the validation of the content of the annual report including the financial report.

Public Accountant

- Conduct financial report validation according to the follow ups on the previous Management Letter.
- Prepare Management Letter based on the findings in the financial report.
- Send the Management Letter report to the OJK as banking regulator.

Operational Control

BRI had formulated an organization structure equipped with a supervisory function, hence supporting operational control, including:

1. 1st line of defense through monitoring by Supervision Working Units (Branch office to Kanca, KCP, KK, and its BRI supervisory unit; Kanca to KCP, KK and its BRI supervisory unit); Divisions which carry out coaching and monitoring function to Operational Working Units, Coaching Director who assists each Assisted Branch Office, and Department Directors on each Division. These monitoring and coaching activities are conducted periodically.
2. 2nd line of defense function through monitoring the implementation of control in each Working Unit by conducting:
 - **Risk Management Function in each Working Unit**
The implementation of monitoring on the control activities in each Working Unit for each risk type are presented regularly in Risk Management Committee, Credit Risk Management Committee, Market Risk Management Committee, and Operational Risk Management Committee.
 - **Compliance Function both in the Head Office and Branch Office level**
To ensure that the policies, provisions, systems, and procedures, as well as business activities conducted by the Bank are in line with the provisions, BRI conducts coaching and monitoring on the implementation of APU PPT, monitoring on the decision or policies of the Board of Directors which are tested based on the prudential principal, review on internal policies, monitor the commitment to regulator, monitor the

implementation of prudential provisions, monitor on external provisions, monitor on cash transaction report & suspicious transaction report, financial transaction report on fund transfer to and from overseas. The compliance function report is presented to management every semester.

3. 3rd line of defense function by SKAI which is independent of Operational Working Units. SKAI conducts assurance and consultation on the adequacy and effectiveness of the internal control system, risk management, and corporate governance regularly as stipulated on the annual Audit Plan. SKAI consists of Working Units which conduct audit activities (Audit KP/KCK/UKLN & PA, TSI Division Audit, Inspection Office, and Special Investigation Group) and Standard Development and Audit Quality. In order to provide early detection on the rising risk in Operational Working Unit, BRI has Resident Auditor Kance and Resident Auditor Unit which carry out audit activities on Kanca, KCP, KK, and BRI Units in day to day basis. SKAI present realization of audit activity reports in the Quarterly Report about the implementation of these audit activities to the management.

Strategic Control

The strategic control process begins from the preparation, control implementation strategy as well as evaluation on BRI's strategic implementation as follows:

Corporate Development and Strategy Division:

- Prepare the Bank's medium-term Business Plan, Long-term Business Plan (Core Plan) by using bottom-up approach based on the aspiration of each Working Unit.
- Prepare performance achievement analysis in working unit level which presented in Business Performance Review forum and Support Performance Review.

Accounting and Financial Management Division:

- Translate long-term and short-term strategy into the Company's Working Budget Plan equipped with projections of the financial performance achievement.

Financial Director

- Conduct evaluation on financial performance achievement through ALCO forum.
- Present the working achievement to the Board of Commissioner in quarter basis.
- Present the working achievement to capital market community.

Board of Directors

- Determine RKAP, RBB and Core Plan.

President Director and Financial Director

- Determine the Company's Budget Management Working Unit.

Board of Commissioners

- Approve RKAP, RBB, and Core Plan and present it to OJK as the banking supervisory board.
- Evaluate the realization of the Company's performance achievement based on the quarterly financial reports presented by the Board of Directors.

EXPLANATION ON THE COMPATIBILITY BETWEEN INTERNAL CONTROL SYSTEM WITH COSO

Pursuant to the Internal Control – Integrated Framework published in 2013 by the Committee of Sponsoring Organization of the Treadway Commission (COSO), the implementation of the internal control system in BRI is conducted in an integrated manner which consists of the implementation of 5 (five) components as follows:

Control Environment

Control environment stipulates the values and ethics in the Company which were formed to regulate the behavior of BRI's employees. The implementation of control environment in BRI is conducted based on the following principals:

- Commitment on the integrity and ethic values applied in the ethic codes, working culture, anti-gratuity commitment, zero fraud tolerance commitment.
- Supervision on internal control development and performance done by SKAI through assurance activities to evaluate the adequacy and effectiveness of the internal control system. The identified weaknesses on the internal control on audit activities and the solutions are monitored and presented to the President Director and Audit Committee regularly.
- Organization structure, authority and responsible are explained in the List of Position Description (DUJ). DUJ is developed according to the business demand by considering the accountability and responsibilities of each party in the organization.
- The Book of Operational Guidelines (BPO) is prepared as the guideline of the operational working unit in conducting banking activities. BPO describes the authorities, responsibilities, mechanisms and job descriptions as well as internal control activities which are mandated in the working activities.

- e. The commitment on the competence realized in the HR management consist of planning, recruiting and selection, HR development, compensation and benefit, disciplinary action, performance management, and lay off.
- f. Individual accountability is shown in the Key Performance Indicators (KPI) developed by using a Balanced Scorecard approach.

Risk Assessment

Risk assessment in BRI is carried out through potential risk identification and analysis in a dynamic and sustainable manner; hence, mitigation procedures can be conducted precisely as explained in the Risk Management section in this Annual Report.

Control Activities

a. Operational Control

BRI implements segregation of duty principal in each of its operational activities. The segregation of duty principal is carried out through: segregating maker function, checker and signer, determination of authority limits on transactions, organizing employee access on the BRINET system using user ID and password.

In the treasury department, the function segregation consist of: front office Working Unit, middle office Working Unit and back office Working Unit which are respectively responsible to monitor market price, determination and monitoring of market risk limit as well as conduct settlement.

b. Credit Quality Control

In loan departments, the segregation of functions is carried out by the implementation of the four eyes principle in which in the authority on the termination of credit has to be done by at least 2 (two) credit line officials, in which one or both has adequate authority, and which is conducted in a symmetrical or asymmetrical manner.

c. Financial Control

BRI continuously conducts verification, reviews on completeness as well as gives authorization for transactions by authorized position. The verification process is designed both in the system and the transaction procedure. Through effective verification activities, monitoring activities are conducted and fraudulent activities can be prevented.

d. Control On Physical Assets

The control on BRI's physical assets is stipulated on the Fixed Asset and Logistic General Management Policy (KEMAL). KEMAL stipulate BRI's fixed assets and logistic management is done in an integrated manner

which consist of planning, demand determination, funding, procurement, payment, distribution, insurance, maintenance, asset optimazion, administration and reporting as well as monitoring and evaluation.

e. Control On Information Technology

The implementation of risk management is conducted in every phase of information technology usage, including: system development and procurement, information technology operational activities, business continuity plan.

BRI's development on information and technology is based on the development life cycle system (SDLC) which consist of several phases as follows: planning, analysis, design, development, trial, implementation, evaluation, maintenance, and disposal.

Information security is being conducted to secure privacy, integrity, and information availability from the physical risks such as theft, damage, sabotage, riot, physical access from an unauthorized party, logical risk such as: computer assisted fraud, malicious code, computer hacking, virus, and environmental, such as: fire, flood, earthquake, physical disturbance.

The information security control is implemented through policies, processes, procedures supported by hardware and software which is designed, implemented, monitored and reviewed to guarantee information security.

Information and Communication Systems

Accounting, information and communication systems are developed as information distribution channels by prioritizing:

a. Information Processing Automatization

In order to guarantee fast, accurate and comprehensive data availability, BRI develops information systems which can be used by management to monitor the implementation of internal control. BRI has Portal Data Warehouse (DWH) and Management Information System (MIS) which display information such as: organization performance data, products, customer, and productivity.

b. Effective Internal Communication

The Board of Directors communicates the Company's targets and goals as well as risk mitigation procedures which have to be implemented through Strategic Forum (Forstra) meetings, ALCO meetings, Business Performance Reviews as well as Support Performance Reviews. Furthermore, the communication between the Board of Directors and Board of Commissioners is conducted regularly in Board of Directors and Board of Commissioners meetings (Radirkom).

BRI provides special communication channels such as the whistle blowing report facility. The whistle blowing system (WBS) was established to increase the detection and prevention of fraud. All report conveyed through the WBS are being followed up by Working Units or authorized officials.

BRI provides a report facility for operational problems faced by BRI's operational working unit Selindo through Remedial System application. The reporting application is managed and monitored by Service Division and Contact Center so that the operational problems are followed up in a fast and sufficient manner.

c. Effective External Communication

Access on product information, services as well as customer complaints to BRI can be done through multi channels as explained in the Customer Responsibility section in CSR Chapter in this Annual Report.

To support BRI's communication activities to external parties, BRI established the Investor Relation Desk which is responsible to conduct communication with investors, analysts, rating agencies, Self Regulatory Organizations (SRO) as well as others in financial communities.

Monitoring Activities and Improvement On Internal Control

To ensure the adequacy and effectiveness of the implementation of the internal control system, BRI conducts the following activities:

- Continuous evaluation conducted through monitoring and operational coaching activities by the branch offices and Contact Center and Services Division.
- Improvement on internal control weaknesses is the responsibility of the head of operational working units according to operational monitoring assistance results, SKAI audit results, and external auditor results, or Bank supervisory bodies.

EXPLANATION ON SYSTEM EFFECTIVITY EVALUATION ON INTERNAL CONTROL

The evaluation of BRI's internal control system is conducted based on the COSO framework as follows:

- Environment control
- Risk assessment or identification, analysis, assessment and risk mitigation
- Control Activities and function segregation
- Information and Communication system
- Monitoring as well as internal control improvement.

According to COSO component evaluations, BRI's internal control system remains in adequate on identifying risks, as shown in BRI's efficiency level which is maintained in the range of 43% to 45%, good financial performance accomplishment, reliable financial report, as well as compliance on the prevailing provisions.

Follow-up of Internal Fraud Cases 2016

No.	Follow-up Status	Management	Permanent Employees	Non Permanent Employees
1	Has been followed or Completed	-	60	33
2	In process	-	96	-
3	Not yet followed	-	0	-
Total		-	156	33

Legal Cases

LITIGATION

Legal cases faced by the Company, Subsidiaries, members of the Board of Directors and/or the member of the Board of Commissioners serving in 2016

Lawsuits Encountered by BRI in 2016

There were 477 lawsuits encountered by BRI in 2016.

2014	2015	2016
268	256	477

The significant increase of principal cases in 2016 was due to 216 new cases from Batu Bara District, North Sumatra, which consisted of the dispute on complaint/suits by the Debtors on a non-performing retail and loan facility. These cases are explained in the Principal Cases faced by the Company in this chapter.

Lawsuits Based on Bank Activities

Quarterly in 2016	Credit	Treasury & Investment	Operations & Service	Support	Total
Quarter I	58	-	2	3	63
Quarter II	90	-	2	11	103
Quarter III	112	-	3	5	120
Quarter IV	164	-	2	25	191
Total	424	-	9	44	477

Lawsuit Status

Legal Cases	Total				
	Civil	Criminal	PHI	PTUN	Bankruptcy
Settled (with binding Decision)	1300	4	45	42	2
During Settlement Process	2000	2	46	40	5
Total	3300	6	91	82	7

Principal Cases Faced by the Company

1	Principal Case	Legal compensation on the loss of gold collateralized under pawn scheme (Civil Case No. 187/PDT.G/2013PN. Jak.Set)
	Merits of the Case	The plaintiff received credit facility by pledging gold and land development. The gold collateral was committed under Fiduciary scheme and kept in SDB. The commitment was later changed to Pawn and kept in the same SDB. The debtor later applied for credit limit increase; prior to the approval, the gold collateral in SDB was re-examined, which revealed differences between gold weight measured and weight measurement in the Bank's records. Witnessed by the debtor, the gold's genuineness was examined and declared as counterfeit. Upon the finding, the debtor filed civil lawsuit through the South Jakarta District Court and confiscated the collaterals of BRI Head Office Building and BRI Jakarta 2 Regional Office Premises. BRI suspected fraud committed by the debtor. The debtor has also reported a number of BRI's executives to the District Police for suspected fraud.
	Settlement Status	Criminal Case The case is decided by the MA (inkracht) with the decision: It is proved Tipibank & Legal Document Fraud Activity hence Mr. Rahman Arif, Ms. Rotua Anastasia, and Mr Agus Mudianto is punished with of 3 (three) years imprisonment. However, currently the legal copy of decision is not released. Civil Case Appeal proposal filed by debtors on the civil case no 2507.K/PDT/2014 has been decided on 30 April 2015 and the verdict was rejected.
	Impact on Bank's Financial Condition	Rp 31.86 Billion
	Administration Sanction	None
2	Principal Case	Lawsuit filed by PT. MPPC (Case Lawsuit No.: 539/Pdt.G/2013/PN.Jkt.Pst.) against BRI and BRI Pension Fund, which consists of payment claims of the remaining lease of building management rights for 99 months.
	Merits of the Case	PT. MPPC claimed payments on lease of BRI Building II, Parking Building, and all facilities, in which according to PT MPPC are entitled to such claim. However, such claim is in the contrary with the Decision on BOT Agreement between PT MPPC and BRI.
	Settlement Status	BRI filed objection on the verdict of Central Jakarta Public Court NO.539/Pdt.G/2013/PN.Jkt.Pst, hence on 13 August 2015 legal effort conducted by BRI was approved by Supreme Court based on the Appeal Decision MARI No.764K/Pdt/2015. On 31 October 2016, PT MPPC conduct an extraordinary legal action of Reconsideration on the decision of MARI No.764K/Pdt/2015 dated 31 August 2015 which until now remain under examination in the Supreme Court.
	Impact on Bank's Financial Condition	USD64,002,373 or equal to Rp780 Billion (currency 1 USD = Rp12.000)
		Nil
3	Principal Case	Consumer Dispute Settlement Bureau Batubara
	Merits of the Case	There are several working units under BRI Medan Branch Office and BRI Pekanbaru Branch Office supervisory which received invitation to attend a trial in BPSK Batu Bara District Office. The problem which is the basis of the suit filed by Debtor is delinquent instalments on retail and micro credit facility or expired loan facility but not able to be settled by the Debtors/their heirs.
	Settlement Status	Verdicts from the Public Court and Supreme Court stated that BPSK Batu Bara District is not authorized to conduct examination and decided that the case between the Debtors and the Bank is within the Credit Agreement as there is an article on the option on dispute solution and do not opt to the solution on BPSK.
	Impact on Bank's Financial Condition	The number of cases related BPSK Batu Bara District from January 2016 to December 2016 is 217 cases with total loss impact of approximately Rp96 billion.
	Administration Sanction	None

Administrative Sanctions

In 2016, there were 10 (ten) reporting delays with total fine of Rp88,479,023 which consist of entire working units in Indonesia.

Information and Company Data Access

EXTERNAL

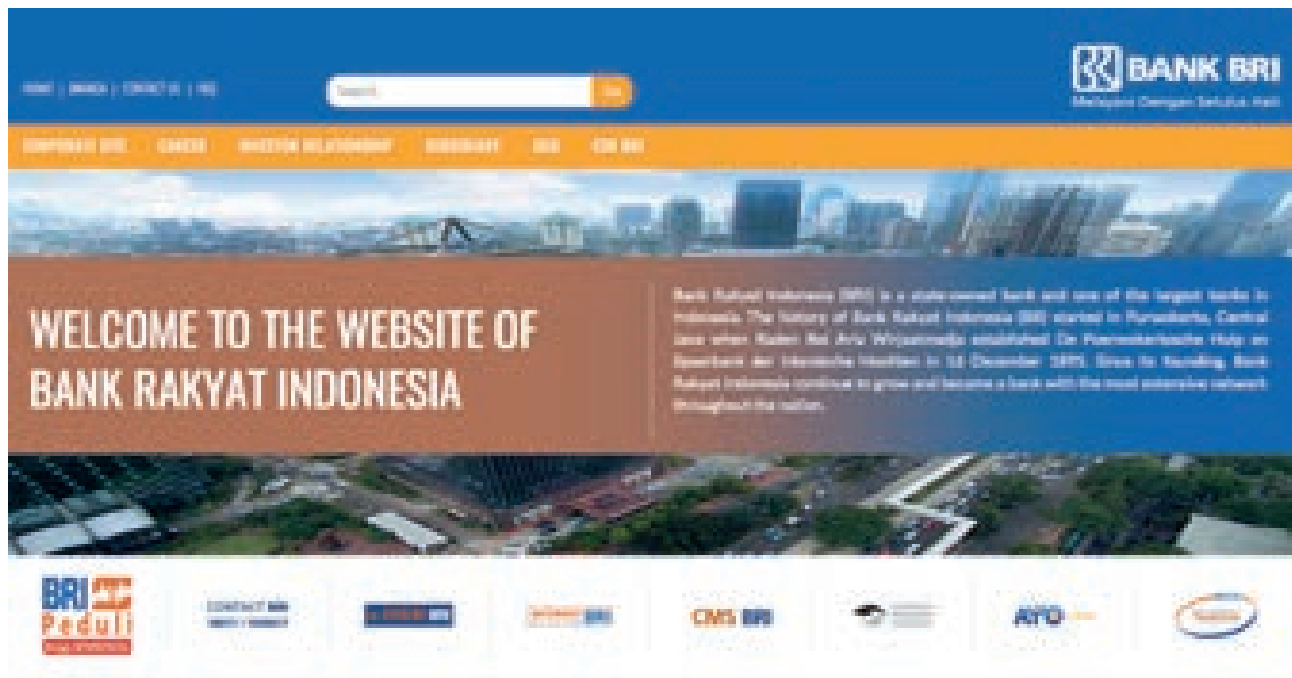
Regulator Website

The Company continuously report the information and facts through mail to Bapepam-LK and Electronic Reporting to Indonesian Stock Exchange (www.idx.co.id). Investors and the public can access the data openly.

Company's Website

On the Company's website and investor relations portal, the Company's conveys information about:

1. Financial Performance Analysis
2. Annual report and financial report in the last five years
3. Profile of the Board of Commissioners and Directors
4. Dividend payments since the IPO
5. Agenda and Summary of the General Meeting of Shareholders
6. Share Performance Information



Mass Media

The Company's information also available in mass media, such as by quarterly financial report publication and periodical press release, media poster and banner for every official activities held by BRI.

The following are the list of the press released by BRI in 2016

No	Topic	Date of Release
1	BRI Supports SMEs to Face Digital Challenges	01 January 16
2	At the end of 2015, BRILink Transaction Value Reached Rp35.85 Trillion, Growing 36.84%	14 January 16
3	Hamsinah, a BRILink Agent Has Awarded OJK Award in the Palace	15 January 16
4	BRI Conducts Rattle Prize "Untung Ber e-Banking" BRI Period II	28 January 16
5	The National Land Agency Cooperates with BRI to Manage Its Banking Service	01 February 16
6	Grew Healthy and Steady in 2015, BRI Booked a Net Profit of Rp25.1 T	03 February 16
7	Easing LPG 3 Kg Payment, BRI Facilitates Pertamina to Launch Monash Pertamina LPG	05 February 16
8	HPN 2016: BRI Commits to Strengthen KUR in Indonesia	06 February 16
9	To Succeed KUR 2016, Bank BRI Recruits 3,000 New Employees	06 February 16
10	Signage on Cooperation Agreement of KIM – Kartu Identitas Multifungsi between the Ministry of Finance and Bank BRI	11 February 16
11	BRI Pamper GO-JEK User to Order Tickets Events via Mobile E-Commerce	17 February 16
12	BRI Cooperates with MNC Securities to Spur Investment in Indonesia	19 February 16
13	BRI holds Photography Exhibition with SME Theme	19 February 16
14	PT Angkasa Pura II (Persero) Secured Rp2.1 Trillion Loan from Bank Mandiri, BRI, and BNI	20 February 16
15	Strengthen Premium Service, BRI Launches Priority Service Centre in Bintaro	29 February 16
16	The Biggest and Complete Travel Exhibition in the Starting Year BRI-Indonesia Travel Fair	29 February 16
17	Implementation of National Tol Jasa Marga Electronic Payment with Bank BRI, Bank Mandiri, BNI, and Bank BTN	29 February 16
18	Increasing FBI Composition to Total Income, Bank BRI Set a FBI Growth of 22%	03 March 16
19	Increasing the People's Economy, BRI and Sidomuncul Initiate Cooperation	11 March 16
20	BRI Signs MoU with Central Java Local Government and Bank Jateng	11 March 16
21	Point Storm Untung Beliung Britama Bank BRI	11 March 16
22	Micro Business Remain Surging, BRI Appreciates Excellent Employees	14 March 16
23	BRI New York Agency Serves State Revenue Transaction in Foreign Currency	15 March 16
24	Strengthen the Synergy with SOE, Garuda Cooperates with BRI to Co Branding The Debit Card	21 March 16
25	Facing AEC, Bank BRI Holds Talkshow Titled "Seize the Future Business Opportunity"	21 March 16
26	Version of Global Finance, BRI Becomes The Best Bank in Indonesia 2016	23 March 16
27	Three SOEs Finance PT Prima Multi Terminal Through Credit Syndication	29 March 16
28	BRI Shareholders Approved Dividend Payout Ratio of 30%	23 March 16
29	Optimizing Hybrid Machine, BRI and the Ministry of Internal Affairs Launch Electronic ID Reader	30 March 16
30	Entering Final Test, BRI Optimistic on the Launching of BRISat in the Beginning of June 2016	31 March 16
31	Three SOE Banks Finance Solo-NGawi-Kertosono Toll Road Project	14 April 16
32	Improving Service, BRI and Railink Launch Enjoy Privileges to Travel Fast to the City	18 April 16
33	Bank BRI Holds Rattle Prize of BRITama Balas Tour D'Europe Program	21 April 16
34	Stimulate the SME Sector Growth, Bank BRI Decrease Its Loan Interest to 9.75%	22 April 16
35	Positive Performance, Bank BRI Pays Rp4.36 Trillion of A Cash Dividend to the State	22 April 16
36	Improving HR Excellence, Bank BRI Develops Corporate University	27 April 16
37	First Quarter 2016, Bank BRI Booked a Positive Performance	28 April 16
38	Bank BRI Targets SBR 002 Sales of Rp150 Billion	29 April 16
39	Support Sugar Self-Sufficiency, Bank BRI Distributes Rp993 Billion of Loan	01-May-16
40	Long Weekend in Early May 2016, Bank BRI Prepares Cash Money of Rp5 Trillion	03-May-16
41	Passed the Final Performance Test, BRI Satellite is Ready to Launch	09-May-16
42	Allocate Capital Expenditure of Rp4.56 Trillion, Bank BRI Develops E-Channel Network Massively	12-May-16
43	Answering the Need of Premium Service in Palembang, BRI Provides Priority Service Center	15-May-16
44	Outstanding Reaches Rp120 Trillion in the First Quarter 2016, Bank BRI is Optimistic that BRIGuna Credit Program Reaches Its Target	16-May-16

No	Topic	Date of Release
45	Easing Palm Oil Business, BDPKPS Cooperates with BRI Launching Electronic Palm Oil Fund Collection Service	16-May-16
46	BRI and AIA Issue Provestara Ultima Link	30-May-16
47	Launching BRISat in Early June 2016, Bank BRI Asks For Blessing to Entire Indonesian	30-Mei-16
48	Bank BRI Launches e-KTA in Central Java	01 June16
49	Protect Millions of Its Micro Customers with KKM Insurance, Bank BRI Prepares More Than 62,000 Agent BRILink	03 June16
50	BRI Involves Orphans to Explore Outer Space	04 June16
51	Cooperation Between BRI-Pertamina Lubricants Ease Distributors to Get Lubricants	06 June16
52	Arianespace Delays BRISat Launching	07 June16
53	BRISat Launches on 16.06.16	09 June16
54	Welcoming Ramadhan, Bank BRI Gives Free Staple Foods in 15 Points	15 June16
55	Using Four Transportation Modes Trimatra, Bank BRI Facilitate 6,5000 Customers to Visit Home	15 June16
56	Bank BRI Holds Talkshow Embracing e-Commerce Banking	16 June16
57	Arianespace Set a New Target to Launch BRISat	16 June16
58	Because of the Blessing From Indonesian, BRISat Launching is Successful	18 June16
59	Bank BRI and Bank BPD Jateng Cooperates on Host to Host Interconnection ATM	20 June16
60	Bank BRI Supports Insurance Claim Payment for Garuda Indonesia Group-Askrindo Customers	22 June16
61	HIMBARA Invites 3,500 Orphans for Breakfast Gathering	24 June16
62	As Appreciation to BRILink Agents, Bank BRI Gives Insurance Facility	24 June16
63	Bank BRI Provides Transportation for Migrant Workers from 7 Countries to Their Home	28 June16
64	Bank BRI Supplies Rp30.4 Trillion for ATM and UKO Selindo	28 June16
65	Bank BRI Sent 6,500 Customers Using Trimatra Transaportation Mode	29 June16
66	Going Home Comfortably With Bank BRI and Garuda Indonesia	
67	BRI Invites Merchants to Watch Rudy Habibie Together	20 June2016
68	Going Home Comfortably With Bank BRI and Garuda Indonesia	20 June2016
69	BRI Invites Yogyakarta Residence to Support Tax Amnesty	28 June2016
70	BRI is Admitted as the Best Public Company in Indonesia, BRI Secure Forbes Global 2000 List 2016 from Forbes	28 July 2016
71	Supporting the Distribution of Non-Cash Bansos, Bank BRI launches Prosperous Debit Card for Indonesian	31 July 2016
72	BRI Strengthen an International Cooperation with UnionPay	01 August 2016
73	AirNav Cooperates with BRI Increasing Financial Service for Employees	03 August 2016
74	Positive Performance of BBRI Supports in Reaching Rp284.3 T Market Cap	04 August 2016
75	BRI Cooperates with Banking Application Development Community for SMEs and Financial Inclusion	12 August 2016
76	Relying on Micro Segment, BRI Remains Book the Biggest Profit	15 August 2016
77	Vice President Tries BRI Digital, the Most Complete Outlet Digital in Indonesia Supported by Self-Satellite	15 August 2016
78	From Papua, BRI Distribute CSR Assistance on Indonesian 71st Independence Day	17 August 2016
79	The Member of Paskibraka Nasional 2016 Visit Bank BRI	18 August 2016
80	BRI Digital Challenge is Officially Open, an Opportunity for Digital Startup and Innovated Developer Starts	19 August 2016
81	Contribute to IFFC, Bank BRI Exhibits High-Tech Banking Tools	30 August 2016
82	Himbara and DJP Holds "Tax Amnesty Socialization" in Batam	01 September 16
83	BRI Launches Business Card PLN	03 September 16
84	BRI Supports Poverty Alleviation Program Through E-Warong Program	04 September 16
85	Through e-Warong, Bank BRI Support the Government to Alleviate Poverty	04 September 16

No	Topic	Date of Release
86	Improving Premium Service in Jakarta, BRI Launches Priority Service Center	07 September 16
87	Ministry of Social Affairs-BRI Launch Non-Cash Bansos Distribution in the State Border	10 September 16
88	BRI with the Ministry of Social Affairs Launch Prosperous Family Card (KKS)- BRI in Balikpapan	16 September 16
89	BRI Cooperates with Hasanuddin University in Makassar Develop Microfinance Education Center for Eastern Indonesia	10 September 16
90	BRI Secured Best Domestic Bank in Indonesia Award from Asiamoney in Three Years in a Row	10 September 16
91	Again, BRI Supports the Ministry of Social Affairs to Launch e-Warong KUBE PKH in Kediri	23 September 16
92	Responding the Growth, KPR, BRI and Sinarmas Holds Sinarmas land Expo	24 September 16
93	Witnessed by Communication and Information Technology Ministry, PT Bank Rakyat Indonesia (Persero) Tbk Signs Memorandum of Understanding with PT Pos Indonesia (Persero)	27 September 16
94	Bank BRI Establishes Digital Financial Service with Startup Community in Indonesia	30 September 16
95	Support the Awaken of Badminton in Indonesia, Bank BRI Gives 1,000 Racquets to Champion Young Generations	01 October 2016
96	The Ministry of Social Affairs Cooperates with Bank BRI to Distribute Non-Cash Keluarga Harapan Program (PKH) Stage III and IV 2016	9 October 2016
97	Bank BRI Remain Supports the Ministry of Social Affairs to Distribute Non-Cash Assistance	14 October 2016
98	Supporting Financial Literacy and Inclusion, Bank BRI Holds Bazaar "Inklusi Keuangan Untuk Rakyat"	15 October 2016
99	Bank BRI with the Ministry of Education Launch Smart Card Indonesia (KIP) Plus	19 October 2016
100	Bank BRI Grants 10 Mobile Library to Local Government of DKI Jakarta	25 October 2016
101	Anticipating Banking Crimes, Bank BRI Reminds Customers to Remain Precarious in Doing Transaction	27 October 2016
102	Become the Victim of ATM Machine Skimming in Mataram, BRI Gives Official Statement	30 October 2016
103	Support SMEs Digitalization, Bank BRI Support the Ministry of Communication and Information Technology's Program Giving 1 Million Free Domains	1 November 16
104	Bank BRI Delivers Official Statement Related to ATM Skimming Indication in Pontianak	02 November 16
105	Improve the SOE Synergy, Bank BRI Cooperates with Sarinah	07 November 16
106	Supporting Creative Economy Development, Bank BRI Launches Co-working space in Bandung	10 November 16
107	Bank BRI Conduct Strategic Cooperation with Lion Air Group	15 November 16
108	Pampering Travellers, Bank BRI Launches JCB Card Platinum Credit Card	20 November 16
109	Bank BRI Cooperates with Trimegah Securities Launching Customer Fund Opening Account System (RDN)	22 November 16
110	Safe Tips in doing Internet Banking Transaction Bank BRI to Avoid Cybercrime	28 November 16
111	The Ministry of PANRB Cooperates with Bank BRI to Improve Civil Servants Governance	1 December 2016
112	The Ministry of Social Affairs and BRI Launch e-Warong KUBE in Mataram	1 December 2016
113	4,500 Runners Participate in BRIRUN	4 December 2016
114	Bank BRI Secures the Best in Banking Industry in SPEx2 Award 2016	5 December 2016
115	SOE Minister Launches SOE Creative House in Solo	8 December 2016
116	Bank BRI With HIMBARA Exist for Country, Distribute Assistance for Earthquake Victims in Pidie Jaya	11 December 2016
117	Bank BRI Handed Rp3.6 Billion of CSR to the Students in Open University through Indonesia Cerdas Program	11 December 2016
118	Bank BRI Launches BRI Innovation Center, A Forum for the Emergence of New Innovation in Financial Industry	16 December 2016
119	Pampering Premium Customers, Bank BRI Adds BRI Prioritas Service Center in Bandung	16 December 2016
120	Welcoming Christmas and New Year 2017, Bank BRI Prepares Rp17 Trillion	19 December 2016
121	Launching SLP Manado, Now Bank BRI Has 130 Priority Outlets Across Indonesia	21 December 2016
122	Launching SLP Manado, Now Bank BRI Has 130 Priority Outlets Across Indonesia	22 December 2016

Correspondence With Related Parties (Bank Indonesia, OJK, IDX, and Ministries)

In 2016, there were 177 written correspondences with related parties as follows:

No	Letter No.	Date	Topic	Recipient
1	B.02-SKP/DHI/01/2016	7-Jan-16	BRI Shareholder Report Based on Business Structure	Bank Supervisory Directorate Team 1 BI
2	B.03-SKP/DHI/01/2016	7-Jan-16	Monthly Shareholder Registration Report	IDX Board of Directors
3	B.04-SKP/DHI/01/2016	8-Jan-16	Information Transparency on Fixed	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
4	B.05-SKP/DHI/01/2016	8-Jan-16	Liability/Debts in Foreign Currency Data	Chairman of OJK; attn. Head Executive of Capital Market Supervision
5	B.06-SKP/DHI/01/2016	13-Jan-16	Presentation on Minutes of Meeting EGMS II BRI 2015	Chairman of OJK attn. Head Executive of Capital Market Supervision
6	B.12-SKP/DHI/01/2016	19-Jan-16	Publication on Brief Prospectus on Continuous Bond Offering I Phase II 2016	IDX Director of Corporate Assessment, attn. Division Head of Corporate Assessment Group 1
7	B.13-SKP/DHI/01/2016	19-Jan-16	The Implementation Report on Share Buyback on Other Conditions	IDX Director of Corporate Assessment, attn. Division Head of Corporate Assessment Group 1
8	B.14-SKP/DHI/01/2016	20-Jan-16	Proof on Brief Additional Information Publication Regarding PUB I Bank BRI Phase II 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
9	B.18-SKP/DHI/01/2016	29-Jan-16	Letter of Delivery on Additional Information regarding Continuous Offering I BRI Phase II 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
10	B.19-SKP/DHI/02/2016	1-Feb-16	Changes on Audit Committee Structure	Chairman of OJK, attn. Head Executive Capital Market Supervision
11	B.20-SKP/DHI/02/2016	4-Feb-16	Publication Proof of 2015 BRI Financial Report	Chairman of OJK, attn. Head Executive Capital Market Supervision
12	B.21-SKP/DHI/02/2016	4-Feb-16	Publication Proof of 2015 BRI Financial Report	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
13	B.22-SKP/DHI/02/2016	4-Feb-16	2015 BRI Financial Report	PT IcaMel
14	B.23-SKP/DHI/02/2016	4-Feb-16	2015 BRI Financial Report	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
15	B.144-DIR/AMK/02/2016	4-Feb-16	BRI Consolidated Financial Report as of 31 December 2015 (Audited)	Listing Director of IDX
16	B.146-DIR/AMK/02/2016	4-Feb-16	BRI Consolidated Financial Report as of 31 December 2015 (Audited)	Chairman of OJK, attn. Head Executive Capital Market Supervision
17	R.349-DIR/SKP/02/2016	4-Feb-16	Announcement of the Implementation Plan of BRI GMS	Ministry of SOE
18	R.350-DIR/SKP/02/2016	4-Feb-16	Announcement of the Implementation Plan of BRI GMS	Chairman of OJK, attn. Head Executive Capital Market Supervision
19	B.24-SKP/DHI/02/2016	9-Feb-16	Monthly Shareholder Registration Report	IDX Board of Directors
20	B.25-SKP/DHI/02/2016	9-Feb-16	Monthly BRI Shareholder Report Based on Business Structure Registration Report	Bank Supervisory Directorate 1 Bank Supervisory Department 1 OJK
21	B.28-SKP/DHI/02/2016	10-Feb-16	Monthly BRI Shareholder Liability/Debts in Foreign Currency Data Based on Business Structure Registration Report	Chairman of OJK, attn. Head Executive Capital Market Supervision
22	B.31-SKP/DHI/02/2016	15-Feb-16	Proof of Announcement Publication of BRI GMS 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
23	B.32-SKP/DHI/02/2016	15-Feb-16	Proof of Announcement Publication of BRI GMS 2016	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
24	B.34-SKP/DHI/03/2016	1-Mar-16	Invitation for Annual GMS 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
25	B.35-SKP/DHI/03/2016	1-Mar-16	Invitation for Annual GMS 2016	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
26	B.36-SKP/DHI/03/2016	1-Mar-16	Proof on Advertisement on Invitation for Annual GMS BRI 2016	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
27	B.37-SKP/DHI/03/2016	1-Mar-16	Proof on Advertisement on Invitation for Annual GMS BRI 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
28	B.38-SKP/DHI/03/2016	1-Mar-16	2015 BRI Annual Report	Chairman of OJK, attn. Head Executive Capital Market Supervision

No	Letter No.	Date	Topic	Recipient
29	B.39-SKP/DHI/03/2016	1-Mar-16	2015 BRI Annual Report	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
30	B.40-SKP/DHI/03/2016	1-Mar-16	2015 BRI Annual Report	PT IcaMel
31	B.41-SKP/DHI/03/2016	7-Mar-16	Monthly BRI Shareholder Liability/Debts in Foreign Currency Data Based on Business Structure Registration Report	Chairman of OJK, attn. Head Executive Capital Market Supervision
32	B.42-SKP/DHI/03/2016	7-Mar-16	Monthly Shareholder Registration Report	IDX Board of Directors
33	B.43-SKP/DHI/03/2016	7-Mar-16	Monthly BRI Shareholder Report Based on Business Structure Registration Report	Bank Supervisory Directorate 1 Bank Supervisory Department 1 OJK
34	B.47-SKP/DHI/03/2016	24-Mar-16	Implementation Report on Annual GMS BRI 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
35	B.48-SKP/DHI/03/2016	24-Mar-16	Proof of Advertisement on the Result of Annual GMS 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
36	B.49-SKP/DHI/03/2016	24-Mar-16	Proof of Advertisement on the Result of Annual GMS 2016	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
37	B.50-SKP/DHI/03/2016	24-Mar-16	Implementation Report on Annual GMS BRI 2016	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
38	B.55-SKP/DHI/04/2016	5-Apr-16	Monthly BRI Shareholder Liability/Debts in Foreign Currency Data Based on Business Structure Registration Report	Chairman of OJK, attn. Head Executive Capital Market Supervision
39	B.57-SKP/DHI/04/2016	8-Apr-16	BRI Rating	Chairman of OJK, attn. Head Executive Capital Market Supervision
40	B.58-SKP/DHI/04/2016	8-Apr-16	Monthly Shareholder Registration Report	IDX Board of Directors
41	B.59-SKP/DHI/04/2016	8-Apr-16	Monthly BRI Shareholder Report Based on Business Structure Registration Report	Bank Supervisory Directorate I Bank Supervisory Department 1 OJK
42	B.413-DIR/DIS/04/2016	11-Apr-16	Report on the Expenses for Fund Collected from Public Offering of Continuous Bond I Bank BRI Phase II 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
43	B.64-SKP/DHI/04/2016	29-Apr-16	BRI Financial Statement Quarter I/2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
44	B.65-SKP/DHI/04/2016	29-Apr-16	BRI Financial Statement Quarter I/2016	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
45	B.66-SKP/DHI/04/2016	29-Apr-16	BRI Financial Statement Quarter I/2016	PT IcaMel
46	B.67-SKP/DHI/04/2016	29-Apr-16	Proof on the Announcement of BRI Financial Statement Quarter I/2016	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
47	B.68-SKP/DHI/04/2016	29-Apr-16	Proof on the Announcement of BRI Financial Statement Quarter I/2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
48	B.490-DIR/AMK/04/2016	29-Apr-16	BRI Consolidated Financial Report as of 31 March 2016 (unaudited)	Chairman of OJK, attn. Head Executive Capital Market Supervision
49	B.491-DIR/AMK/04/2016	29-Apr-16	BRI Consolidated Financial Report as of 31 March 2016 (unaudited)	Listing Director of IDX
50	B.70-SKP/DHI/05/2016	4-May-16	Announcement Proof of BRI Annual Report 2015	Bank Supervisory Directorate 1 Bank Supervisory Department 1 OJK
51	B.71-SKP/DHI/05/2016	9-May-16	Monthly BRI Shareholder Liability/Debts in Foreign Currency Data Based on Business Structure Registration Report	Chairman of OJK, attn. Head Executive Capital Market Supervision
52	B.72-SKP/DHI/05/2016	9-May-16	Monthly BRI Shareholder Report Based on Business Structure Registration Report	Bank Supervisory Directorate 1 Bank Supervisory Department 1 OJK
53	B.73-SKP/DHI/05/2016	9-May-16	Monthly Shareholder Registration Report	IDX Board of Directors
54	B.74-SKP/DHI/05/2016	9-May-16	Announcement of Proof on Publication on Brief Additional Information regarding PUB I Bank BRI Phase III 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
55	B.80-SKP/DHI/05/2016	17-May-16	Minutes of Meeting on Annual GMS BRI 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
56	B.93-SKP/DHI/06/2016	07-Jun-16	Monthly Shareholder Registration Report	IDX Board of Directors
57	B.94-SKP/DHI/06/2016	07-Jun-16	Monthly BRI Shareholder Report Based on Business Structure Registration Report	Bank Supervisory Directorate 1 Bank Supervisory Department 1 OJK
58	B.96-SKP/DHI/06/2016	08-Jun-16	Monthly BRI Shareholder Liability/Debts in Foreign Currency Data Based on Business Structure Registration Report	Chairman of OJK, attn. Head Executive Capital Market Supervision

No	Letter No.	Date	Topic	Recipient
59	B.676-DIR/SKP/06/2016	08-Jun-16	Confirmation on the Late Submission of Minutes of Meeting Annual GMS BRI	Directorate of Financial Assessment of Service Sector Companies OJK
60	B.107-SKP/DHI/07/2016	01-Jul-16	Establishment of Public Accounting Office for 2016 Fiscal Year	Chairman of OJK, attn. Head Executive Capital Market Supervision
61	B.109-SKP/DHI/07/2016	01-Jul-16	Monthly BRI Shareholder Liability/Debts in Foreign Currency Data Based on Business Structure Registration Report	Chairman of OJK, attn. Head Executive Capital Market Supervision
62	B.110-SKP/DHI/07/2016	01-Jul-16	Monthly Shareholder Registration Report	IDX Board of Directors
63	B.111-SKP/DHI/07/2016	01-Jul-16	Monthly BRI Shareholder Report Based on Business Structure Registration Report	Bank Supervisory Directorate 1 Bank Supervisory Department 1 OJK
64	B.113-SKP/DHI/07/2016	12-Jul-16	Transparency on Material Fact Information	Chairman of OJK, attn. Head Executive Capital Market Supervision
65	B.114-SKP/DHI/07/2016	14-Jul-16	Announcement on Audit on Financial Statement Quarter II 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
66	B.116-SKP/DHI/07/2016	20-Jul-16	Submission on BRI Public Expose Plan 2016	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
67	B.117-SKP/DHI/07/2016	29-Jul-16	Submission on Public Expose Material	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
68	B.121-SKP/DHI/08/2016	05-Agt-16	Confirmation on Outstanding Annual Initial Registration Fee of BRI Shares	IDX
69	B.123-SKP/DHI/08/2016	08-Agt-16	Report on the Implementation of 2016 Public Expose	Director of Corporate Assessment IDX
70	B.124-SKP/DHI/08/2016	09-Agt-16	Monthly Shareholder Registration Report	IDX Board of Directors
71	B.125-SKP/DHI/08/2016	09-Agt-16	Monthly BRI Shareholder Report Based on Business Structure Registration Report	Bank Supervisory Directorate 1 Bank Supervisory Department 1 OJK
72	B.126-SKP/DHI/08/2016	10-Agt-16	Monthly BRI Shareholder Liability/Debts in Foreign Currency Data Based on Business Structure Registration Report	Chairman of OJK, attn. Head Executive Capital Market Supervision
73	B.130-SKP/DHI/08/2016	15-Agt-16	Financial Statement Quarter II 2016	PT IcaMel
74	B.131-SKP/DHI/08/2016	15-Agt-16	Proof of Publication of Financial Statement BRI Quarter II 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
75	B.132-SKP/DHI/08/2016	15-Agt-16	Proof of Publication of Financial Statement BRI Quarter II 2016	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
76	B.980-DIR/AMK/08/2016	15-Agt-16	BRI Consolidated Financial Statement as of 30 June 2016 (Audited)	Listing Director of IDX
77	B.984-DIR/AMK/08/2016	15-Agt-16	BRI Consolidated Financial Statement as of 30 June 2016 (Audited)	Chairman of OJK, attn. Head Executive Capital Market Supervision
78	B.985-DIR/AMK/08/2016	15-Agt-16	BRI Consolidated Financial Statement as of 30 June 2016 (Audited)	Chairman of OJK, attn. Head Executive Banking Supervision
79	B.1000-DIR/DIS/08/2016	18-Agt-16	Revision and re-Submission of the Expenses of the Fund from Public Offering Continuous Bond I BRI Phase II and III 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
80	B.136-SKP/DHI/08/2016	25-Agt-16	Rating on BRI Continuous Bond 2015	Chairman of OJK, attn. Head Executive Capital Market Supervision
81	B.138-SKP/DHI/08/2016	30-Agt-16	Information Transparency	Head of Corporate Assessment Group 1 IDX
82	B.140-SKP/DHI/09/2016	06-Sep-16	Tax Payment (SSP) IDX	Head of Accounting IDX
83	B.141-SKP/DHI/09/2016	08-Sep-16	Monthly BRI Shareholder Liability/Debts in Foreign Currency Data Based on Business Structure Registration Report	Chairman of OJK, attn. Head Executive Capital Market Supervision
84	B.142-SKP/DHI/09/2016	08-Sep-16	Monthly Shareholder Registration Report	IDX Board of Directors
85	B.143-SKP/DHI/09/2016	08-Sep-16	Monthly BRI Shareholder Report Based on Business Structure Registration Report	Bank Supervisory Directorate 1 Bank Supervisory Department 1 OJK
86	B.145-SKP/DHI/09/2016	28-Sep-16	Copy of Checklist of Financial Statement & Original Financial Statement BRI Quarter II 2016 Full Audited	Chairman of OJK, attn. Head Executive Capital Market Supervision
87	B.1231-DIR/SKP/09/2016	30-Sep-16	Information Transparency	Chairman of OJK, attn. Head Executive Capital Market Supervision
88	R.589-DIR/SKP/10/2016	05-Okt-16	Submission on the Implementation of Extraordinary GMS Plan 2016	SOE Minister

No	Letter No.	Date	Topic	Recipient
89	B.146-SKP/DHI/10/2016	10-Okt-16	Monthly BRI Shareholder Liability/Debts in Foreign Currency Data Based on Business Structure Registration Report	Chairman of OJK, attn. Head Executive Capital Market Supervision
90	B.147-SKP/DHI/10/2016	10-Okt-16	Monthly BRI Shareholder Report Based on Business Structure Registration Report	Bank Supervisory Directorate 1 Bank Supervisory Department 1 OJK
91	B.148-SKP/DHI/10/2016	10-Okt-16	Monthly Shareholder Registration Report	IDX Board of Directors
92	B.153-SKP/DHI/10/2016	25-Okt-16	Proof of Financial Statement Publication Quarter III 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
93	B.154-SKP/DHI/10/2016	25-Okt-16	Proof of Financial Statement Publication Quarter III 2016	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
94	B.155-SKP/DHI/10/2016	25-Okt-16	BRI Financial Statement Quarter III 2016	PT IcaMel
95	B.1318-DIR/AMK/10/2016	25-Okt-16	BRI Consolidated Financial Statement as of 30 September 2016	Listing Director of IDX
96	B.1316-DIR/AMK/10/2016	25-Okt-16	BRI Consolidated Financial Statement as of 30 September 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
97	B.156-SKP/DHI/10/2016	26-Okt-16	Submission of Proof of Brief Prospectus Publication regarding PUB II BRI 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
98	B.1332-DIR/INT/10/2016	26-Okt-16	Request on Filling Documents regarding Status Upgrade of BRI Hong Kong	Financial Service, Survey Service and Consultant Deputy of the Ministry of SOE
99	R.627-DIR/SKP/11/2016	02-Nov-16	Submission on the Implementation Plan of Extraordinary GMS BRI 2016	SOE Minister
100	R.629-DIR/SKP/11/2016	02-Nov-16	Submission on the Implementation Plan of Extraordinary GMS BRI 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
101	B.158-SKP/DHI/11/2016	09-Nov-16	Monthly Shareholder Registration Report	IDX Board of Directors
102	B.159-SKP/DHI/11/2016	09-Nov-16	Monthly BRI Shareholder Report Based on Business Structure Registration Report	Bank Supervisory Directorate 1 Bank Supervisory Department 1 OJK
103	B.160-SKP/DHI/11/2016	09-Nov-16	Monthly BRI Shareholder Liability/Debts in Foreign Currency Data Based on Business Structure Registration Report	Chairman of OJK, attn. Head Executive Capital Market Supervision
104	B.162-SKP/DHI/11/2016	14-Nov-16	Announcement and Submission of Proof of Publication Extraordinary GMS BRI 2016	Director of Corporate Assessment IDX attn. Division Head of Corporate Assessment Group 1
105	B.163-SKP/DHI/11/2016	14-Nov-16	Announcement and Submission of Proof of Publication Extraordinary GMS BRI 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
106	B.167-SKP/DHI/11/2016	24-Nov-16	Submission on Proof of Publication of Additional Information and/or Improvement on Brief Prospectus regarding PUB II BRI Phase I 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
107	B.1501/DIR/SKP/11/2016	29-Nov-16	Submission on Invitation and Proof of Invitation Publication for Extraordinary GMS BRI 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
108	B.1502/DIR/SKP/11/2016	29-Nov-16	Submission on Invitation and Agenda of Extraordinary GMS BRI 2016	SOE Minister
109	B.1503/DIR/SKP/11/2016	29-Nov-16	Submission on Invitation and Proof of Invitation Publication for Extraordinary GMS BRI 2016	IDX Director of Corporate Assessment, attn. Division Head of Corporate Assessment
110	B.171-SKP/DHI/12/2016	07-Des-16	Monthly Shareholder Registration Report	IDX Board of Directors
111	B.172-SKP/DHI/12/2016	07-Des-16	Monthly BRI Shareholder Report Based on Business Structure Registration Report	Bank Supervisory Directorate 1 Bank Supervisory Department 1 OJK
112	B.173-SKP/DHI/12/2016	07-Des-16	Changes on Audit Committee Structure PT Bank BRI	Chairman of OJK, attn. Head Executive Capital Market Supervision
113	B.176-SKP/DHI/12/2016	08-Des-16	Monthly BRI Shareholder Liability/Debts in Foreign Currency Data Based on Business Structure Registration Report	Chairman of OJK, attn. Head Executive Capital Market Supervision
114	R.671-DIR/SKP/12/2016	16-Des-16	Submission on Extraordinary GMS Cancellation 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
115	R.673-DIR/SKP/12/2016	16-Des-16	Submission on Extraordinary GMS Cancellation 2016	SOE Minister, UP: Financial Service, Survey Service and Consultant Deputy of the Ministry of SOE
116	B.179-SKP/DHI/12/2016	19-Des-16	Submission on the Proof of Publication on Extraordinary GMS Cancellation 2016	Chairman of OJK, attn. Head Executive Capital Market Supervision
117	B.180-SKP/DHI/12/2016	20-Des-16	Change on the Head of Internal Audit Working Unit	Chairman OJK, UP: Head Executive Capital Market Supervision Archieve IDX, Assessment Division Group 1

Interactive

- BRI attempts to convey information which accompanied with interactive dialogue in the analyst meeting event, press conference, public expose, etc.
- To receive further information on the Company directly, the public and investors may contact:

Corporate Secretary

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 Address : Gedung BRI 1st Floor 20 Jl. Jend Sudirman Kav 44-46
 Jakarta Pusat 10210
 Telephone: (021) 575 1966
 Fax : (021) 575 2010
 E-mail : humas@bri.co.id
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Head of Investor Relations

Name : Ninis K. Adriani
 Address : Gedung BRI 1st Floor 20 Jl. Jend Sudirman Kav 44-46
 Jakarta Pusat 10210
 Telephone: (021) 575 2019/1969
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INTERNAL

Publication of company data is internally managed through the Employee intranet Media portal "BRISTARS", and internal magazine "BRITA KITA" issued by the Corporate Secretariat and distributed throughout the operational units of BRI.



Code of Conduct

Content of the Code of Conduct

The policy of BRI Code of Conduct was conceived in 2003, BRI then updated in 2010 and refined in 2013 through Joint Decision of the Board of Commissioners and Board of Directors No. 06-KOM/BRI/12/2013 and No. S.-DIR/DKP/12/2013. The implementation of the Code of Conduct is followed by policies on gratuities and the Whistle Blowing System (WBS-BRI) mechanism as a reporting channel for any breach of the Code of Conduct and BRI Disciplinary Rules, which stipulates the types of breach and resolutions mechanism.

BRI's code of Conduct applies to all employees in their day-to-day conducts as a representation of BRI's Business ethics. The principles defined in BRI Code of Conducts set the guidelines for work activities, which includes the following elements:

1. Compliance to Laws, Regulations and Bank Policy

The Bank's employees highly uphold the Bank's compliance towards prevailing regulations to strengthen the Bank's compliance culture.

2. Stakeholder Relationships

a. Code Of Conduct towards Customers

Customers BRI is committed to uphold professional and customer oriented business ethics in providing banking products and/or services.

B. Code of Conduct towards Partners

BRI's relationship with its Partners is maintained based on reasonable business practices and with integrity, by constantly prioritizing the Bank's interests over personal or other parties' interests, and providing optimum benefits for the Bank. BRI's Code of Conduct also requires the Partners to comply with the Bank's policies and prevailing rules and regulations, as well as to agree to safeguard any confidentiality in their relationship with the Bank, unless a disclosure of confidentiality has been recognized and approved by the Bank.

c. Code of Conduct towards Competitors

Facing the challenges, all the Bank's components adhere to the principle of prudence, professionalism as well as fair and competitive competition. BRI requires all employees to posit competitors as an impetus for performance improvement.

d. Code of Conduct towards Regulators

All BRI's business activities are implemented by fulfilling the obligations and requirements as established by banking regulators and other relevant authorities, including by building proper communications with banking regulators and other relevant authorities.

e. Code of Conduct towards Shareholders

As the highest organ in the organization, the relationship with the Bank's shareholders is managed with the principles of transparency and responsibility, as well as mutual cooperation.

3. Communities and Environmental Relations

As part of the community and environment, BRI and its components uphold a virtuous relationship by respecting the local values and provision of benefits, as well as supporting the environment in which the Bank operates.

4. Company and Employee Relations

BRI maintains good relationships with all employees based on trust and mutual respect, through the management of the employees' rights, the opportunity to contribute and reward for achievements without discrimination. BRI is committed to provide a favorable work environment to improve productivity and comfort. The employees shall also uphold trust, mutual respect and appreciation towards each other.

5. Information Confidentiality

All BRI's components uphold the Bank's protection of information and are committed to protect the Bank's confidentiality, both internal and the customer's information. Dissemination of BRI's internal information that may only be disclosed to relevant parties in accordance with the prevailing rules.

6. Integrity and Accuracy of Reports

BRI is committed to submit appropriate, accurate and accountable reports to the management, shareholders, customers, and other interested parties. The Bank's employees are responsible for official documentation of the Bank's activities; all records shall be accurate, transparent, comprehensive, and timely.

7. CONFLICT OF INTEREST

BRI has and applies a conflict of interest policy that binds the Bank's employees to prevent corruption, collusion, and nepotism practices within the Bank's environment. BRI employees are prohibited from deliberately placing oneself in a position or situation that may lead to conflict of interest between them and the Bank, the Bank's customers, or any third parties, from which the Bank may incur losses or impaired gain.

8. Political Contribution and Activities

The Bank is committed to prohibit funding, or use of the Bank's facilities and resources for and or by parties with political purposes or similar endeavours. The Bank's employees uphold the principle to not contribute their time, money, or personal resources for political activities.

9. Prohibition from Accepting Gratuities

BRI prohibits any individual or any part of its organization to solicit or receive any forms of gratuities or rewards in any form from the third party or the customers, which are not in accordance with the prevailing regulations. The Bank's employees shall highly uphold the ethics to restrain from soliciting or receiving any forms of gratuities for personal gains or for the advantage of employees' family members.

Disclosure of Code of Conduct Application in Entire Level of Organization

BRI's Code of Conduct is applicable for all levels both management and employees in all levels of the organization.

Code of Conduct Dissemination

In 2016, BRI conducted dissemination of the Code of Conduct in a number of working units in various activities, including education, workshops and Performance Improvement Forums (FPK) in every working unit.

Type of Sanctions for Code of Conduct Violation

The implementation of Code of Conduct is supported by conditions and Company's regulation, reward as appreciation and hard sanctions for violators. The Board of Directors and Board of Commissioners commit to the implementation of the Code of Conduct including enforcement on BRI's employee who violate the Code of Conduct. Types of sanction given to violators is varied, starting from demotion to dismissal.

Number of Code of Conduct Violations and Sanctions Given in the Latest Fiscal Year

In 2016, there were 212 Code of Conduct violations which were committed by 172 of BRI employees. All violations have been followed up for further action. For the violations, sanction given are varied, based on the Company's condition on the types of sanction on Code of Conduct violation.

Whistleblowing System (WBS)

WHISTLEBLOWING REPORTING MECHANISM

BRI provides a special channel used to report violation to the President Director, these are: SMS, Written Letter and Webmail BRI. The information submitted in the violation report is protected.

Types of Reports

Information on violation report which may filed through WBS are:

1. Violation on the Company's SOOP
2. Violation on BRI's Code of Conduct
3. Violation on the prevailing ethics and norms
4. Action of law violation (harassment toward the employees or superordinate, blackmail, drug abuse, sexual harassment, and other criminal actions)

5. Actions that endanger the work safety and health or endanger the Bank's security or that could be detrimental to the Company
6. Fraud.

Information Reported

Every violation has to be reported in clear and responsible manner. The information conveyed in the violation report consists of: violation, party involve, time of violation, place of violation, chronology of violation, and violation evidence as preliminary information for investigation.

Reporting Procedures

The reporter may use various information tools of WBS: SMS, Written Letter and BRI Webmail to WBS Manager depicted below:

WBS Reporting Procedure



WHISTLEBLOWER PROTECTION

BRI provides protection and confidentiality assurance to all whistleblowers that disclose any violations or suspected breaches. The protection includes:

1. Confidentiality of the whistleblower
2. Confidentiality of the information reported and only use the information as preliminary information on investigation process.
3. Protection from vengeful actions committed by reported parties or institutions (protection from pressures, delay on promotion, dismissal, legal lawsuit, material threat, to physical violence.
4. The protection may be extended to the member of the family of whistleblower.
5. The protection does not include legal protection to the whistleblower.
6. To the whistleblower with good intent to report the indication of violation and should the whistleblower involve in a violation (Justice Collaborator) and proved to be guilty and received Disciplinary Punishment, hence the whistleblower will be considered to give dispensation on the Disciplinary Punishment compare to other violators.

REPORT HANDLING

Every violation report in WBS will be proceeded to further action. The handling procedure is conducted through the following mechanism:

Reporting Process

1. WBS Management

Verify the reliability of the report by collecting additional information or prepare second opinion on the violation report.

2. Head of Internal Audit Unit

Determine the reliability of the report within 20 working days, with decision below:

- Should the report be reliable, then the head of SKAI will ask the Investigation Team to check the allegation of the report as well as determining the investigation scope based on urgency and risk impact significance.
- Should the report be unreliable and there is a clear information, the WBS Manager will report the violation to the related Head of the Working Unit.

- Should the report be unreliable and no clear information, the WBS Manager will document the report under the Non Follow Up category.

Investigation Process

Investigation Team

Conducts investigation or Special Audit of the allegation of the violation.

Should the violation be proved and indicated for internal fraud, the investigation team will refer the violation case to Discipline Violation Checking Team, Policy and Human Resources Development Division to further proceed in accordance to S.152-DIR/SDM/05/2009 on Disciplinary Regulation.

Monitoring Process

Investigation Team

Reporting investigation result to related Head of Working Unit and WBS Manager within five working days after the investigation process ends.

WBS Manager

- Monitor progress report through WBS system.
- Monitor implementation of the follow-up progress on internal control improvement from Head of related Working Unit.

Evaluation Process

Head of Related Working Units

- Prepare internal control improvement follow up for every alleged violation proved.
- Determine motives of improper complaints. Should a fake complaint or slander be found, hence the reporter should be sanctioned.

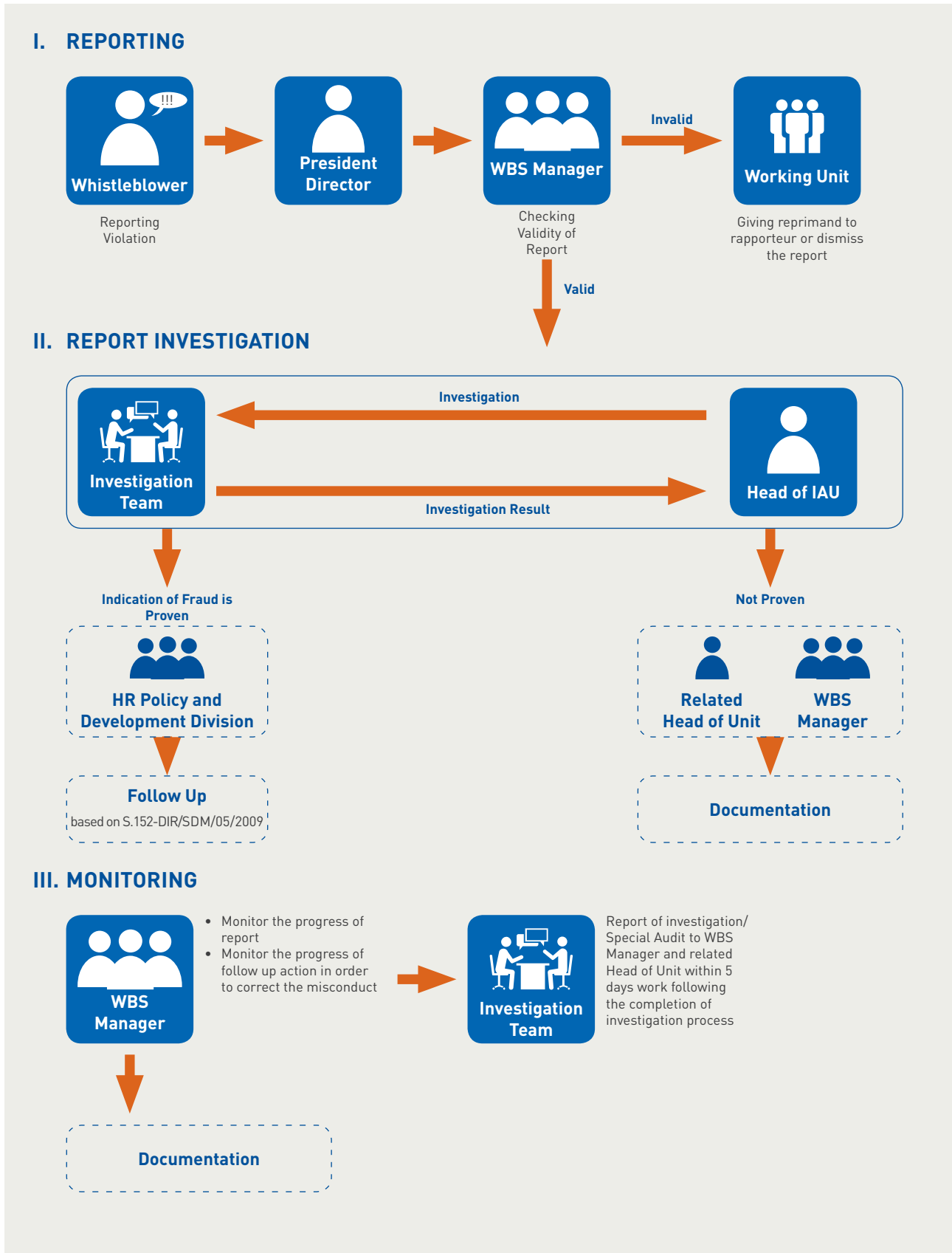
WBS Manager

Prepare evaluation report on WBS implementation

Head of Internal Audit Working Unit

- Reporting evaluation result on WBS implementation to the President Director and Audit Committee every quarter.
- Using the evaluation result as a consideration on preparing Annual Audit Plan.

WBS Flow Chart



IV. DOCUMENTATION



- To document dismissed report.
- To document report that is not in the category of violation.
- To document result from investigation.

V. EVALUATION



Prepare evaluation on WBS report based on investigation result.



- Prepare plan for the improvement of internal control based on investigation result and submit the report to WBS Management.
- Determine whether the motif of whistleblowing upon invalid report.
- If the report is proven to be false or defamatory, then the reporter might be imposed with sanctions.
- If the report is proven not false or defamatory, the reporter might be given mentoring and coaching.



- Submit report of results from evaluation on the cases managed by WBS to President Director
- Prepare annual audit plan by taking into account the result of WBS report evaluation.

WBS SYSTEM MANAGER

BRI's whistle blowing system is directly managed by the Head of Internal Audit Working Unit under the control of the President Director. WBS Management consist of two processes:

- **Reporting, Monitoring and Documentation Process**

These processes is managed by the WBS Manager Team, under direct coordination of the head of Internal Audit Working Unit.

- **Investigation Process**

The process is conducted by the Investigation team which is part of the Internal Audit Working Unit. Should

a violation allegation is urgent or significantly impacted, the Investigation Team at the Head Office will conduct the investigation. Should the risks are not significantly impacted and not urgent, the investigation is conducted by the Audit Team at the Inspection Offices in the regional level.

TOTAL WBS REPORTS FILED AND FOLLOWED UP IN 2016 AND ACTION FOLLOWED

The number of violations reported in 2016 were 99 reports. Cumulatively, the total reports filed since the implementation of WBS up to 31 December 2016 were 1,654 reports with the details as follows:

Recap of WBS Report

	up to. 2010	2011	2012	2013	2014	2015	2016			
							Q 1	Q 2	Q 3	Q 4
Total Reports	161	278	333	278	267	238	34	26	16	23
Total						1,654				

The reports received in 2016 were divided into report classification, sources of report, identity attachment from the reporter, and the media for reporting, as follows:

Classification of WBS Report

Period	Σ	Source of Report		Identity of Reporter		Media			Classification of Report	
		Internal	External	Yes	No	SMS	Letter	Phone/ Verbal	Complaint/ Input	Violation Report
Quarter I	34	30	4	11	23	27	6	1	10	24
Quarter II	26	18	8	11	15	22	4	0	9	17
Quarter III	16	14	2	5	11	16	0	0	3	13
Quarter IV	23	19	4	8	15	19	4	0	9	14
Total	99	81	18	35	64	84	14	1	31	68

In general, total complaint/report as of 31 December 2016 was lower in quantity than that of the previous year. However, the percentage of report classified as violation was higher as reflected in the following table:

Development of WBS Report

Note	31 December 2015				31 December 2016			
	Input		Indication of violation		Input		Indication of violation	
Amount	109	(45,79%)	129	(54,21%)	31	(31,31%)	68	(68,69%)
Total Amount	238				99			

Implementation of Anti Money Laundering and Terrorism Funding Prevention

Legal Reference for APU and PPT

In the implementation of Anti-Money laundering (APU) and Terrorism Funding Prevention (PPT), BRI refers to the provisions as follows:

A. External Provisions

- a. Law No 8/2010 dated 22 October 2010 on Prevention and Eradication on the Criminal Act of Money Laundering.
- b. Law No 9/2013 dated 13 March 2013 on Prevention and Eradication on the Criminal Act of Terrorism Funding
- c. Bank Indonesia Regulation No. 14/27/PBI/2012 dated 18 December 2012 on the Implementation of Anti-Money Laundering and the Prevention of Terrorism Funding for Commercial Banks.
- d. US Patriot Act

B. Internal Provisions

Decision Letter of BRI's Board of Directors No S.22-DIR/DKP/09/2015 dated 1 September 2015 on the Policy and Procedure of Implementation of APU and PPT in PT Bank Rakyat Indonesia (Persero) Tbk.

APU and PPT Manager

BRI's Compliance working team is responsible for implementing APU and PPT principles to all operational working units of BRI.

Responsibilities of APU and PPT Manager

To support the implementation of APU and PPT, the working unit's responsibilities are as follows:

Policy Formulation

1. Manage formulation and implementation of policies/provisions/guidelines and procedures on the implementation of APU and PPT and other programs related to Customer Due Diligence.
2. Manage review on internal provisions and impact analysis on policies/provisions/external regulations related to APU and PPT and other programs related Customer Due Diligence as well as distribute these to entire Working Units.

Manage Information System and Data Analysis

1. Manage analysis on the implementation, evaluation, and formulation on the application system demand on Anti Money Laundering & Countering Financing of Terrorism

(AMF and CTF system) as well as other applications supporting Suspicious Transaction Report (STR), Cash Transaction Report (CTR), International Fund Transfer Instruction Report (IFTI) and Integrated Financial Service Report System (Sipesat).

2. Manage the analysis, evaluation, formulation, reporting the Suspicious Transaction Report (STR) based on STR requested by PPAATK, STR AML News PPAATK, STR on Fraud STR on convicted money laundering, and STR as a result of Anti Money Laundering (AML) monitoring system.
3. Manage the analysis, evaluation, and Cash Transaction Report (CTR), International Fund Transfer Instruction Report (IFTI), and Integrated Financial Service Report System (Sipesat).
4. Manage the monitoring, coaching, and evaluation on the implementation of APU PPT and other related programs of Customer Due Diligence regarding optimizing the implementation of APU and PPT in all Operational Working Units.
5. Manage the analysis, evaluation, and formulating compliance tool kit of APU and PPT to assess the compliance level of APU and PPT Program in the Working Unit including asking the Operational Working Unit to conduct Self Assessment Program APU and PPT in BRI's Operational Working Unit across Indonesia through BRIstart application.
6. Manage the analysis, evaluation, and monitoring customers including Special Designated Nation (SDN) as well as customers/business/country which included in the high risk customers criteria (such as Politically Exposed Persons/PEP), high risk business and high risk countries in applying the regulations' provisions.
7. Manage the filling of AML questioners based on the requests from Correspondent Banks on the implementation of APU and PPT in BRI as well as review on AML questioners in BRI.

Cooperation with Related Institutions

Manage the data analysis and collaborate with external parties such as PPAATJ, Corruption Eradication Commission (KPK), OJK, National Narcotics Agency (BNN), Police Office, the Police Counter Terrorism Squad (Densus 88), and other law enforcement institutions which are related to customers' data requests, account blocking, opening blocked accounts, delaying transaction, and temporarily terminating transactions.

Working Capacity Improvement Related to APU and PPT

Conduct APU PPT education programs both through in-class education and online through e-learning for all employees including for frontliner, hence improving the employees' knowledge on APU and PPT.

Implementation of APU and PPT Principles in 2016

Activities related to Anti Money Laundering Program (APU) and Terrorism Funding Eradication (PPT) conducted in 2016 were:

System Development

1. Formulation of APU PPT policies for overseas working units
2. Enhancement system on Anti Money laundering (AML), Countering Financing of Terrorism (CFT) and Core Banking System to accommodate:
 - Identification of suspicious funding, both international and domestic, and Tax Amnesty Program from the government
 - Detail reporting on Customers' Accounts as well as Walk-In Customers (WIC)
 - Reporting FATCA (Foreign Account Tax Compliance Act). Currently BRI is registered in Foreign Customers Information Delivery System (SIPINA) for FATCA reporting.
 - STR and CTR online reporting for Customers and WIC.

Monitoring And Disseminating To The Employees

A. On Site

- i. Monitoring on the implementation of APU and PPT Policies and Procedures in BRI's Operational Working Unit to BRI's unit in every regional offices.
- ii. Special training for the implementation of APU and PPT program material to every new employee as well as refreshing the existing employees in carrying out their duties related to know your customers' principle such as: Management Trainee, Frontliners (Customer Service and Teller), Funding Officer, Account Officer, Operational Manager, Marketing Manager, and Head of Branch Offices.
- iii. In house Training (IHT) implementation with Compliance Culture Improvement theme, particularly in implementing APU and PPT, and Risk Aware Culture with the participants consisting of related Division related to APU and PPT activities, Regional Offices, Branch Offices, and Subsidiaries.

B. Off Site

- i. Preparing e-learning program for APU and PPT education for all employees including frontliners.
- ii. Preparing and evaluating Self-Assessment program on the implementation of APU and PPT in Operational Working Units which accessible through the employee information portal.

Reporting And Cooperation With Related Institutions

1. Presenting updating data plan and realization of data updating of BRI's customers as well as Cross Border Correspondent Banking (CBCB) to the Financial Services Authority (OJK).
2. Reporting suspicious financial transactions to Financial Transaction Report and Analysis Center (PPATK) consist of Suspicious Transaction Report (STR), Cash Transaction Report (CTR), International Financial Transaction Instruction (IFTI), and Integrated Information of Service Users System (Sipesat).
3. Collaborating with external parties such as PPATK, Corruption Eradication Commission (KPK), OJK, National Narcotics Agency (BNN), Police Office, the Police Counter Terrorism Squad (Densus 88), and other law enforcement institutions which related to customers' data request, account blocking, opening blocked accounts, delaying transaction, and temporarily terminate transaction.
4. Implementing US Patriot Act through presentation of correspondence account certificate of foreign bank on BRI's website.

To fulfil the regulation on "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Act of 2001" (the "USA Patriot Act") which was enacted by the government of the United States to prevent money laundering and terrorism funding through correspondent accounts at foreign banks within financial institutions in the United States, hence financial institutions in the United States require all foreign banks which have or will have correspondent accounts in the US to fill out standardized certification forms.

In order to meet the USA Patriot Act requirements, BRI has completed the certificate on the foreign bank correspondent accounts as displayed in BTI's website www.bri.co.id. This certification is valid for all accounts opened for BRI by "Covered Financial Institutions"

Transparency on Bank Financial and Non Financial Conditions

BRI continuously endeavoured to comply with provisions from the authority for transparency both in publication of financial condition and non financial conditions

Financial Report Transparency

In 2016, BRI issued a monthly, quarterly and annual financial reports to financial authorities and capital market which are accessible and downloadable by investors as well as the public through BRI's website (www.bri.co.id, <http://banggaberindonesia.com/home>, www.ir-bri.com), Financial Services Authority's website (www.ojk.go.id), IDX website (www.idx.co.id) as well as in printed media with details below:

Publication of Financial Statements in 2016	Date	Publication Media
Monthly Report		
December 2015	29 January 2016	www.bri.co.id, www.ir-bri.com, www.ojk.go.id
January 2016	29 February 2016	
February 2016	31 March 2016	
March 2016	29 April 2016	
April 2016	31 May 2016	
May 2016	30 June 2016	
June 2016	29 July 2016	
July 2016	31 August 2016	
August 2016	30 September 2016	
September 2016	31 October 2016	
October 2016	30 November 2016	
November 2016	30 December 2016	
December 2016	31 January 2017	
Quarterly Report		
31 December 2015 (Audited)	4 February 2016	<ul style="list-style-type: none"> Printed Media: Bisnis Indonesia, Investor Daily, Kontan, Media Indonesia Website: www.idx.co.id, www.bri.co.id, www.ir-bri.com, www.ojk.go.id
31 March 2016 (Un-Audited)	29 April 2016	
30 June 2016 (Limited Review)	15 August 2016	
30 September 2016 (Un-Audited)	25 October 2016	
31 December 2016 (Audited)	2 February 2017	
Annual Report		
Annual Report 2015	1 March 2016	www.idx.co.id , www.bri.co.id , www.ir-bri.com , www.ojk.go.id
Sustainability Reports	1 March 2016	www.bri.co.id , http://banggaberindonesia.com/home , www.ir-bri.com
PKBL Financial Report	1 March 2016	www.bri.co.id , http://banggaberindonesia.com/home

Non-Financial Transparency

Other than financial information, the public and stakeholders can seek any informations whenever accurately and adequately through BRI's website about this following information:

1. Corporate Governance Information, including Corporate Governance Report which can be found in the Company's annual report, Good Corporate Governance (GCG), Risk Management Policy, Company's Code of Conduct, GCG Assessment Result, Board of Directors and Board of Commissioners' profiles.
2. Company's Product and Service Information including its office network published through Annual Report and BRI's website, so that customers, investors and the public easily access the information on product and services of the Company.

3. BRI contact service information which consist of information so that the customers and the public can contact BRI among others through WhatsApp, Facebook, Twitter, SMS, Web Chat, E-mail, Call Center.
4. Information on Security Tips for Customers on using banking services for customers' protection.
5. Corporate Social Responsibility (CSR) and Sustainability Report as a form of Company's responsibility and contribution in order to improve the life quality of the employees, environment, local community, and the public.
6. Information for the investors including share ownership, share price, credit rating, financial performance presentation.

Transactions with Potential Conflict of Interest

Members of the Board of Commissioners who are personally in anyway, whether directly or indirectly, having an interest in a transaction, contract or proposed contract in which the Company as one of the parties, must declare the nature of their interest in a meeting of the Board of Commissioners and is not entitled to participate in voting on matters related to the transaction or contract.

During 2016, the Board of Commissioners approved, in meetings between the Board of Commissioners and Board of Directors, of provision of funds that would potentially create conflict of interest as follows:

No.	Topic	Date of Event	Decision Maker	Number of the Decision	Decision	Notes
1	Approval of Funds Provision to Related Party, Mr. Adhyaksa Dault and Mr. A. Fuad Rahmany	14 June 2016	Board of Commissioner	R.24-KOM/06/2016 14 June 2016	Approved	Complied with Procedure
2	Approval of Funds Provision to Related Party, Bpk. Kuswiyoto	5 November 2016	Board of Commissioner	R.52-KOM/11/2016 dated 05 November 2016	Approved	Complied with Procedure
3	Approval of Fund Provision to Related Party, Mr. Sis Apik Wijayanto	5 November 2016	Board of Commissioner	R.53-KOM/11/2016 dated 05 November 2016	Approved	Complied with Procedure

Share or Bond Buybacks

In 2015, the Indonesian Composite Stock Price Index (JCI) decreased due to a domestic economic slowdown since the beginning of the year until the third quarter of the year (September 2015). OJK Regulation No.2/POJK.04/2013 stipulated this economic slowdown pressure was set as Other Conditions.

The statement of "Other Conditions" by OJK opened up opportunities for BRI to repurchase some of its shares (buyback) to anticipate a further drop of the Bank's stock prices. A buyback must be carried out by taking into account the ability of the Company and applicable regulations.

The Company made information disclosure on the buyback plan on October 9, 2015 and the disclosure of information on the realization of buyback was published on January 19, 2016.

Realization of buyback in 2016 was as follows:

Share Buyback 2016

Total Shares	Total Cost of Buyback *)	Average Buyback Price
221,718,000 shares	Rp2,418,947,067,500	Rp10,910

*) Exclusive of Transaction Cost

The buyback result of the Company's shares are currently kept as treasury shares (treasury stock). The Company plans to transfer the shares for BRI Share Ownership Program for Management and Employees of the Company. The Company currently awaits approval from the Shareholders of Series A Dwiwarna Share in accordance with the decision of the 2016 Annual General Meeting of Shareholders.

Highest and Lowest Salary Ratio

Salary Ratio

Highest and Lowest Employees Salary	49,47
Highest and Lowest Directors Salary	1,11
Highest and Lowest Commissioner Salary	1,11
Highest BOD Salary and Highest Employee Salary	1,84

Provision of Funds to Related Parties and Provision of Large Funds

In accordance to Bank Indonesia Regulation, BRI has established guidelines of written policies and procedures on the provision of large-exposed funds and/or provision of funds to related parties who have an interest in the Bank. For provision of funds to the minimum amount of Rp1 trillion, approval decision should be consulted with the Board of Commissioners. The amount of provision applies to a single borrower, Groups, plasma and SOEs/government debtors.

Data on Provision of Funds

The revealed information contains the total amount of the outstanding provision of funds to related parties and debtor/core group of debtor per report date, as per the table below:

No	Funding Provision	Total Amount	
		Debtor	Nominal/Total Outstanding (million Rupiah)
1	To Related Parties	437	4,916,542
2	To Debtor	25	91,839,627
	• Individual	25	91,839,627
	• Group	Nil	Nil

Funds Disbursement for Social and Political Interests

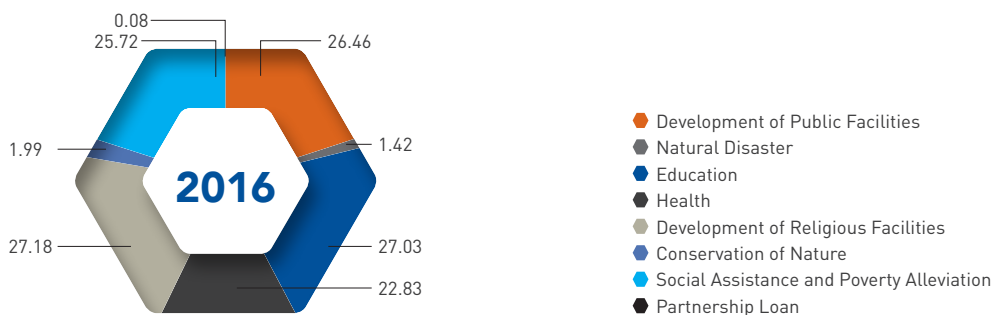
Related to social and political activities during the reporting period, the Bank does not provide funds for political activities. However, throughout 2016, funding for social activities was used through various activities of Corporate Social Responsibility (CSR) program and the Partnership Loan. Total financing funds to implement CSR activities and loans disbursed for Partnership Program, is as follows:

Funding for CSR

Activity	Amount (Rp Billion)	Beneficiary
Development of Public Facilities	26,46	District Police of Sulsel, District Police of Kaltim and Kalsel, District Police of Jatim, District Police of Papua, District Police of Sultra, Food Court at Faculty of Animal Husbandry UGM, District Police of Sumut, District Police of Isles of Riau, PIISEI, Kodam XVII Cendrawasih Jayapura, KONI, local community of Kodim 1703/Manokwari, Sanitary Service And City Parks of Municipal Government of Padang
Natural Disaster	1,42	Regencial Government Garut
Education	27,03	Student of Universitas Terbuka, Kodam Pattimura, Ponpes Sumber Bunga, PP Aisyiyah, International Islamic Boarding School Sekolah Prog, SMK Raudlatul Jannah, University of Sanata Dharma, Student of University of Technology Sumbawa, Student of ITS, Pondok Pesantren Tanbihul Ghofilin, FT UNDIP, University of Sam Ratulangi
Health	22,83	RSUD Manggal Tulang Bawang, Denzipur 10/KYD Cendrawasih, RSUP Dr. Sardjito Yogyakarta, RS. St. Elisabeth Semarang, RSUD Kota Bengkulu, RSUD Bangka Tengah, RS Santo Borromeus Bandung, Polresta Blitar, Brigif Para Raider 18, RSK Dharmais, Kobangdikal TNI AL, RS Panti Rapih, RS. Bhayangkara TK II Sartika Asih, BRIMedika, Ambulance Municipal Government of Poso, Polresta and Polreskab Madiun, RS. Pekanbaru Eye Center
Development of Religious Facilities	27,18	Korem 091 ASN Samarinda, PT Pelindo IV, Paspampres, Pemda Watansoppeng
Conservation of Nature	1,99	Distributed directly to community
Social Assistance and Poverty Alleviation	25,72	KOPASSUS, MABES TNI AD KOARMABAR AL LANTAMAL III DISKUAL TNI, TNP2K
Partnership Loan	0,08	Fostered Partners of BRI Partnership Loan
Total	132,71	

Data presented above shows only beneficiary of donation worth Rp250 million above.

Distribution of CSR Fund dan Partnership Loan (Rp Billion)



A detailed explanation of the activities surrounding the Company's CSR program is presented in the CSR report presented in this Annual Report.

Information on Major and Controlling Shareholders

BRI is a state-owned bank with a majority shareholding amounting to 56.75% is owned by the Government of the Republic of Indonesia. The Government owns BRI's Series A Dwiwarna Shares, as described in Chronological Listing of Shares.

Series A Dwiwarna Shares were issued and held by the Republic of Indonesia and are not transferable to anyone. Having established that, the Government as a shareholder has the following privileges:

- Nominate members of the Board of Directors and/or the Board of Commissioners,
- Approve the appointment and dismissal of members of the Board of Directors and/or members of the Board of Commissioners.
- Approve amendments in the Article of Association, including changes in capital,
- Approve merger, consolidation, acquisition and separation of the Company, upon the Company's declared bankrupt, and the dissolution of the Company, or
- Request a report and an explanation of certain matters to the Board of Directors and Board of Commissioners with due regard to the legislation, especially regulations prevailing in the Capital Market.

Equal Treatment to All Shareholders

As a public company, BRI has upheld the principle of equality of treatment of all shareholders. The same treatment is reflected in:

- The voting rights is calculated based on the number of share ownership with the right to propose the AGM to shareholders with at least 10% of share ownership.
- Providing same access to information through Investor Relations channel, among others through direct interaction at the Public Expose events, Non-deal Roadshows, Press Conference, or one-on-one meetings, conference calls, emails, and other documents that are available on the Company's website, investor relations, and the stock exchange of Indonesia including the Annual Report, Audited financial Statements, and highlights of the Company's financial performance.
- Number of Independent Commissioners are above the minimum limit of Bank Indonesia regulation: 5 Independent Commissioners out of a total 8 Commissioners.

Implementation Report of Corporate Governance Guidelines for Public Company

Financial Services Authority Circular Letter No. 32/SEOJK.04/2015 About Corporate Governance Guideline for Public Company

No	Principles	Recommendation
A.	Public Company Relations with Shareholders in Ensuring the Rights of Shareholders.	
	Principle 1 To Increase the Importance of General Meeting of Shareholders (AGM)	Public company has either open or closed means or technical procedures of voting that promote shareholders' independency and interests.
		All members of the Board of Directors and Board of Commissioners of Public company attend the Annual General Meeting.
		Summary minutes of the AGM are available on Public Company website for at least one (1) year.
	Principle 2 Improving the Quality of Communications between the Public Company and Shareholders or investors.	Public company has a communication policy with shareholders and investors
		Public company discloses its communications policy with shareholders or investors on its Website.

Description of OJK Recommendation	Description and Implementation in the Company
<p>Each share issued with voting rights has one vote (one share one vote). Shareholders may use their voting rights at decision-making, especially when decisions are made by casting a vote. However, the mechanism of decision-making by voting either open or closed is not regulated in detail.</p> <p>Public company is recommended to have voting procedures to make decision in a General Meeting of Shareholders. The voting procedure must safeguard the independency and freedom of shareholders. For example, an open voting can done by raising hands following instructions from AGM chairman. Meanwhile, in a closed voting for confidential decisions or at the request of shareholders, is done by using card or electronic voting.</p>	<p>Annual General Meeting of Shareholders includes the Annual General Meeting, the Extraordinary General Meeting 1 and Extraordinary General Meeting 2. In both meetings, voting mechanism uses electronic means.</p> <p>In 2016, the Company conducted 1 (one) AGM on March 23, 2016 at BRI Headquarters. The Company had applied decision-making procedure by voting that promote independency and interests of shareholders as stipulated by OJK. The Company has implemented some of the following:</p> <ol style="list-style-type: none"> 1. Have a voting procedure for decisions concerning the agenda of the AGM. The procedure is stated in GMS Code of Conduct which is disclosed to the public, including through the Company's website; 2. Voting procedure involves independent parties such as Notary, SX Registrar, Public Accountants Office, Independent Appraisal Consultants and Legal Consultants.
<p>The presence of all members of the Board of Directors and the Board of Commissioners of Public Company aims at giving opportunities for every member of the Board of Directors and the Board of Commissioners to consider, explain, and directly address issues and/or questions asked by shareholders related to the agenda of the AGM.</p>	<p>All members of the Board of Commissioners and Board of Directors attended the AGM 2016, with the following information: Number of Shares present and/or represented at the AGM amounted to 20,426,943,365 shares of the total shares with valid voting rights issued by the Company. AGM was attended by 11 (eleven) Directors and seven (7) members of the Board of Commissioners.</p>
<p>According to Article 34 paragraph (2) of the Regulation of Financial Services Authority No. 32/POJK.04/2014 on the Planning and Organization of the General Meeting of Shareholders of Public company, Public company shall make a summary of the minutes of the AGM in Indonesian and foreign language (at least in English), and must be publicly published in two (2) working days after the AGM. One of publication can be posted on the Company's website. Availability of summary of minutes of the AGM on the Company's website provides an opportunity for shareholders who cannot present to obtain important information on GMS easily and quickly. Therefore, the provision of a minimum period of the availability of the summary minutes of the AGM on the site is intended to provide sufficient time for shareholders to obtain such information.</p>	<p>The Company has made a summary of the minutes of the AGM in Indonesian and English and has been published on March 24, 2016 in the daily newspapers Kompas and Bisnis Indonesia, as well as posting on the Company's website (www.bri.co.id) and will be available for more than 1 (one) year</p>
<p>Communication between the Public Company with shareholders or investors means that shareholders and investors can obtain clearer understanding of the information that has been published to the public, such as newsletters, information disclosure, condition or business prospects and performance, as well as the implementation of corporate governance in the public company. In addition, shareholders or investors can also submit feedback and opinions to the management of the Public Company. Communication policy with shareholders or investors demonstrates the commitment of the Public Company in carrying out communications with shareholders or investors. Communication policy may include strategy, program, and the timing of the communication, as well as guidance to supports shareholders or investors to participate in the communication with the public company</p>	<p>Company has a policy of communication with shareholders and investors with the goal of keeping shareholders and investors can obtain clearer understanding on the information that has been published to the public as it has been disclosed by the Company's Corporate Secretary, through Annual Report disclosure and the Company's website (www.bri.co.id).</p>
<p>Disclosure on the Company's communication policy reflects the Public Company's transparent commitment in providing equal access to information to all shareholders and investors. Disclosure of such information also aims at increasing the participation and role of shareholders or investors in the Public Company's communication programs.</p>	<p>Disclosure of information aims at increasing participation and role of shareholders or investors in communication programs of the Public Company. Disclosure on the Company's communication policy is a form of transparent commitment of the Public Company in providing equal access to information for all shareholders and investors on the implementation of the communication. During 2016, there are in total of 117 correspondence delivered to the "Access to Information" in GCG report.</p>

No	Principles	Recommendation
B	Functions and Role of Board of Commissioners	
	Principle 3 To Strengthen the Membership and Composition of the Board of Commissioners	Determining the number of members of the Board of Commissioners must consider the conditions of Public Company
		Determining the composition of members of the Board of Commissioners must consider the diversity of skills, knowledge, and required experience
	Principle 4 Improving the Quality of Duties and Responsibilities of the Board of Commissioners	BoC has its own assessment policy (Self-Assessment) to assess the performance of the Board of Commissioners
		Self-Assessment policy is to assess the performance of the Board of Commissioners, disclosed in the Annual Report of the Public Company.
		BoC has a policy related to the resignation of members of the Board of Commissioners upon involvement in financial crimes.

Description of OJK Recommendation	Description and Implementation in the Company
<p>Number of members of the Board of Commissioners may affect the effectiveness of duties of the Board of Commissioners. Determining the number of members of the Board of Commissioners of Public Company shall refer to the prevailing legislation. Membership of BoC consists of at least two (2) persons under the Financial Services Authority Regulation No. 33/POJK.04/2014 of the Board of Directors and Board of Commissioners of Publicly Listed Company. In addition, it should also take into consideration the condition of Public company, including characteristics, capacities and sizes, as well as the achievement of the objectives and requirements of different business among the public company. However, if the number of members of the Board of Commissioners is too large, it can potentially disturb effective functions of the Board of Commissioners.</p>	<p>Determining the number of members of the Board of Commissioners has considered the Company's circumstances and all required by Regulator to be carried out by the Controlling Shareholder (in this case: the Ministry of SOEs).</p>
<p>Composition of the Board of Commissioners is characteristics combination both collectively and individually, according to the needs of the Public Company. These characteristics are reflected in the determination of expertise, knowledge, and experience needed in the implementation of supervisory and advisory duties by the Board of Commissioners of Public Company. The composition that has been established based on the Public Company's needs assessment is a positive thing, particularly related to decision making in the implementation of the supervisory function which considers various aspects</p>	<p>As an SOE whose shares are mostly owned by the Government through series A Dwiwarna Share, there was no specific request in terms of gender diversity from the Government in determining the structure and composition of the Board of Commissioners. However, given the complexity and heterogeneity of the Company's business, the bank believes that the diversity of competencies, work experience, educational background and professions are needed in carrying out supervisory duties.</p> <p>The composition of the Board of Commissioners considered the diversity of skills, knowledge and experience as has been disclosed in the composition and job description of the Board of Commissioners of BRI.</p>
<p>Self-Assessment policy of Board of Commissioners is a guideline that is used as a form of accountability for collegial performance of BoC. Self-assessment is conducted by each member of BoC to assess performance of the Board of Commissioners collegially, and not to assess individual performance of each member of the Board of Commissioners. With Self-Assessment policy, it is expected that each member of the Board of Commissioners can contribute to improve sustainable performance of the Board of Commissioners.</p> <p>In the self-assessment policy, the assessment will include activities' intents and purposes, execution time on a regular basis, and benchmarks or criteria of assessment used in accordance with the recommendations by the Remuneration and Nominations Committee of Public company, in which the RN function is required in OJK regulation on the Remuneration and Nomination of Public Company.</p>	<p>BRI assesses the performance of the Board of Commissioners based on the pertinent law and regulations in order to improve the quality of the implementation of the tasks and responsibilities of the Board of Commissioners as well as to continuously improve the performance of BRI.</p> <p>Board of Commissioners has its own assessment Policy (Self- Assessment) that are listed in the Board Charter, as outlined in the performance appraisal of commissioners in this Annual Report and in the Company's website (www.bri.co.id)</p>
<p>Self-Assessment policy disclosures on the performance of the Board of Commissioners do not only to meet the transparency criteria as a form of accountability for implementation of their duties, but also for shareholders or investors to understand the efforts that needs to be done in improving the performance of the Board of Commissioners. With the disclosure, the shareholders or investors know the existing mechanism of check and balance on the performance of the Board of Commissioners.</p>	<p>Board of Commissioners has its own assessment Policy (Self Assessment) that are stipulated in the Board Manual as described in section BoC performance evaluation of this Annual Report and in the Company's website (www.bri.co.id)</p>
<p>There is a policy that required members of the Board of Commissioners who are involved in financial crimes resign in order to re-boost the confidence of the stakeholders of Public company, so that the integrity of the company will remain intact. This policy is necessary to smooth out the legal process and that the legal procedure does not disrupt business activities. Moreover, on morality side, this policy endorses ethic culture in the public company. The policy can be included in the Guidelines or the Code of Conduct applicable to the Board of Commissioners.</p> <p>Furthermore, defining the term "engaging in financial crimes" means that a members of BoC who is already convicted of their crimes by the authority. Financial crimes referred to as manipulation and various forms of embezzlement in the financial services activities as well as the Money Laundering activities as referred to in Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering.</p>	<p>The Company has established policies related to resignation and dismissal of the members of Board of Commissioners stating upon their involvement in actions that can harm the Company and/or the State and if the person is found guilty by a court ruling which is already legally binding, as stated in the Board Manual</p>

No	Principles	Recommendation
		BoC or Committee who carries out Remuneration and Nomination function prepares/formulate succession policy in the process of Nomination of members of the Board of Directors.
C	Functions and Role of Board of Directors	
	Principle 5 Strengthening Membership and composition of the Board of Directors	Determining the number of members of the Board of Directors must consider Public Company's conditions and the effectiveness of decision-making
		Determining the composition of members of the Board of Directors must consider the diversity of skills, knowledge, and required experiences
		Member of the Board of Directors that oversees accounting or finance positions must have expertise and/or knowledge in accounting

Description of OJK Recommendation	Description and Implementation in the Company
<p>According to OJK Regulations on Remuneration and Nomination Committee of Public Company/ Issuer, which perform the function of a nomination committee has the task to develop policies and required criteria in the process of Nomination of candidates for the Board of Directors. One of the policies that can support the Nomination process is the policy of the succession of members of the Board of Directors. Succession policies aim at maintaining the continuity of regeneration process or regeneration of leadership in the company in order to keep the business going and to achieve the long-term goals of the company.</p>	<p>The appointment and dismissal of the Board of Directors is based on the principles of professionalism and corporate governance. The Company is a State-Owned Enterprises (SOEs), therefore the policy of the succession of Board of Directors must refer to the Regulation of the Ministry of State-Owned Enterprises No. PER-03/MBU/02/2015 regarding Requirements, Procedure for Appointment and Dismissal of Directors of State Owned Enterprises. In addition, as a listed company, the Company's policy also refers to the Financial Services Authority regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Public Company.</p> <p>BoC assisted by NRC conducted a study on the proposed remuneration of the Board of Commissioners and Board of Directors to be put forward at the AGM. The Board of Commissioners sent a letter No.SR.06-KOM/06/2016 on June 27, 2016 to the ministry of SOEs as the Series A Dwiwarna Shareholders on the proposed salary/honorarium of the Board of Directors and Board of Commissioners in 2016 and received approval from the Ministry of SOEs RI as Holder of Series A Dwiwarna share with letter No. S-88/D5.MBU/06/2016 dated June 27, 2016, regarding Determination of Salary/Wages, Allowances and Facilities for the Year 2016 at PT Bank Rakyat Indonesia (Persero), Tbk which was then established by the Decision of the Board of Commissioners of BRI No. R. 30-KOM/06/2016 dated June 28, 2016.</p>
<p>As an organ of the company in charge of the management of the company, determining the number of Board of Directors' members will greatly affect performance of the Public Company. Thus, establishment of the number of members of the Board of Directors must be made through careful consideration and shall refer to the prevailing legislation which the Financial Services Authority Regulation No. 33/POJK.04/2014 of the Board of Directors and Board of Commissioners of Public Company that at least consists of two (2) people. In addition, determining the number of Directors should be based on the needs to achieve the objectives of the Public Company and adjusted to the conditions of the Public Company including characteristics, capacities, and the size of the public company as well as how to achieve the effectiveness of the Board's decision-making.</p>	<p>Deciding on the number of members of the Board of Directors has gone through careful consideration and has been referred to the Financial Services Authority regulation Nomor33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Public Company that should consist of at least two (2) people. The Bank's Articles of Association provides that the proposed replacement and appointment of members of the Board of Directors and/or Board of Commissioners must be submitted by Shareholders of Series A Dwiwarna Share to the GMS. BoC submit a proposal to the Shareholders of Series A Share of the proposed candidates for the Board of Directors to be decided in the AGM.</p>
<p>Similar to the Board of Commissioners, the diversity of the composition of members of the Board of Directors is a combination of the desired collective and individual characteristics. It also need to fulfil the needs of the Public Company.</p> <p>The combination is determined by considering the skills, knowledge and experience relevant to the duties and functions of the Board of Directors in achieving Public company objectives. Thus, the combination of characteristics will impact the accuracy of the nomination process and the appointment of individual members of the Board of Directors or the Board of Directors as a whole.</p>	<p>Fit and proper test is conducted to confirm the competency, experience and educational background of Board of Directors members in accordance with eligibility based on the applicable regulations and the Company's needs assessment as has been disclosed in the diversity of composition of the Board of Directors the Annual Report.</p>
<p>Financial Statement is management's accountability report on the public company's resource management. It must be prepared and presented in accordance with Generally-Accepted Accounting Standards Indonesia and also with OJK rules, among other regulations in the Capital Markets governing presentation and disclosure of financial statements of the Public Company. Based on the laws and regulation in the Capital Markets sector regulating the responsibilities of the Board of Directors on the Financial Statements, the Board of Directors jointly responsible for the Financial Statements, which is signed by President Director and member of the Board of Directors that oversees accounting or finance.</p>	<p>POJK 06/2015 on Transparency and Publication of Report of the Bank stipulated that the Director in charge of accounting or finance must have skills and/or knowledge in the field of accounting, among others:</p> <p>Education:</p> <ul style="list-style-type: none"> - Holds a MBA, Investment Banking, from Emory University, USA (2000) - Bachelor of Agriculture Industrial Engineering, University of Brawijaya, Malang (1989). <p>Experience:</p> <ul style="list-style-type: none"> - Head of Treasury Division, - General Manager of the BRI Foreign Branch Office in New York, - Chairman of BTMU-BRI Finance

No	Principles	Recommendation
	Principle 6 Improving the Quality of Duties and Responsibilities of Directors.	The Board of Directors has a policy of their own assessment (Self Assessment) to assess the performance of the Board of Directors
		Self-Assessment policy is to assess the performance of the Board of Directors, disclosed in the Annual Report of the Public Company.
		Board of Directors has a policy related to the resignation of members of the Board of Directors upon involvement in financial crimes
D	Stakeholders' Participation	
	Principle 7 To Increase Aspects of Corporate Governance through Stakeholders' Participation.	Public company has a policy to prevent insider trading.
		Public company has a policy of anti-corruption and anti fraud
		Public company has a policy on selecting and increasing ability of suppliers or vendors
		Public company has a policy to preserve creditor rights

Description of OJK Recommendation	Description and Implementation in the Company
<p>Similar to the Board of Commissioner with its own assessment policy (Self Assessment), The Board of Directors' self-assessment policy is a guideline that is used as a form of accountability for performance assessment of Directors collegially. Self-assessment is carried out by each member of the Board of Directors to assess the implementation of the performance of the Board of Directors collegially, and not to assess the individual performance of each member of the Board of Directors. With the self-assessment policy, it is expected of each member of the Board of Directors may contribute to continuously improve the performance of the Board of Directors.</p> <p>In the self-assessment policy, the assessment will include activities' intents and purposes, execution time on a regular basis, and benchmarks or criteria of assessment used in accordance with the recommendations by the Remuneration and Nominations Committee of Public company. The formation of this Committee has been obliged under Regulation Authority Financial services No. 34/POJK.04/2014 of the Nomination and Remuneration Committee of Public Company.</p>	<p>Written in the Board Charter, as described in the Results section of Board of Directors' Performance Assessment 2016 in this Annual Report.</p>
<p>Self-Assessment policy disclosures on the performance of the Board of Directors do not only to meet the transparency criteria as a form of accountability for implementation of their duties but also to provide important information on improvement efforts in the management of the Public Company. Such information is very useful to provide assurance to shareholders or investors that the company's management continue to work out in a better direction. With the disclosure, shareholders or investors know the existing mechanism of check and balance on the performance of the Board of Directors</p>	<p>Self-Assessment Policy on Directors' performance has been disclosed on the results of Directors Performance Assessment 2016.</p>
<p>There is a policy that required members of the Board of Directors who are involved in financial crimes resign in order to re-boost the confidence of the stakeholders of Public company, so that the integrity of the company will remain intact. This policy is necessary to smooth out the legal process and that the legal procedure does not disrupt business activities. Moreover, on morality side, this policy endorses ethic culture in the public company. The policy can be included in the Guidelines or the Code of Conduct applicable to the Board of Directors.</p>	<p>The Company has established policies related to resignation and dismissal of the members of Board of Directors stating upon their involvement in actions that can harm the Company and/or the State and if the person is found guilty by a court ruling which is already legally binding, as stated in the Board Manual.</p>
<p>A person who has inside information is prohibited from engaging in securities transaction using insider information as defined in the Law of the Capital Market. Public company can minimize the incidence of insider trading through prevention policies, for example by explicitly separating confidential data and/or information with the public one, as well as sharing duties and responsibility in managing information proportionally and efficiently.</p>	<p>BRI has in its:</p> <ul style="list-style-type: none"> • BRI Code of Ethics (Joint Decision of the Board of Commissioners and Board of Directors of BRI No. 06-KOM/BRI/12/2013 and No. S.65 DIR/DKP/12/2013 dated December 16, 2013) • Guidelines for Handling Conflict of Interest (Joint Decision of the Board of Commissioners and Board of Directors of BRI No.02 - KOM/BRI/05/2012 and Nokep: S.104-DIR/DKP/05/2012 dated May 24, 2012)
<p>Anti-corruption policy is useful to ensure Public company's business is done legally, prudently and in accordance with the principles of good governance. The policy may be part of the code of ethics, or its own. This policy may include programs and procedures to handle corruption practices, kickbacks, fraud, bribery and/or gratuities in a public company. The scope of the policy should describe the prevention of Public company against all forms of corruption practices either give or receive from other parties.</p>	<p>BRI Anti Fraud policy is regulated by Circular Letter No. S.25 Directors of BRI-DIR/DMR/12/2016 on Anti-Fraud Strategy of PT Bank Rakyat Indonesia (Persero) Tbk.</p> <p>Anti-Fraud Strategy is in the form of fraud control system, has four (4) pillars as follows:</p> <ul style="list-style-type: none"> - Prevention. - Detection. - Investigation, reporting and sanctions. - Monitoring, evaluation, and follow-up. <p>And there are rules concerning Whistleblowing System at BRI and regulated by Board of Directors' Circular Letter number. 227-DIR/DMR/12/2016.</p>
<p>Policy on supplier/vendor selection is useful to ensure that the Public Company obtain the required goods or services at competitive prices and in good quality. While the policy of increasing ability of suppliers or vendor is to ensure the supply chain run efficiently and effectively. The ability of suppliers or vendors in supplying the required goods or services will affect the quality of the Company's output. Thus, the implementation of these policies is to ensure supply continuity, both in terms of quantity and quality demanded by public company. The scope of this policy includes criteria in the selection of a supplier or vendor, transparent procurement mechanisms, efforts to increase the ability of suppliers or vendors, and fulfillment of the rights associated with a supplier or vendor.</p>	<p>The Company has established policies related to vendor management, as set out in the Directors Circular Letter No. S.35-DIR/MAT/12/2015 concerning the Registration of Partners providing Goods and Services to PT Bank Rakyat Indonesia (Persero) Tbk.</p> <p>There is a Partner Management Systems (PMS) that covers registration and selection of (potential) partners, monitoring, Vendor Maintenance and evaluation of the performance of partners. With the system, BRI is expected to have database on Provision of Goods and/or Services that are ready and able to support the BRI procurement.</p>
<p>Policy to preserve the rights of creditors is used as a guide to borrow from creditors. The purpose of such a policy is to safeguard the fulfillment of the rights of creditors and maintain creditor's confidence to the public company. The policy includes considerations in the agreement, and a follow-up to preserve the Public Company's obligations to creditors.</p>	<p>The Company has a policy to preserve the rights of creditors.</p>

No	Principles	Recommendation
		Public company has a policy of Whistleblowing System
		Public company has a policy of providing long-term incentives to directors and employees
E	Information Disclosure	
	Principle 8 To Improve the Implementation of Information Disclosure.	Public company utilizes wider use of information technology as medium of information disclosure.
		Public company Annual Report discloses the ultimate beneficial owner in Public company shareholding must at least has 5% (five percent), in addition to the disclosure of the ultimate beneficial owner in the Company's ownership through the main and controlling shareholders

Description of OJK Recommendation	Description and Implementation in the Company
<p>Whistleblowing system that has been prepared properly will ensure protection to the witness or the complainant on an indication of violations committed by employees or management of the public company. Implementation of whistleblowing policy will have an impact on corporate culture formation of good corporate governance. Policy on Whistleblowing system includes types of violations that can be reported through the system, reporting mechanism, protection and guarantee of confidentiality of the complainant, the handling of complaints, those who manage complaints and the results of remedy and follow-up of complaints.</p>	<p>Regulations on Whistleblowing System in BRI were issued in Circular Letter of Board of Directors Nomor.S.27-DIR/DKP/12/2016 on the Application of Whistleblowing System at BRI that aims at creating a conducive climate and encouraging all parties to be open and willing to convey information that can lead to financial and non-financial losses, including things that may damage reputation of BRI.</p>
<p>Long-term incentives are incentives based on the achievement of long-term performance. Long-term incentive plan has the basic premise that the company's long-term performance is reflected by the growth of share values or other long-term goals of public companies. Long-term incentive's benefits includes maintaining loyalty and providing motivation to the Board of Directors and employees to improve their performance or productivity which will in turn have an impact on improving the company's performance in the long term.</p> <p>The existence of long-term incentive provision is public company's real commitment to encourage the implementation of rewarding long-term incentives to Board of Directors and the Company's Employees with the terms, procedures and offers that can be adjusted to long-term goals of the Public Company. Such a policy may include, among others, the intent and purpose of long-term incentives, the terms and procedures for awarding incentives, and the conditions and risks that must be considered by the Public Company in offering long-term incentives. The policy can also be included in existing remuneration policy of the public company.</p>	<p>Long-term employee incentives is described in Employee' Welfare Section of this Annual Report.</p>
<p>The use of information technology can be useful as a medium of information disclosure which will not only contains public information set out in the legislation, but also other information deemed worthwhile to shareholders or investors.</p> <p>With the wider utilization of information technology (besides the Company's website), the Public Company is expected to improve the effectiveness of its information dissemination. Nevertheless, the utilization of information technology must also take into account its benefits and costs to the company.</p>	<p>The Company strives to improve the quality of information disclosure to stakeholders through the use of information technology, in addition to the Company's website. Omni Channel BRI is the means and the access point for BRI customers to get complete information about BRI's products and services as well as to submit a complaint through:</p> <ol style="list-style-type: none"> 1. Face-to-face via the Customer Service Unit operational work throughout the BRI. 2. Phone through 14 017, 1,500,017, and 021-57987400 3. Premium call via 021-5758899 and 08,001,017,017 4. Webchat through the website www.bri.co.id 5. Email in kartu_kredit@bri.co.id and contact center@bri.co.id 6. Internet Banking in https://ib.bri.co.id 7. Social media Twitter in @kontak_bri 8. Social media Facebook in Bank BRI Official
<p>Regulations in the Capital Markets governs the submission of annual report of the Public Company. Regulations has set the obligation of disclosure of information on the shareholders who own 5% (five percent) or more shares of the public company, as well as the obligation to disclose information on about major and controlling shareholders of the Public company, either directly or indirectly through the ultimate beneficial owner. In the Corporate Governance Guidelines, it is recommended to disclose the ultimate beneficial owner of the Public Company's ownership has at least 5% (five percent), in addition to revealing the ultimate beneficial owner of the shareholding by major and controlling shareholders.</p>	<p>Members of the Board of Commissioners has disclosed transactions of purchase and sale of securities through the Statement Letter. In accordance with the regulations of the Capital Market that there is obligation to disclose information on shareholders who own 5% (five percent) or more shares of the public company, as well as the obligation to disclose information about major and controlling shareholders of the Public company, either directly or indirectly and information on the ultimate beneficial ownership.</p>



05

Corporate Social Responsibility

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Corporate Social Responsibility

BRI is committed to implement CSR activities as it realizes that the growth and sustainability of its business relies heavily on community business activities and the community standard of living.



In line with BRI's business core focus on SMEs, the implementation of BRI's CSR activities also focuses on broad impact programs to improve the community's standard of living, particularly through economic empowerment programs. It is important to note that accomplishments of advanced countries have been linked closely to their achievements of the Sustainable Development Goals (SDGs) such as No Poverty, No Hunger, Good Health, Good Jobs and Economic Growth.

In addition, BRI has made efforts to raise environmental awareness (protect the planet), through:

1. The digitalization of business processes through a paperless system;
2. Commitment to avoid financing businesses that have a negative impact on the environmental;
3. Green program;
4. Environmental conservation

CSR POLICY AND IMPLEMENTATION GUIDELINES

BRI continues to develop and implement its CSR programs in a dynamic manner. In its implementation of CSR programs, BRI follows the principles of good corporate governance (GCG), which are guided by the following:

1. Republic of Indonesia Law No. 7 Year 1992 on Banking;
2. Republic of Indonesia Law no No. 8 Year 1999 on Consumer Protection;
3. Republic of Indonesia Law no. 13 Year 2003 on Manpower;
4. Republic of Indonesia Law no. 19 Year 2003 on State-Owned Enterprises;
5. Republic of Indonesia Law no. 40 on Limited Liability Companies;
6. FSARegulationNo.1/POJK.07/2013onConsumerProtection Financial Services Sector;
7. Circular Letter of the Board of Directors NOSE S.32-DIR/SKP/11/2013, dated 29 November 2013 on the Community Development Program PT BRI (Persero) Tbk;
8. Circular of Directors NOSE S.34-DIR/CO/04/2016, dated 11 April 2016 on Partnership Program PT BRI (Persero) Tbk;

9. Minister of SoE Regulation no PER-09/MBU/07/2015, dated July 3, 2015 on the Partnership Program and Environment/Community Development Program for State Owned Enterprises, as amended by the Minister of State Regulation PER-03/MBU/12/2016, dated December 16, 2016.
10. Joint Decree of the Board of Commissioners and Board of Directors of PT. Bank Rakyat Indonesia (Persero), Tbk No. 06-KOM/BRI/12/2013 & S. 65-DIR/DKP/12/2013 dated 16 December 2013 on the Code of Conduct at PT Bank Rakyat Indonesia (Persero) Tbk
11. BRI Director Letter No. 27-DIR/DKP/GCG/12/2016 dated 30 December 2016 on the Whistleblowing Policy System at BRI
12. Joint Decree of the Board of Commissioners and Board of Directors of BRI No.02 – KOM/BRI/05/2012 and Nokep: S.104-DIR/DKP/05/2012 dated 24 May 2012 on Managing Conflicts of Interest
13. Decree of the Board BRI Nokep: S.281-DIR/DKP/12/2011 December 30, 2011 on Corporate Culture of Compliance.
14. Letter of Directors of BRI No. B.01 DIR/DKP/03/2013 dated March 14, 2013 on Gratification.

In the area of consumer services, in particular, BRI refers to policies set by regulators and the Company's internal policies, including:

1. Bank Indonesia Circular Letter No. 16/16/DKSP/2014 dated September 30, 2014 on the Implementation of Consumer Protection Service Payment System.
2. FSA Circular Letter no 2/SEOJK.07/2014 on Services and Consumer Complaint Resolution at Financial Services Businesses
3. Decree of the Board of Directors of BRI Nokep: S.15-DIR/LYN/06/2015 on the Revision of Policies and Procedures of Settlement of Customer Complaints PT Bank Rakyat Indonesia (Persero) Tbk. (Decree of the Board BRI Nokep: S.15-DIR/LYN/06/2015 on Revision of Policies And Procedures on Settlement of Customer Complaints PT Bank Rakyat Indonesia (Persero) Tbk has been revoked and replaced by the Decree of the Board of Directors of BRI Nokep: S.1051- DIR/LCC/12/2016 Dated December 2, 2016 on Policies and Procedures Concerning Settlement of Customer Complaints PT Bank Rakyat Indonesia (Persero) Tbk.

VISION AND MISSION OF BRI CSR

BRI CSR Vision

Being at the forefront in the implementation of corporate social responsibility to provide sustainable values and benefits for stakeholders.

Program Mission

1. To conduct corporate social responsibility to support Bank BRI businesses in proper, well-planned, strategic, highly impacting and sustainable governance and management;
2. To create blended values for BRI and stakeholders;
3. To improve Bank BRI reputation in the eyes of stakeholders.

SCOPE OF ACTIVITIES AND BUDGET

With reference to the Financial Services Authority Circular No.30/SEOJK.04/2016, dated August 3, 2016, BRI's CSR activities are grouped into four (4) categories, including:

1. Responsibility to the environment;
2. Responsibility to employees' health and work safety;
3. Responsibility to social and community development; and
4. Responsibility to consumers.

CSR activities in the areas of social, community and environmental development are carried out through the Community Development Program (hereinafter referred to as BRI Peduli). As stipulated in the Regulation of the Minister of State-Owned Enterprises No. PER-09/MBU/07/2015 dated July 3, 2015 on the Partnership Program and Community Development Program for State-Owned Enterprises, as amended by the Minister of State Regulation PER-03/MBU/12/2016 dated December 16, 2016, the implementation of BRI Peduli program is executed in eight (8) sectors covering:

1. Indonesia Cerdas

BRI Peduli programs that focus on the education and/or training sector

2. Indonesia Sehat

Includes all activities in the area of healthcare

3. Indonesia Membangun

Comprises infrastructure development of public facilities that have a direct impact on the community

4. Indonesia Lestari

Program that reflects BRI's commitment to supporting environmental conservation

5. Indonesia Sejahtera

Indonesia Sejahtera Program includes BRI Peduli activities to assist the Government of Indonesia's poverty alleviation programs

6. Indonesia Peduli

Indonesia Peduli programs are implemented through emergency response activities in natural disaster-struck areas.

7. Indonesia Takwa

Indonesia Takwa involves BRI Peduli activities in building/constructing religious facilities

8. Indonesia Bermitra

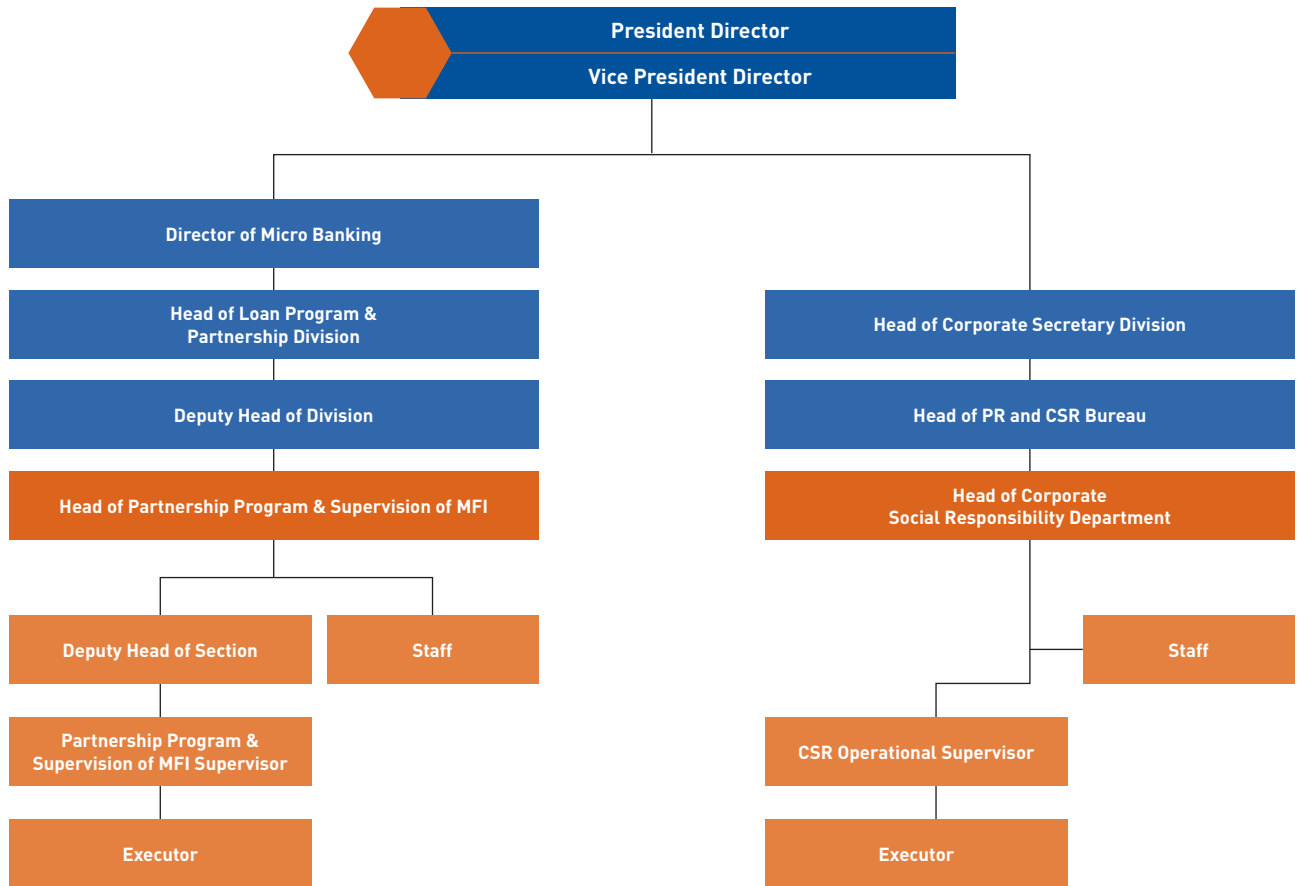
Training/Capacity building programs for the partners of BRI Loan Customers

BRI PEDULI BUDGET

Referring to applicable regulations, BRI Peduli Program 2016 was implemented using the remaining funds allocated for Community Development Program in 2015. BRI Peduli successfully channeled Rp132,71 billion into selected sectors in 2016 (budget details will be outlined in the discussion about social and community development).

MANAGEMENT STRUCTURE

The work unit responsible for the implementation of corporate social responsibility, particularly in the field of the Partnership and Community Development Program, BRI Peduli, is coordinated by the Food Business Division (Program and Partnership Business) and the Corporate Secretary Division. The organizational structure is as follows:





Corporate Social Responsibility as it Pertains to the Environment

POLICY AND IMPLEMENTATION

In general, BRI's business activities do not have a direct impact on the environment. Nevertheless, BRI is fully committed to managing and minimizing its operational impact on the environment. To this end, BRI has set up a special division to manage environmental issues under the Fixed Assets Management and Procurement of Goods and Services Division. This division performs policy, monitoring and strategic oversight functions. Environmental conservation management in the Bank's operational activities is exercised in the areas of water efficiency, paper consumption, energy and other natural resources.

BRI as a Pioneer of Sustainability Banking

As a part of the Sustainable Finance Roadmap 2015-2019 implementation program, BRI was selected by FSA as a participant in the "Indonesian First Mover in Sustainable Banking" pilot project. The signing of the commitment took place on 23 November 2015. The pilot project aims at integrating elements of Environmental, Social and Governance responsibility in BRI's banking activities.

To carry out these activities, BRI has established the Sustainable Finance Implementation Assistance Team pursuant to Nokep. S.140-DIR/DMR/02/2016, dated February 18, 2016. The team has been tasked with identifying the Bank's level of sustainable finance (green banking), improving sectoral financing policies for environmentally friendly industries, as well as conducting regular project-related coordination with the relevant agencies (FSA and WWF).

The implications of BRI's participation in the "Indonesian First Mover in Sustainable Banking" pilot project include:

- a. Bank BRI is committed to making policies and distribution of credit to business sectors that are environmentally friendly and have environmental impact analysis certification.
- b. Bank BRI is committed to avoiding loan distribution to businesses that damage the environment.
- c. Bank BRI is committed to efficient and environmentally friendly business operations.
- d. Bank BRI participates in coaching, educating, training and empowerment of people to care for the environment (planting, environmental sustainability and conservation).

BRI's Environment-Related Policies

a. Paperless System

Paperless policy and information technology are very relevant to the banking industry, including BRI's business. BRI focuses on both, thus efficient energy use, including efficient water use, will be continuously implemented. This promise was outlined in the Division Letter JBR No. B.612-JBR/KJR/07/2013, dated July 9, 2013, with reference to the Instructions of the President of the Republic of Indonesia No. 13 Year 2011 on energy and water conservation, as well as the Regulation of the Minister of Energy and Minerals No. 13 of 2012 on electricity saving.

BRI is committed to improving its operational efficiencies through reduced paper usage and better use of information technology. BRI's integrated information system benefits both its employees and customers as it supports operational efficiency.

Applications that Support BRI's Operational Efficiency

1. Intranet and Internet to enable real-time communication
2. E-SPJ application through which BRI employees can submit official travel requests online for their supervisor's approval
3. All policies to be implemented by BRI Work Units are disseminated through the Public Folder
4. BRI's Employee attendance is recorded with EDC
5. BRISTARS application, which implements integrated operational efficiency, consists of integrated applications as follows:
 - a. e-Rekrutmen is an online applications for prospective BRI employees
 - b. Digital Assessments are online assessments of each employee's competency
 - c. e-Mutasi allows the processing of employee transfers online
 - d. Data Pribadi, automated application that contains personal information
 - e. e-Cuti, online application which enables employees to apply for leave of absence and supervisors to approve their requests
 - f. e-SPJ, application to issue official orders electronically
 - g. E-Fasilitas Pinjaman Pekerja, online application to apply for loans

- h. e-Jaminan Pemeliharaan Kesehatan, online application to apply for reimbursement of medical expenses
 - i. e-Lembur, online application that issues Overtime Work Orders and automated overtime payments
6. BRIHC (BRI Human Capital) to manage HR business processes
 7. SMK (Performance Management System), online application to monitor employee performance
 8. Industrial Relations Portal to monitor violations of labor discipline
 9. e-Pensiun, information source about employee retirement benefits
 10. e-Corporate Culture to monitor the implementation of BRI's work culture among employees
 11. HR Consulting and Information displays the latest HR information
 12. e-Filling to meet the obligation for income tax return reporting
 13. Digital Office to improve efficiency and effectiveness of internal correspondence
 14. Online customer satisfaction survey to analyse BRI employee engagements.

Paperless Applications for BRI Customers

1. e-tax BRI, the first in Indonesia;
2. e-Form, formless frontline service at BRI work units;
3. e-statements, information delivery via registered email;
4. New account system to help clients connect loan products and current accounts into one account;
5. ATM 'without a print receipt' option;
6. Loan approval system;
7. E-Tilang;
8. E-Pasar;
9. E-UMKM;
10. E-Waroeng.

Paper Consumption Data

Description	Unit	2014	2015	2016
Paper Consumption	Ream	34,125	31,985	31,980
Procurement Expenses	Rp Million	1,083	1,218	1,175

b. Energy Consumption

BRI is committed to minimizing the amount of energy use across the Bank's operational areas. To do this, the Bank implemented a reduced electricity consumption strategy through the use of energy-saving lamps, setting reasonable office temperature, and maintaining near zero downtime. Furthermore, in terms of additional work units, the Bank is utilizing an integrated server and technology, ensuring that data is now centralized.

At the end of 2016, electricity consumption in the central office totalled 8.2285 million Kwh, down by 3.02% from 8.48452 million Kwh in 2015. This reduction is due to the replacement of all conventional lights in BRI 1 building with LED lamps.

c. Vehicle Use

BRI's commitment to maintaining clean environment is reflected in the use of PERTAMAX in all operational vehicles. This is in line with the government's policy since 2012 that requires all state-owned enterprise vehicles to use non-subsidized gasoline.

No	Description (Kilolitre)	2014	2015	2016
1.	Fuel Consumption	243.36	276.24	302.31

D. Environmental Impact Management

BRI has carried out various activities to minimize its environmental impact such as:

1. Solid waste management in cooperation with a licensed company;
2. The use of environmentally friendly fire extinguishers (APAR);
Replacing chlorofluorocarbon freon (CFC) with Halotron freon;

INDONESIA LESTARI

BRI supports, and is involved in, various environmental conservation and protection efforts. Its participation is reflected in the Company's CST environment program, namely BRI Peduli Indonesia Lestari.

In addition to the Bank's environmentally friendly operations, BRI is also committed to environmental sustainability through the Indonesia Lestari Program. The program focuses on two (2) main activities, i.e: reforestation and environmental conservation. In 2016, BRI allocated Rp1.99 billion to Program Indonesia Lestari, with the number of trees planted reaching 231,735.

The various activities that have been carried out include:

a. Reforestation Programs

Activity	Location	Total Trees
Mangrove Tree Planting at Sabang	Sabang	10,000
Mangrove Tree Planting at the north coastal areas of Regency of Ende	Ende	4,000
Tree Planting at Monkey Forest Ubud	Bali	119
Planting of 1.000 trees to commemorate the 2016 Earth Day	Jakarta	1,000
Tree Planting at Ecopark Cibinong	Jakarta	300
Environment Preservation through <i>Mangrove</i> , linked with the marketing of <i>Saving Bond</i> Retail (SBR) Series 002 Central Java	Central Java	100
Donating Sapodilla seeds during the event of the Movement of Santri Planting and Nurturing 1 million Trees in Situbondo	Situbondo	1,000
Reforestation in Patiayam Kudus	Kudus	21,450
Quality and Quantity Enhancement Program for the Open Green Space in Surabaya	Surabaya	2,635
Mangrove Tree Planting at Coastal Area of Sidoarjo	Sidoarjo	35,000

b. Environmental Conservation Activities

Activity	Location	Total Value (Rp)
Construction of the Holtikultura compass house for household organic waste management	Serang	250,000,000
Construction of clean water facilities for the elephant training center at the Way Kambas National Park Bandar Lampung	Bandar Lampung	154,250,000
Planting of timber seedlings in the Conservation Forest at Mata Air Sup area, Pujon Malang Region, East Java	Malang	50,000,000
Conservation activities in the area of Lake Toba, Samosir, North Sumatra	North Sumatra	30,000,000

HANDLING OF ENVIRONMENT-RELATED COMPLAINTS

In 2016, Bank BRI did not receive any complaints from third parties related to how BRI's operational activities impact the environment.

CERTIFICATION

Bank BRI does not have any certifications that relate to the environment.



Corporate Social Responsibility as it Pertains to Human Resources

BRI believes that human resources are one of the most important factors that support the sustainable growth of the Company. Human Resources Management is conducted by 3 (three) Divisions under the Director of Human Capital & Asset Management, namely the Division of Human Capital Policy and Development, the Human Capital Operations Division, and the Labor Contract Management and Outsourcing Division.

To build a harmonious relationship between the Company and its employees, BRI regularly holds discussions with labor unions to draft Collective Labor Agreements (CLA), which are valid for 2 years with a possible 1 year extension. The most recent CLA is valid for the period of 2015-2017. BRI CLA was approved by the Ministry of Manpower and Transmigration of the Republic of Indonesia, which is responsible for ensuring compliance with current statutory provisions. Therefore, BRI's CLA complies with the existing legislation.

In addition to PKB, BRI also has internal policies that regulate the rights and obligations of its employees, including:

1. Career Development;
2. Compensation and Benefits;
3. Performance Management;
4. Industrial Relations.

In general, both CLA and the Company's internal policies reflect its full commitment to the occupational health and safety of its employees, through the following:

Gender Equality and Equal Employment Opportunity

The Bank does not discriminate on the basis of gender, ethnicity, religion and race. Women should be able to work full time and be the breadwinners for their families. The Company's employment opportunities and career development are merit-based, taking into account the competence of each individual, which is measured in an objective manner.

Employee Composition based on Gender

No	Gender	2014	2015	2016
1	Male	51,030	51,867	52,474
2	Female	40,334	40,707	40,859
Total		91,364	92,574	93,333

BRI's equal employment opportunity policy is demonstrated through the recruitment of persons with disabilities, which has been carried out since 2016.

Difabel Employee based on Gender

No	Gender	2014	2015	2016
1	Male	-	-	64 employee
2	Female	-	-	6 employee
3	Difabel	-	-	70 employee

Furthermore, to support human talent in local regions, BRI gives candidates from such areas the same opportunity to join the Company. The distribution of the number of employees by region is as follows:

No	Region	2014		2015		2016	
		Male	Female	Male	Female	Male	Female
1	Audit	2,052	487	2,259	560	2,150	531
2	Special Branch Office	96	114	97	111	81	76
3	Head Office	2,152	1,271	1,873	1,052	1,542	851
4	Aceh Region	1,359	739	1,375	745	1,343	727
5	Bandung Region	5,285	3,362	5,283	3,358	5,570	3,485
6	Banjarmasin Region	2,376	1,965	2,468	2,067	2,428	2,047
7	Denpasar Region	2,426	2,153	2,487	2,257	2,529	2,293
8	Jakarta 1 Region	1,587	1,564	1,543	1,498	1,589	1,521
9	Jakarta 2 Region	2,243	2,315	2,260	2,308	2,289	2,240
10	Jakarta 3 Region	2,455	1,971	2,535	1,996	2,479	1,978
11	Jayapura Region	837	797	886	843	854	806
12	Lampung Region	1,501	1,023	1,700	1,110	1,767	1,142
13	Makassar Region	3,051	2,316	3,148	2,339	3,041	2,216
14	Malang Region	3,928	3,455	3,977	3,470	4,229	3,636
15	Manado Region	1,650	1,597	1,725	1,688	1,757	1,691
16	Medan Region	2,511	2,100	2,563	2,121	2,580	2,085
17	Padang Region	1,241	979	1,186	968	1,343	1,033
18	Palembang Region	2,111	1,445	2,147	1,495	2,164	1,462
19	Pekanbaru Region	1,704	1,286	1,777	1,312	1,734	1,295
20	Semarang Region	3,617	2,985	3,662	2,942	3,737	3,010
21	Surabaya Region	2,347	2,046	2,483	2,139	2,744	2,374
22	Yogyakarta Region	4,314	4,272	4,232	4,245	4,245	4,276
23	BRI Corporate University	157	54	168	62	239	69
Total		51,000	40,296	51,834	40,686	52,434	40,844
	BRI Subsidiaries Offices	37	26	21	19	25	14
	Overseas Branch Offices	4	1	12	2	15	1
	Subtotal	41	27	33	21	40	15
TOTAL		91,364		92,574		93,333	

Self Development Opportunities

BRI continuously conducts training and competence development at all employee levels. It is important to have employees with skills and competencies that can address current and future business challenges. During the training programs, BRI's employees are encouraged to learn, innovate and provide creative input to spur Company advancement. Training programs for all workers aim to improving their capacity in three main areas, namely: applied technical, analytical and managerial skills.

Throughout 2016, BRI allocated Rp577,09 billion to facilitate training at all employee levels. The budget was used more efficiently than that of 2015, which totalled Rp617,88 billion. This was due to the fact that in 2016 BRI implemented the Blended Learning strategy, which meant that the training was comprised of 10% in-house learning and 90% e-learning.

With in-house learning, BRI provided training sessions for 86,649 participants, while e-learning was provided through 57 modules, and was undertaken by 1,107,879 participants.

Remuneration and Benefits

BRI's compensation and benefits policy is determined in a fair manner, and with regard to the Company's strategy and business development. BRI's pay structure is designed to provide compensation to employees based on their competency and their workload, regardless of their gender. Fair and competitive compensation for employees also takes into account the needs of the Company. Remuneration and benefits consist of 2 (two) components, i.e fixed compensation consisting of basic salary and allowances, and variable compensation based on each employee's performance.

BRI applies a compensation benefit policy of salary increases based on job performance (merit increase), so that employees who perform well receive more wage increases. In addition, in order to encourage optimal performance, BRI offers a variable compensation component based on reaching targets. Employees who perform well receive high variable compensation. Underachievers receive lower variable compensation, or no variable compensation at all.

BRI ensures that the employees' minimum salary is above the minimum wage standards set by the government. An increase in the number of employees, and benefits, has led to an increase in the budget allocated to HR. BRI views this increase as an investment into employee competence.

Employment Expenses

(Rp Million)

Component	Bank Only		
	2014	2015	2016
Salaries, Wages, and Allowances	7,703,707	8,208,441	8,542,413
Bonuses, Incentives and Tantiem	3,560,825	4,929,883	5,816,691
Education and Development	665,405	618,641	578,568
Medical Allowances	249,705	295,453	358,918
Jamsostek Contribution	211,570	431,471	522,249
Work Separation Scheme	185,182	196,040	153,281
Defined Contribution Pension	146,527	198,322	231,105
Grand Leaves	276,299	264,713	308,429
Defined Benefit Pension	108,480	543,325	513,384
Gratuity for Services	137,568	76,718	150,349
Others	316,807	198,028	472,964
Total	13,562,075	15,961,035	17,648,351

Table of Highest to Lowest Salary Ratio

Note	Ratio
Highest and Lowest Salary of Employees	49.47 : 1
Highest and Lowest Salary of Directors	1.11 : 1
Highest and Lowest Salary of Commissioners	1.11 : 1
Highest Salary of Directors and Employee	1.84 : 1

Employee Turnover

In 2016, BRI Employee Engagement Survey, which is conducted annually, garnered the score of 3.2 out of 4. The engagement survey is conducted to measure each employee's sense of belonging to the Company. It should be noted that the result matched BRI's low 1.11% employee turnover rate, which is much lower than the industry average of 18%. This figure reflects BRI's favorable work environment, which encourages each employee's spirit to work and innovate.

Employee Turn Over Data

Year	Number of Permanent Employee at Beginning of Year	New Recruitment	Number of Employee Resign	Number of Permanent Employee at End of Year
2014	41,848	10,245	528	45,835
2015	48,913	7,924	645	54,834
2016	54,859	17,649	707	59,108

Employee Labor-Related Complaint Handling Mechanism

BRI's Management believes that its careful handling of labor-related complaints reflects the Bank's commitment to maintaining harmonious relationships between the management and the employees. BRI's management has issued the Whistleblowing System to handle labor-related complaints. The system is a monitoring tool directly under the control of the Company's Top Management through short messages (Short Message Service/SMS) or written letters addressed directly to the President Director of the Company.

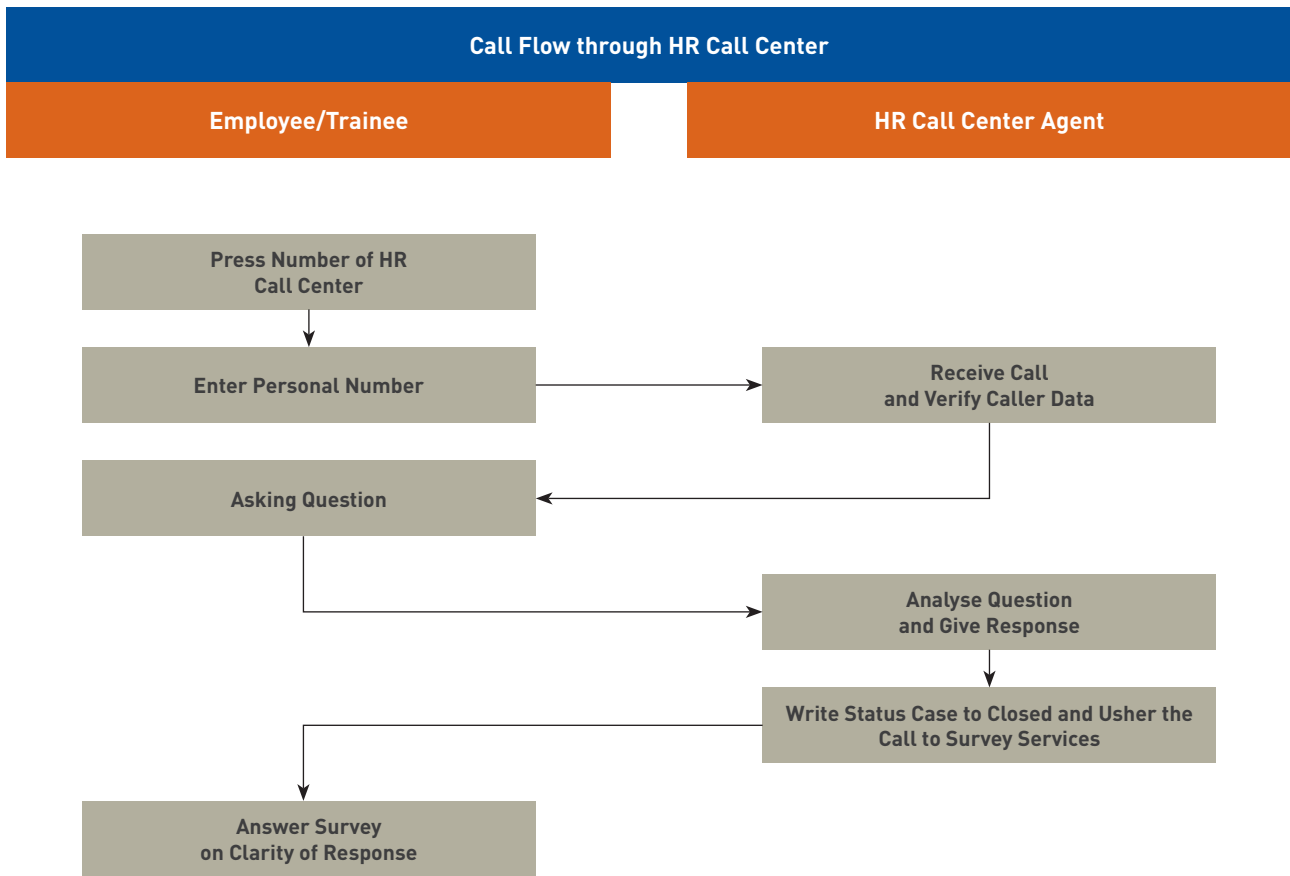
Besides the Whistleblowing System (WBS), BRI has a HR Call Center, a communication channel to deal with complaints related to employees. Through the center, employees can communicate HR-related issues, whether these are work-related or non-work-related, that might have a direct impact on their employment. Opening up communication channels for all employees demonstrates the Company's commitment to maintaining harmonious relations between the Company and its employees.

Number of Labor-Related Complaints

Number of Call through HR Call Center

	2014	2015	2016
Incoming Calls	297	23,602	22,909
Resolved/Replied Calls	297	23,602	22,909

Call Flow through HR Call Center



Occupational Health and Safety

BRI makes every effort to ensure Occupational Health and Safety (K3) for its employees, including:

Prevention

To prevent accidents and fires, and ensure first aid in case of employee accidents (P3K), BRI has outlined provisional guidelines that include:

1. Conditions and occupational hazards in the workplace
2. All safety and protection tools required in the workplace
3. Personal safety equipment for employees
4. Safe manner in carrying out job duties

BRI has been conducting fire drills. The latest was held on December 23, 2016.

BRI's Risk Management Work Accidents Policy

In Business Areas	In Non-Business Areas
<p>High rise buildings, home offices, home stores and e-channel mobile work units</p> <ul style="list-style-type: none"> Occupational healthy and safety measure implementation is facilitated by the building management authority Regular training and information about evacuating high-rise buildings Basic Training in the use of fire extinguishers Rescue training for building security personnel Provision of relevant and sufficient OSE facilities, including oxygen tubes (O2), first aid kits, emergency slides and exit windows Provision of two ambulances at the headquarters, in collaboration with BRI Medica (a BRI subsidiary) 	<p>Location of project development and customer visits</p> <ul style="list-style-type: none"> OSE implementation is facilitated by project management Requirement that all employees join safety inductions Provision of an occupational accident insurance policy to all employees, covering personal accidents and work-related accidents

GMCU Facilities And Payments

BRI provides general medical healthcare facilities and check-ups. BRI assigns employees with a mild disability to appropriate positions based on their capabilities.

In addition, BRI also provides life and personal accident insurance for all employees, in case an employee is injured when carrying out his or her work duties (death and disability benefits).

In the event of the death of an employee that falls under a provision of the insurance policy, the benefits are delivered to their legal heirs pursuant to the applicable regulations.



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).

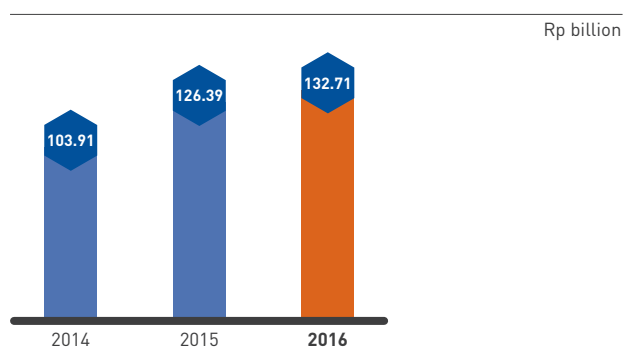
REALIZATION OF DISBURSEMENT FOR COMMUNITY DEVELOPMENT PROGRAMS - BRI PEDULI

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

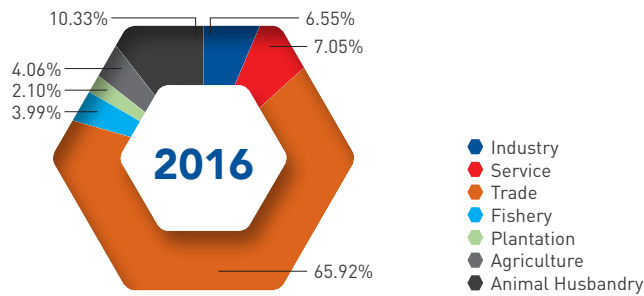
In 2016, the Partnership Loan reached Rp89.76 billion, which was disbursed to 1,634 trained partners. This was a significant increase from 2015 due to a better marketing strategy that targeted individuals with small businesses that have never enjoyed a loan facility from a bank or a financial institution.

The distribution of Partnership Program funds in the last 3 (three) years was as follows:

(Rp Million)

BRI Peduli Program	2014	%	2015	%	2016	%
Industry	1,945	6.78%	5,152	11.10%	5,882	6.55%
Services	2,572	8.97%	3,199	6.90%	6,329	7.05%
Trading	17,965	62.66%	28,899	62.29%	59,168	65.92%
Fisheries	825	2.88%	1,537	3.31%	3,580	3.99%
Plantations	955	3.33%	415	0.89%	1,886	2.10%
Agriculture	2,396	8.36%	2,405	5.18%	3,645	4.06%
Livestock	2,012	7.02%	4,788	10.32%	9,269	10.33%
SOEs synergy	28,670	100.00%	46,395	100.00%	89,759	100.00%
Development fund			8,072		0	
Fostering Fund	172		34		0	
Grand Total	28,842		54,501		89,759	

The composition of funds distribution per sector in 2016 is as follows.



Fund Distribution of the Partnership Program

Distribution	Year of Realization		
	2014	2015	2016
Realization (Rp million)	28,670	54,501	89,759
Fostered Partner	668	1,347	1,634

Partnership Loan Distribution Method

Distribution of the partnership loan to prospective partners is conducted with the Bank’s general lending approach in mind. Before the loan is granted, the loan committee makes background checks, taking into account the character and product of the prospective partner, as well as the creative processes carried out to add value to the product, and the availability and capacity of local employment.

Another scheme that could be applied to Partnership Loan disbursement is a special scheme through cooperation with third parties such as SOE distributors and/or other distributors based on a Loan Channelling Agreement which contains the rights and obligations of each party.

Partners who have received a Partnership Loan are expected to increase their business size, so it can access commercial financing.

Furthermore, partners can create business clusters in economically thriving areas marked by the emergence of newcomer and seasoned entrepreneurs. The establishment of business clusters provides a variety of benefits, including: efficiency and effectiveness of program implementation, coaching time efficiency, administration and supervision, product marketing efficiency and efficiency of production processes. Considering its many benefits, BRI increasingly focuses on distributing Partnership Program funds with this approach in mind (formation of clusters).

Partnership Coaching

BRI provides a coaching program to prepare its partners to become more independent, gain broader insight and be more confident to compete in a bigger market. Coaching can be done by BRI or a designated third party.

The coaching program can be tailored to meet the needs of the partners, and might include education, training, apprenticeship, marketing, promotion and other programs that can improve BRI partners' productivity and business growth.

In 2016, BRI conducted a coaching program in its Surabaya branch. BRI invited local government agencies from Cooperatives and Industry/Trade Agencies as resource persons who provided information about business opportunities. During the coaching program, partners had the opportunity to join a sharing session about the development of business and future business opportunities.

No	Exhibition	Date	Location
1	Training for Fostered Partner of BRI Surabaya RO	02-May-16	Hotel Ibis Surabaya
2	Bazaar Ramadhan by Dharma Wanita Persatuan Ministry of Finance	1 – 3 June 2016	Gedung Dhanapala Ministry of Finance of RI
3	Bazaar Ramadhan of Bank BRI	20 – 24 June 2016	Gedung Sentra BRI Sudirman



SUCCESS STORY OF FOSTERED PARTNER

Woro Indah Boutique

Butik Woro Indah is a boutique that incorporate various local motifs in Indonesia into a modern designed muslim wears. By using traditional pattern, the Muslim wear from this boutique is well received by market in the country and overseas. It was Ms. Woro Indah Dwiastuti that gave birth to the idea of incorporating traditional culture into muslim wears. She is a woman with a sense of entrepreneurship and a spirit to preserve her cultural heritage, especially

those of Javanese tradition, since she is Javanese. Stationed at the Presidential Security Force (Paspampres) Training Center, at Tanah Abang, DKI Jakarta, she was a dentist by day, but a fashion designer by night creating muslim wears. The clothing she created rapidly found favour with her colleagues, and soon after she received flow of orders from customers, wanting fashionable muslim wears with accents and motifs inspired by Indonesian culture. As the volume of order increased, she decided to hire employees skilled in sewing, cutting, overlocking, and finishing, from the people living in her neighbourhood. Began with 5 employees, each has their own skill, she turned her home at Jl. Jakarta Kav. A no.11 Blok L, Cinere Rt.001 Rw.009 Kel. Cinere Kec. Cinere Kota Depok into a home industry for muslim wears.

As her customers increases, she decided to fully engage in the business of producing and trading muslim wears. Challenge by challenge spurred her creativity to flow, along with the increasing volume of order from customers, from wedding gown, gamis wears, muslim wears to modern designed hijab, so that later she decided to resign from her profession as dentist and became a full-time fashion designer. As reference for clothing fashion, in addition to Indonesian culture of, she also combines her design with western culture, so she never hesitate to attend fashion events in various countries, especially in Paris. Her design and production expertise is increasingly improved that her Muslim wears, wedding dresses and modern clothing managed to gain international recognition. By conducting world-class exhibitions in Paris and London, to Singapore and throughout Indonesia, her production is increasingly being recognized and loved by fashion lovers. Named after her own name, Woro Indah Collection, her first outlet was Butik Woro Indah at Pejaten Village Up Ground Fl. No. 01, in process of time, she opened branch outlets at Selangor (Malaysia), and Sabah (Malaysia). As the acculturation of the various traditional Indonesian culture, and combined with the modern western culture, her production is recognized as a world class creation.

Her production of Muslim dresses, wedding apparel, modern clothing uses original Indonesian fabric from many regions, such as songket, batik, traditional woven fabric, combined with imported fabric from Malaysia and Singapore, which was made of Indian textile, resulted in a rich combination of fashion. Since production is increasing, and having opened branches in and abroad, she increased the number of employees from 5 to 30, according to the expertise of each, so that production can meet the demands. In addition to increasing the number of employees, she also gets Partnership Loan (PKBL) from BRI Kanca Cinere Jakarta, in early May 2016 amounted to Rp75,000,000, to increase her supply. Judging from the quality of her production, with average price of Muslim dress from Rp 1,000,000 up to Rp5,000,000; while for the wedding dress price varies, ranging from Rp 10,000,000 to tens of millions of rupiah; and for modern clothing priced Rp500,000 up to 1,000,000, so that consumers who come or ordering are from the upper middle classes consumers, and not infrequently wives of government officials routinely ordered clothing from Woro Indah.

Sales is done through online marketing, or through routine domestic exhibition, among others was Inacraft, which was held in various parts of Indonesia and which she routinely becomes participant. A number of branches of Boutique Woro Indah helps providing various jobs for the local people. Lesson that one can learn from the history of success of Ms Woro Indah and her boutique which has gained world class recognition is that any business conducted with determination, sincerity and seriousness to rise and go forward, are the key to her business success.

BRI'S ANTI-CORRUPTION POLICIES AND PROCEDURES

BRI has a business ethics and code of conduct policy in line with good corporate governance practices. The Bank continues to improve its practices in line with the most recent dynamics/developments, namely anti-corruption culture, by applying its 'Code of Conduct' procedures. The Code of Conduct encompasses a standard of behavior that is deemed reasonable and appropriate for all BRI employees when conducting business, including with stakeholders. The Code applies to all BRI personnel at all organizational levels.

To strengthen its Anti-Corruption Culture, BRI regularly appeals to its employees to act with integrity and refuse gratuities. The appeal involves two directives from the Board of Directors including:

- BRI Directors Letter No. B.31 DIR/DKP/GCG/09/2016 and No. B.32 DIR/DKP/GCG/09/2016 dated 20 September 2016 regarding the Prohibition of Providing Rewards to Fellow Employees.
- BRI Directors Letter No. B.46 DIR/DKP/GCG/12/2016 and No. B.47 DIR/DKP/GCG/12/2016 regarding the appeal to ban the funding Religious Celebrations and New Year celebration 2017

In addition, the Bank also cooperates with KPK (Corruption Eradication Commission) in its effort to maintain the Company's integrity, and has signed an Anti-Gratification Handling and Commitment Pact. This collaboration officially commenced on July 22, 2016.

Furthermore, BRI also has a policy that governs conflicts of interest, where each BRI employee is required to make an Annual Disclosure that they do not have a Conflict of Interest and have followed the Company's Code of Conduct.

Any violations of the Company's Code of Conduct can be reported via BRI's Whistleblowing System. The system has been amended and enacted on December 30, 2016. BRI's Whistleblowing System is a reporting tool available to internal BRI employees, as well as the public, which can be used to report any behavior or act by an employee that violates BRI's Code of Conduct.

BRI is very serious about its anti-corruption and graft policy, as evidenced by the implementation of its 2016 agenda, including:

No	Event	Date	Location
1	Hearings about Gratification Cases	5 March 2016	Gedung KPK, Jakarta
2	Gratification Control Commitment, and its socialization at BRI and KPK	22 July 2016	Gedung BRI I 21 st Floor, Jakarta
3	Workshop on the Gratuity Control Policy Manual for BRI	23 – 25 November 2016	Hotel Sheraton, Bandung
4	Participation in Anti-Corruption Day	9 December 2016	Pekanbaru



Anti-Corruption Training

No	Type of Training	Location	Number of Participants
1	Workshop on Drafting BRI's Gratification Control Program Policy	Bandung	26
2	The Bank's Role in Preventing Banking Crime Through an Integrated Internal Control System	Bali	5
3	The importance of Whistleblower Regulations and Practices	Surabaya	2
4	Identification of Suspicious Transactions (TKM)	Jakarta	7
5	The role of the Bank in "Preventing and Combating Banking Crime"	Batam	2
6	Training on how to deal with suspicious transactions, and Internal Auditor	Jakarta	2
7	Compliance Enforcement	Yogyakarta	3

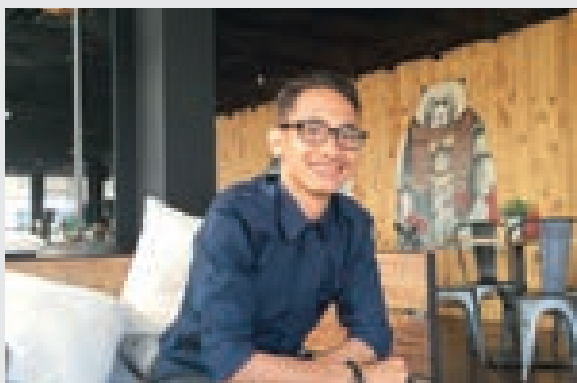


Tri Juanda - Student from ITB

Achievement with BRI

I was one of the recipients of scholarships Nusantara Cerdas Batch II, and was studying at the Institute of Technology Bandung. With the help of Nusantara Cerdas scholarships, I could finish my study in 2015. It was such a remarkable experience for me to be selected to receive the scholarship, because this scholarship really supports my study. The scholarships appointed my professor as foster parent, in monitoring and motivating me during my study. Hopefully, this scholarship can be socialized and touch more Indonesian students, so that they too can have equal opportunities in pursuing education in the best educational institutions without any financial problems.

This scholarship also gives me a good overview of BRI, so that after graduated I enrolled myself in BRI PPS and now I work as Junior Staff for E-Banking & Cards of the Regional Office of BRI Jayapura. Viva BRI!



Winfrid Frido Mauk - Student in Yogyakarta

BRI All-out Scholarship

When viewed at a glance, BNC BRI is a program that is common with most similar programs, namely scholarship program. Only provide tuition fee and so forth, and left the rest for each of us to deal with. But that was not the case. As scholarship recipient student, we were asked to join a new community of scholarship recipient student and develop inter connection among us and event BRI VIP. The Dean at other faculty becomes my foster parent in Jogja. I did learn a lot from them. Such extra-ordinary experience can not be found from other scholarship program. The program is more than enough in helping with my study.

Besides freeing me from tuition fee, it also provides me with money for day-to-day living. I stopped burdening my parent for my monthly pocket money, for daily needs or books. It felt like being an employee paid monthly to study. However, I learned not to live lavishly, instead, I learned to better manage my personal financial affairs. When to use my money, and when to save it in my saving account.

Now, I joined as BRI as permanent employee at BRI Priority Service Center (SLP) at Denpasar, serving as Priority Banking Officer. I do wish that in the future i can contribute to BRI and to share my knowledge gained during my study, putting it into real work. Thank you.



Corporate Social Responsibility as it Pertains to Customers

Customers are BRI's strategic stakeholders who have a direct affect on its future business sustainability. Therefore BRI continues to develop services in line with the requirements of its urban customers and customers in remote areas throughout Indonesia. With the motto "Serving with Sincere Heart", BRI has a service-oriented mindset. BRI's corporate culture means that each employee knows not just how to run Bank's services but also why they exist.

CUSTOMER SERVICE POLICY

BRI's customer service policy is outlined in a service guideline manual called BRI Service Culture "CAKRAM," which focuses on efficiency, accuracy, friendliness, security and comfort of service.

Efficiency

- Serving customers promptly, and in accordance with the Service Level Agreement, with due regard to the principle of caution.
- Responding to customer complaints immediately, and in accordance with the Service Level Agreement, trying to reach win-win solutions

Accuracy

- Accurately documenting customer transactions.
- Providing information to customers within the integrated support system.

Friendliness

- Incorporating family values as a hallmark of BRI by providing services to customers with a personal touch.
- Making a positive impression on customers through positive attitudes, polite manner and attractive appearance.
- Communicating with familiarity and professionalism.

Security

- Providing a sense of security to customers through a reliable support system and professional human resources with high integrity.
- Maintaining confidentiality of customer data.
- Accurately documenting customers' financial records
- Maintaining security of all things entrusted by customers.

Comfort of Service

- Providing clean, neat, well-maintained and pleasant facilities and surroundings.
- Providing well-functioning equipment and infrastructure to meet customers' needs

PRODUCT INFORMATION MANAGEMENT

BRI provides information needed by customers based on type of product: savings, loans or banking services. Comprehensive information on product features, costs, benefits and inherent risks must be available. By identifying and controlling legal risks inherent in each product, BRI has not faced any product infringements in relation to customers during the reporting period

To ensure reliability, the information is delivered to customers through authoritative and responsible work units. To facilitate easy access, all information related to the Bank's range of products and services is also available to all stakeholders on www.bri.co.id, the social media and twitter @promo_BRI @kontakbri, mobile banking, as well as a 24-hour contact center

CUSTOMER DATA SECURITY

As a company engaged in financial services, and in accordance with BRI's Code of Conduct, the Bank prioritizes maintaining confidentiality of customer data. This commitment is in line with the regulations issued by the regulator, including Law No. 7 of 1992 concerning Banking. Article 40 of this Law states that "Banks are prohibited from providing confidential information". Another regulation concerning confidentiality is Article 31 of the FSA Regulation No. 1/POJK.07/2013 on Consumer Protection in the Financial Services Sector, which stipulates that "The financial services business is prohibited in any way from providing data and/or information about its customers to third parties."

BRI realizes that the trust of its customers is important to the Bank's growth. Therefore, besides adhering to the regulations, BRI continues to uphold its confidentiality policy, which has been implemented in its operational and business processes, such as:

- 1) BRI has internal rules about protection of customer data (Div Service Letter No. B.425-LYN/KPO/05/2015, dated May 5, 2015).

- 2) BRI must ensure the confidentiality of customer data from any unauthorized parties in accordance with all applicable regulations. Every BRI Contact Center officer is required to sign a statement of compliance with BRI's Code of Ethics as stipulated in the Decree of the Board of Commissioners and Directors of PT Bank Rakyat Indonesia (Persero) Tbk No. 06-KOM/BRI/12/2013, S.65-DIR/DKP/02/2013 on the Code of Ethics of PT Bank Rakyat Indonesia (Persero) Tbk.
- 3) When customers open a bank account, their data is inputted into BRI's system by an employee authorized to do so by high level officials. In addition, all BRI's employees have been given a password.
- 4) Not all workers have the authority to access the Bank's customer database. This is to mitigate risk and safeguard BRI's customer database security.
- 5) All BRI's employees have signed a Collective Labor Agreement, which states their commitment to maintaining confidentiality of customer data.
- 6) The employees who are authorized to have access to customer data must sign an additional agreement to reinforce their commitment to maintaining confidentiality of customer data.
- 7) All PCs used by front liners and other authorized employees who have access to customer data, have been equipped with a hardening system to prevent potential leakage, and attacks, of customer data.
- 8) BRI's customer service policy is outlined in a service guide manual called BRI service culture "CAKRAM": efficiency, friendliness, accuracy, security and comfort of service. To keep information "SECURE", BRI continues to maintain confidentiality of customer data.

In addition to the above processes, the Company also provides education to raise customers' awareness and alert them to potential security risks when conducting transactions. Among them are calls for caution when performing transactions, and ensuring that frontliners alert customers to any potential fraud.

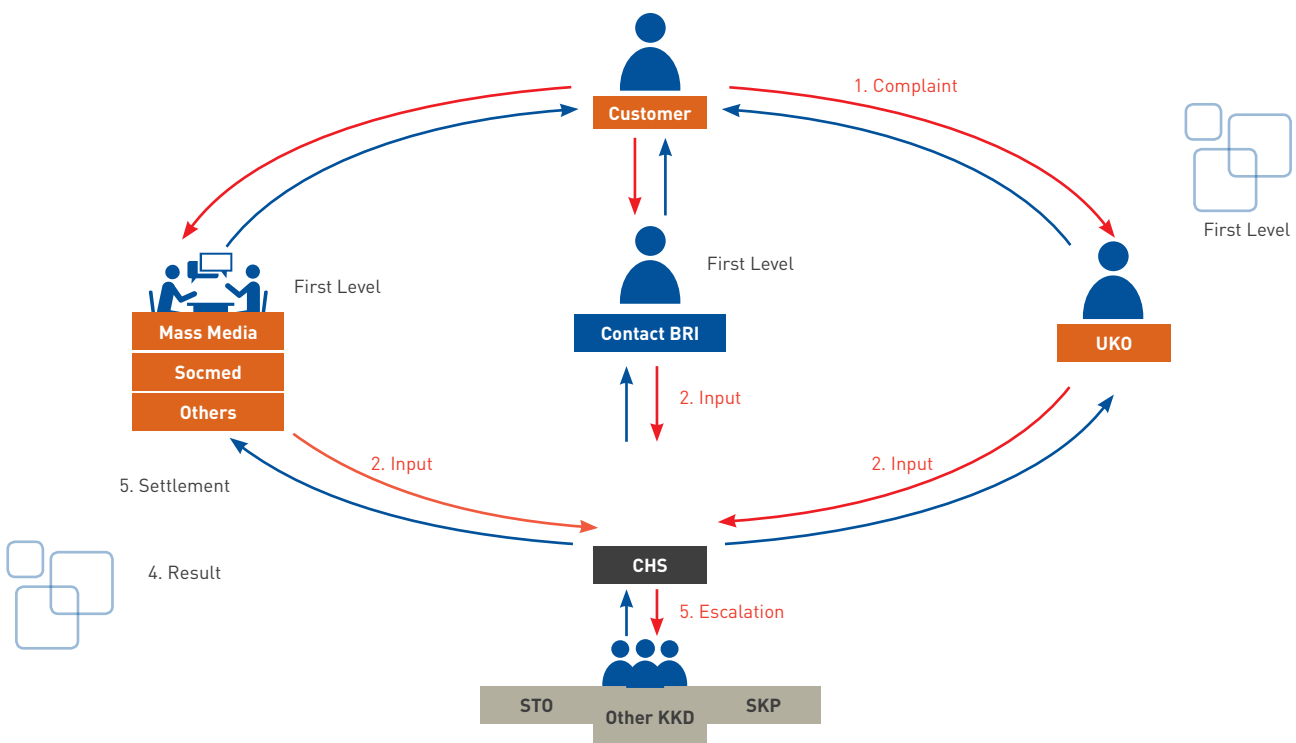
CUSTOMER COMPLAINTS SERVICE

BRI believes that customer complaints provide essential input for improving the quality of its services and products. Through a centralized system of complaint handling, BRI provides customers with the means to express their grievances and to recommend future improvements. Therefore, every customer complaint must be identified and responded to quickly. BRI uses an omni-channel as an access point for BRI’s customers who either require information about BRI’s products and services, or wish to lodge a complaint. Customers can submit a complaint through one of the channels below:

1. Face-to-face Customer Service at BRI Operating Unit;

2. Telephone 14 017, 1,500,017, or 021-57987400/Premium call via 021-5758899 or 08,001,017,017;
3. Webchat at www.bri.co.id;
4. Email callbri@bri.co.id;
5. Internet banking at <https://ib.bri.co.id>;
6. Twitter at @kontak_bri;
7. Facebook at BANK BRI Official;
8. Whatsapp and SMS 08.1212.14017.

BRI can take up to 20 (twenty) working days to resolve a customer complaint, as outlined in its Service Level Agreement (SLA).



BRI’s complaint mechanism is as follows:

A. Complaint Procedures:

1. Complaints from customers are expressions of their dissatisfaction due to potential financial losses that might be incurred due to the bank’s error or omission.
2. A customer should immediately report their complaint to BRI through one of the designated channels as soon as possible after the condition in point 1.
3. Complaints may be made verbally or in writing to:
 - a. Special Branch Office/Branch Office/Cash Office/ Teras BRI, or received by customer service;
 - b. Priority Service Centers and BRI Digital Branches, received by Priority Banking Assistant;
 - c. BRI Call Center Phone Numbers, 14 017 or 1500017;
 - d. E-mail BRI (via the contact us menu on the website www.bri.co.id or callbri@bri.co.id);
 - e. Through social media BRI bank officials.

4. Complaints made verbally must contain the following information:
 - a. Customer Data;
 - b. Description of the problem
5. Complaints made verbally must contain the following information:
 - a. Customer complaint form that contains customer data and describes the problem;
 - b. A copy of the client's identity card (KTP);
 - c. Evidence of the financial transaction at BRI that relates to the complaint/other supporting documents that relate to the complaint.
6. Complaints via email must contain the following information:
 - a. Customer data and the description of the problem;
 - b. Scanned files/data captures of the financial transaction at BRI that relates to the failed complaint.
7. A customer claim submitted verbally must be settled within 2 (two) business days of the complaint, while a customer claim submitted in writing must be settled within 20 (twenty) business days of the complaint;
8. Any unsatisfactory resolution of a complaint related to a financial loss can be moved to banking mediation

For evaluation purposes, the work units that handle complaints at the Bank must register and review all complaints to improve BRI's services in the future. Complaints should be resolved quickly on priority basis. The following data shows the number of complaints, follow-ups and settlements of customer claims in 2016:

Period	Complaints Signed	Complaints Followed up	Complaints Settled
2014	391,911	391,911	348,319
2015	626,847	626,847	568,833
2016	725,657	725,657	714,904

In terms of the types of complaints, the data for 2016 is as follows:

Types of Complaint:	Total Complaint	Complaint Resolved
Finance	725,657	714,904 (98.52%)
Availability of Information	735,051	734,767 (99.96%)
Customer Privacy	3	2 (66.67%)
Non-Financial	1,183,413	1,177,845 (99.53%)
Quality of Service	4,239	4,193 (98.91%)
Etc	-	-
Total	2,648,363	2,631,711 (99.37%)

CUSTOMER SATISFACTION SURVEY

BRI regularly conduct customer satisfaction surveys, with the results used to improve the quality of customer service. To obtain accurate survey results, BRI uses two (2) methods: internal survey conducted jointly by the Assurance divisions in the Head Office and in the Regional Offices, and external survey carried out by independent institutions using comparative variables, i.e services offered by competitors in the banking industry.

In 2016, a survey by Carre (independent survey agency) was carried out in four cities: Jabodetabek, Surabaya, Semarang and Medan. BRI's SQIndex was 4.0205, and above the industry average of 3.9979. This illustrates that BRI's customers are generally satisfied with the Bank's services and products.

Improvements made by BRI to provide better quality of service to its customers have also been recognized by credible institutions as reflected in these awards received by BRI in 2016:

1. DIAMOND SQ Award;
2. Gold Champion of Indonesia WOW Service Excellence Award in the Region of Bali Kalimantan in the category of Conventional Bank BUKU IV;
3. Silver Champion of Indonesia WOW Service Excellence Award in the Region of Sulawesi, Papua in the category of Conventional Bank BUKU IV;
4. Indonesia Digital Hot Brand Award 2016 Call Center category by Bank TRANSnCO Research.



Muhamad Adib
Administrator of Kader Desa Brilian School

SUCCESS STORY OF FOSTERED PARTNER

Insha Allah, Teras Usaha Sidat Can Grow as Fast as BRIsat

Fifteen months ago, when CSR BRI facilitated Sekolah Kader Desa Brilian to learn about eel cultivation, we thought that after the training, we will only manage eel farming and sell them to exporters. But along the way, there were many parties interested to participate in cultivating eels. That is why since the beginning of January 2016, located in the village of Singasari Karanglewases districts, Teras Usaha Sidat Brilian now also becomes a place for people who wish to learn the cultivation of eels.

People comes not only from Banyumas, but also from various districts/municipalities in Central Java, and from various other provinces, namely: East Java, West Java, Banten, Jakarta, Yogyakarta, Lampung and West Sumatra. As of December 2016 there were more than 1,200 (one thousand two hundred) people came to visit and learn the cultivation of eels in Teras Usaha Sidat Brilian.

In addition to the community, many officials/Members of Representative House, academics and community organizations in Banyumas and Central Java Province, who also came to visit, and to taste the delicacy of eel prepared by the participants at Sekolah Kader Desa Brilian. The Central Java Governor, Mr. Ganjar Pranowo, also highly appreciated the presence and activities of Teras Usaha Sidat Brilian.

In the event of “Apel Siaga Penyuluh” of Central Java, attended by 2000 (two thousand) mentors from Central Java, Teras Usaha Sidat Brilian get the chance to present our eel cultivation business as one of the strategic and leading commodities of Central Java.

During one year of its journey, Teras Usaha Sidat Brilian has learned a lot, one of which is that eel is a marine species that has good benefits for health and intelligence, since it contains many vitamins and other nutrients that are beneficial to health. Such learning gave birth to a new consciousness which we implemented in the new year January 1, 2017. It was inspired from BRI CSR slogan, namely “PROUD OF INDONESIA”

Teras Usaha Sidat Brilian applies PROUD OF INDONESIA and determined NOT TO SELL the cultivated eel to exporters and foreign people. But we are committed to making eel as fish consumed by many Indonesia so that this nation will eventually rise into a healthy, intelligent and strong nation.

To realize the determination, starting on January 1, 2017, Teras Usaha Sidat Brilian develops Eel Culinary Business, with the tagline of “ALL YOU CAN EAT PAY WHAT YOU WANT” and in a short time thousands of people came to visit the Teras Usaha Sidat Brilian to enjoy the delicacy of eels. They came from Banyumas, Cilacap, Purbalingga, Banjarnegara, Tegal, Brebes, Pemalang, Pekalongan, Semarang, Magelang, Cirebon, Yogyakarta also DKI Jakarta. Alhamdulillah, although using the scheme PAY WHAT YOU WANT, Teras Usaha Sidat Brilian managed to generate profit and we are confident that we can make eel as a leading commodity in Indonesia.

Finally, along with our thankfulness to God the Merciful and the Compassionate, we would like to thank BRI CSR for inspiring us to do more for our country. We are sure, as BRI goes global with BRIsat, we can go nationwide as the Training and Culinary Center of Eel.



Theodorus Ega

SUCCESS STORY OF FOSTERED PARTNER

Copycino: Creative Business, Teras Usaha Mahasiswa

When I attended one of the activities held by Bank BRI, namely "Teras Usaha Mahasiswa", I was very grateful for the guidance and mentorship provided by BRI. We were also given a tour of BRI office and met many great people. I also felt very grateful for the invitation to attend ensikla, a TV show ran by Kompas TV, as well as participating in

a number of exhibition event. After named as the national champion, we received many offers for collaboration from various parties. During the event, we learned various things from sharing with fellow young businessmen from various background. Bank BRI facilitated us to grow even bigger. We are thankful for the help given to us and we do wish that Bank BRI will keep organizing "Teras Usaha Mahasiswa" so it can inspire my fellow young businessmen to keep on creating. Again, I, Theodorus Ega, as the CEO of COPYCINO and on behalf of the participants of "Teras Usaha Mahasiswa" would like to thank BRI and all other parties involved in organizing the event. We are looking forward to having next invitations, and offers for collaboration between BRI and COPYCINO. Thank you.

**PT Bank Rakyat Indonesia (Persero) Tbk
and its Subsidiaries**

Consolidated Financial Statements

**As of December 31, 2016
and for the year then ended
with Independent Auditor's Report**

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PT BANK RAKYAT INDONESIA (PERSERO)

KANTOR PUSAT

Jalan Jenderal Sudirman No. 44 - 46 Transid Pos 10941000 Jakarta 10210
 Telepon: 021 2510244, 2510254, 2510264, 2510285, 2510279
 Faksimil: 021 2500077 Kawat: KANPUSBRP
 Teleks: 62293, 62456, 62458, 62461

**BOARD OF DIRECTORS' STATEMENT
 REGARDING
 THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
 AS OF DECEMBER 31, 2016
 AND FOR THE YEAR THEN ENDED
 PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARIES**

We, the undersigned:

1. Name : Awwali Syam
 Office Address : Jl. Jenderal Sudirman No.44-46 Jakarta 10210
 Residential Address : Jl. Cilandak Dalam Raya No. 4E Cilandak South Jakarta
 Telephone : 021 -5751756
 Title : President Director

2. Name : Hana Kosmaharyo
 Office Address : Jl. Jenderal Sudirman No. 44-46 Jakarta 10210
 Residential Address : Jl. Cempaka Lestari 4 Blok G/5 Lebak Bulus South Jakarta
 Telephone : 021 - 575 1751
 Title : Director

Declare that:

1. We are responsible for the preparation and the presentation of the consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries;
2. PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries' consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries has been disclosed in a complete and truthful manner;
 b. PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries' consolidated financial statements do not contain any incorrect material information or facts, nor do they omit material information or facts;
4. We are responsible for PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries' internal control system.

This statement has been made truthfully.

Jakarta, January 20, 2017
 For and on behalf of the Board of Directors


 Awwali Syam
 President Director




 Hana Kosmaharyo
 Director



Purwantono, Sungkoro & Surja

Indonesian Bank Exchange Building
Floor 2, 7th Floor
Jl. Jend. Sudirman Km. 52/53
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This report is originally issued in the Indonesian language.

Independent Auditors' Report

Report No. RPC-2879/PSS/2017

The Shareholders, Boards of Commissioners and Directors
PT Bank Rakyat Indonesia (Persero) Tbk

We have audited the accompanying consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2016, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



This report is originally issued in the Indonesian language.

Independent Auditors' Report (continued)

Report No. RPC-2879/PSS/2017 (continued)

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Bank Rakyat Indonesia (Persero) Tbk and its subsidiaries as of December 31, 2016, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matter

Our audit of the accompanying consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and its subsidiaries as of December 31, 2016 and for the year then ended was performed for the purpose of forming an opinion on such consolidated financial statements taken as a whole. The accompanying financial information of PT Bank Rakyat Indonesia (Persero) Tbk (parent entity), which comprises the statement of financial position as of December 31, 2016, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "Parent Entity Financial Information"), which is presented as a supplementary information to the accompanying consolidated financial statements, is presented for the purposes of additional analysis and is not a required part of the accompanying consolidated financial statements under Indonesian Financial Accounting Standards. The Parent Entity Financial Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. The Parent Entity Financial Information has been subjected to the auditing procedures applied in the audit of the accompanying consolidated financial statements in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. In our opinion, the Parent Entity Financial Information is fairly stated, in all material respects, in relation to the accompanying consolidated financial statements taken as a whole.

Purwantono, Sungkoro & Surja

Drs. Hari Purwantono
Public Accountant Registration No. AP.0684

January 20, 2017

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As of December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	December 31, 2016	December 31, 2015
ASSETS			
Cash	2a,2c,3	25,212,024	28,771,635
Current Accounts With Bank Indonesia	2a,2c,2f,4	55,635,946	61,717,798
Current Accounts With Other Banks	2a,2c,2d,2e, 2f,5,44	11,022,715	8,736,092
Placements With Bank Indonesia and Other Banks	2a,2c,2d,2e, 2g,6,44	78,142,754	49,834,664
Securities	2a,2c,2d,2e, 2h,7,44	131,483,324	124,891,293
Allowance for impairment losses		(758)	(758)
		<u>131,482,566</u>	<u>124,890,535</u>
Export Bills	2c,2d,2e,2i, 8,44	9,345,472	7,280,883
Government Recapitalization Bonds	2c,2d,2h,9, 44	3,318,434	3,815,958
Securities Purchased Under Agreement to Resell	2c,2d,2u,10, 44	1,557,370	845,125
Derivatives Receivable	2c,2e,2ak,11	91,657	-
Loans	2c,2d,2e,2j, 12,44	643,470,975	564,480,538
Allowance for impairment losses		(22,184,296)	(17,162,183)
		<u>621,286,679</u>	<u>547,318,355</u>
Sharia Receivables and Financing	2c,2d,2e,2k, 13,44	17,748,943	16,614,006
Allowance for impairment losses		(492,156)	(352,252)
		<u>17,256,787</u>	<u>16,261,754</u>

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	December 31, 2016	December 31, 2015
ASSETS (continued)			
Finance Lease Receivables	2c,2e,2l, 14	2,200,300	-
Allowance for impairment losses		(130,000)	-
		<u>2,070,300</u>	<u>-</u>
Acceptances Receivable	2c,2d,2e,2m, 15,44	5,692,583	5,163,471
Investment in Associated Entities	2c,2d,2e,2n, 16,44	2,439	269,130
Premises and Equipment	2o,2p,17		
Cost		32,262,349	14,687,468
Accumulated depreciation		(7,747,290)	(6,648,188)
Net book value		<u>24,515,059</u>	<u>8,039,280</u>
Deferred Tax Assets - net	2a,38c	2,520,930	1,983,774
Other Assets - net	2c,2e,2p,2q, 2r,18	14,490,711	13,497,858
TOTAL ASSETS		<u>1,003,644,426</u>	<u>878,426,312</u>

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	December 31, 2016	December 31, 2015
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities Due Immediately	2c,2s,19	5,410,313	5,138,562
Deposits From Customers	2c,2d,2t,44		
Demand Deposits	20	141,419,020	113,429,343
<i>Wadiah</i> Demand Deposits		1,127,843	937,745
Saving Deposits	21	298,110,406	268,058,865
<i>Wadiah</i> Saving Deposits		4,176,761	3,715,929
<i>Mudharabah</i> Saving Deposits		983,121	696,198
Time Deposits	22	293,029,378	267,884,404
<i>Mudharabah</i> Time Deposits		15,679,845	14,272,895
Total Deposits From Customers		<u>754,526,374</u>	<u>668,995,379</u>
Deposits From Other Banks and Financial Institutions	2c,2d,2t,23, 44	2,229,538	11,165,073
Securities Sold Under Agreement to Repurchase	2c,2d,2u,7, 24,44	7,302,398	11,377,958
Derivatives Payable	2c,2ak,7,11	347,217	445,753
Acceptances Payable	2c,2d,2m,15, 44	5,692,583	5,163,471
Taxes Payable	2a,38a	942,401	1,497,262
Marketable Securities Issued	2c,2v,25	24,800,781	10,521,103
Fund Borrowings	2c,2d,2w,26, 44	35,008,170	35,480,358
Estimated Losses on Commitments and Contingencies	2d,2e,2ao,27, 44	895	1,242
Liabilities for Employee Benefits	2d,2af,28,42, 44	9,451,203	8,063,738
Other Liabilities	2c,2z,2ae,29, 45b	10,111,453	7,392,766
Subordinated Loans	2c,2x,30	1,008,510	56,468
TOTAL LIABILITIES		<u>856,831,836</u>	<u>765,299,133</u>

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As of December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	December 31, 2016	December 31, 2015
LIABILITIES AND EQUITY (continued)			
EQUITY			
Capital stock - par value Rp250 (full Rupiah) per share Authorized - 60,000,000,000 shares (consisting of 1 Series A Dwiwarna share and 59,999,999,999 Series B shares)			
Issued and fully paid capital - 24,669,162,000 shares (consisting of 1 Series A Dwiwarna share and 24,669,161,999 Series B shares)	1,31a	6,167,291	6,167,291
Additional paid-in capital	31b	2,773,858	2,773,858
Revaluation surplus arising from fixed assets - net of tax	2o,17	13,824,692	-
Differences arising from the translation of foreign currency financial statements	2aj,31c	23,490	49,069
Unrealized gain (loss) on available for sale securities and Government Recapitalization Bonds - net of deferred tax	2h	75,618	(1,145,471)
Gain on remeasurement defined benefit plans - net of deferred tax	2af	665,870	541,468
Treasury Stock	1d	(2,418,948)	(2,286,375)
Retained earnings	31d,31e		
Appropriated		3,022,685	18,115,741
Unappropriated		122,286,786	88,617,280
Total Retained Earnings		125,309,471	106,733,021
Total Equity Attributable to Equity Holders of the Parent Entity		146,421,342	112,832,861
Non-controlling interest	2b	391,248	294,318
TOTAL EQUITY		146,812,590	113,127,179
TOTAL LIABILITIES AND EQUITY		1,003,644,426	878,426,312

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Year Ended December 31,	
		2016	2015
INCOME AND EXPENSES FROM OPERATIONS			
Interest and Sharia Income	32		
Interest income	2aa	92,151,312	83,007,745
Sharia income	2k,2ac	2,636,677	2,426,292
Total Interest and Sharia Income		94,787,989	85,434,037
Interest and Sharia Expense	33		
Interest expense	2aa	(26,176,473)	(26,141,100)
Sharia expense	2ac	(1,035,502)	(1,013,170)
Total Interest and Sharia Expense		(27,211,975)	(27,154,270)
Interest and Sharia Income - net		67,576,014	58,279,767
Premium Income	2ad	2,474,579	-
Claim Expense	2ad	(2,410,192)	-
Premium Income - net		64,387	-
Other Operating Income			
Other fees and commissions	2ab	9,222,558	7,355,973
Recovery of assets written-off		4,496,825	3,788,388
Gain on sale of securities and Government Recapitalization Bonds - net	2h,7,9	447,580	86,485
Unrealized gain on changes in fair value of securities - net	2h,7	31,025	-
Gain on foreign exchange - net	2ai,2aj	-	467,167
Others		3,015,124	2,157,471
Total Other Operating Income		17,213,112	13,855,484
Provision for impairment losses on financial assets - net	2e,34	(13,700,241)	(8,891,305)
Reversal of (provision for) allowance for estimated losses on commitments and contingencies - net	2ao,27b	347	(844)
Provision for allowance for impairment losses on non-financial assets - net	2p	(90,757)	(8,056)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Year Ended December 31,	
		2016	2015
Other Operating Expenses			
Salaries and employee benefits	2d,2af,35, 42,44	(18,485,014)	(16,599,158)
General and administrative	2o,36	(11,975,745)	(10,380,547)
Premium paid to Government Guarantee Program	46	(1,364,741)	(1,296,475)
Foreign currency transaction losses - net	2ai,2aj	(273,832)	-
Unrealized loss on changes in fair value of securities	2h,7	-	(10,945)
Others		(4,998,988)	(2,988,571)
Total Other Operating Expenses		(37,098,320)	(31,275,696)
OPERATING INCOME		33,964,542	31,959,350
NON OPERATING INCOME - NET	37	9,228	534,668
INCOME BEFORE TAX EXPENSE		33,973,770	32,494,018
TAX EXPENSE	2a/,38b,38c	(7,745,779)	(7,083,230)
INCOME FOR THE YEAR		26,227,991	25,410,788
Other comprehensive income:			
Items not to be reclassified to profit or loss			
Remeasurement on defined benefit plans		165,615	555,776
Revaluation surplus arising from fixed assets	17	14,315,527	-
Income tax related to items not to be reclassified to profit or loss		(532,239)	(138,944)
Items to be reclassified to profit or loss			
Exchange rate differences on translation of foreign currency financial statements	2aj	(25,579)	(7,399)
Unrealized gain (loss) on available for sale securities and Government Recapitalization Bonds		1,641,313	(1,264,123)
Income tax related to items to be reclassified to profit or loss		(412,621)	316,032
Other Comprehensive Income (Loss) For the Year - After Tax		15,152,016	(538,658)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		41,380,007	24,872,130

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Year Ended December 31,	
		2016	2015
INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the Parent Entity		26,195,772	25,397,742
Non-controlling interest		32,219	13,046
TOTAL		26,227,991	25,410,788
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Equity holders of the Parent Entity		41,340,376	24,861,081
Non-controlling interest		39,631	11,049
TOTAL		41,380,007	24,872,130
BASIC EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY (full Rupiah)	2ah,49	1,071.51	1,030.43

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized Loss on Available for Sale Securities and Government Bonds - Net of Deferred Tax	Gain on Remeasurement on Defined Benefit Plans - Net of Deferred Tax	Treasury Stocks	Retained Earnings		Total Equity Attributable to Equity Holders of the Parent Entity	Non-controlling Interest	Total Equity
								Appropriated	Unappropriated			
Balance as of December 31, 2014		6,167,291	2,773,858	56,468	(198,888)	124,147	-	15,449,160	73,158,614	97,530,650	175,184	97,705,834
Income for the year		-	-	-	-	-	-	-	25,397,742	25,397,742	13,046	25,410,788
Other comprehensive income	2h,2aj	-	-	(7,399)	(946,583)	417,321	-	-	-	(536,661)	(1,997)	(538,658)
Total comprehensive income for the year		-	-	(7,399)	(946,583)	417,321	-	-	25,397,742	24,861,081	11,049	24,872,130
Distribution of income	31d	-	-	-	-	-	-	-	(7,272,495)	(7,272,495)	(1,189)	(7,273,684)
Dividends		-	-	-	-	-	-	-	(2,666,581)	-	-	-
Addition to specific reserves		-	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interest from acquisition of BRI Life	1f	-	-	-	-	-	-	-	-	-	121,594	121,594
Effect of changes in non-controlling interest of BRI Agro	1f	-	-	-	-	-	-	-	-	-	(12,320)	(12,320)
Treasury Stock	1d	-	-	-	-	-	(2,286,375)	-	-	(2,286,375)	-	(2,286,375)
Balance as of December 31, 2015		6,167,291	2,773,858	49,069	(1,145,471)	541,468	(2,286,375)	18,115,741	88,617,280	112,852,861	294,318	113,127,179

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized (Loss)/ Gain on Available for Sale Securities and Government Bonds - Net of Deferred Tax	Gain on Remeasurement on Defined Benefit Plans - Net of Deferred Tax	Treasury Stocks	Revaluation Surplus Arising from Fixed Assets - Net of Tax	Retained Earnings		Total Equity Attributable to Equity Holders of the Parent Entity	Non-controlling Interest	Total Equity
									Appropriated	Unappropriated			
Balance as of December 31, 2015		6,167,291	2,773,858	49,069	(1,145,471)	541,468	(2,286,375)	-	18,115,741	88,617,280	112,832,861	294,318	113,127,179
Income for the year		-	-	-	-	-	-	-	-	26,195,772	26,195,772	32,219	26,227,991
Other comprehensive income	2h, 2aj, 17	-	-	(25,579)	1,221,089	124,402	-	13,824,692	-	-	15,144,604	7,412	15,152,016
Total comprehensive income for the year		-	-	(25,579)	1,221,089	124,402	-	13,824,692	-	26,195,772	41,340,376	39,631	41,380,007
Distribution of income	31d	-	-	-	-	-	-	-	-	(7,619,322)	(7,619,322)	(1,994)	(7,621,316)
Dividends		-	-	-	-	-	-	-	-	-	-	63,688	63,688
Additional paid in capital		-	-	-	-	-	-	-	(15,093,056)	15,093,056	-	-	-
Specific reserves reclassification	31d	-	-	-	-	-	-	-	-	-	-	-	-
Changes in non-controlling interest from acquisition of BRI Life		-	-	-	-	-	-	-	-	-	-	(4,405)	(4,405)
Treasury Stock	1d	-	-	-	-	-	(132,573)	-	-	-	(132,573)	-	(132,573)
Balance as of December 31, 2016		6,167,291	2,773,858	23,490	75,618	665,870	(2,418,948)	13,824,692	3,022,685	122,286,766	146,421,342	391,248	146,812,590

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Year Ended December 31,	
		2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Income received			
Interest and investment income		91,595,203	82,595,882
Sharia income		2,636,677	2,426,292
Premium Income		2,474,579	-
Expenses paid			
Interest expenses		(26,038,559)	(26,101,932)
Sharia expenses		(1,035,502)	(1,013,170)
Claim expenses		(2,410,192)	-
Recoveries of assets written-off		4,511,717	3,800,055
Other operating income		9,333,633	9,544,614
Other operating expenses		(35,297,823)	(25,782,430)
Non-operating income - net		479	523,028
Payment of income tax and tax bill		(6,182,996)	(7,000,011)
Cash flows before changes in operating assets and liabilities		39,587,216	38,992,328
Changes in operating assets and liabilities:			
Decrease (increase) in operating assets:			
Placements with Bank Indonesia and other banks		100,000	(100,000)
Securities and Government Recapitalization Bonds at fair value through profit or loss		254,367	(800,992)
Export bills		(2,064,589)	3,247,102
Securities purchased under agreement to resell		(712,245)	38,158,470
Loans		(87,463,887)	(77,198,420)
Sharia receivables and financing		(1,254,192)	(1,156,677)
Finance lease receivables		(2,214,946)	-
Other assets		(662,511)	(2,388,153)
Increase (decrease) in operating liabilities:			
Liabilities due immediately		264,342	(1,899,903)
Deposits:			
Demand deposits		27,989,677	23,999,076
<i>Wadiah</i> demand deposits		190,098	315,832
Saving deposits		30,051,541	35,336,346
<i>Wadiah</i> saving deposits		460,832	417,270
<i>Mudharabah</i> saving deposits		286,923	322,382
Time deposits		25,144,974	(15,573,140)
<i>Mudharabah</i> time deposits		1,406,950	1,855,767
Deposits from other banks and financial institutions		(8,935,535)	2,509,681
Securities sold under agreement to repurchase		(4,075,560)	(4,434,003)
Other liabilities		3,417,378	3,963,481
Net Cash Provided by Operating Activities		21,770,833	45,566,447

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

These consolidated financial statements are originally issued in the Indonesian language.

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)**

	Notes	Year Ended December 31,	
		2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of dividends	16	235	483
Acquisition of premises and equipment	17	(3,653,072)	(3,285,398)
Decrease (increase) in available for sale and held to maturity securities and Government Recapitalization Bonds		328,455	(53,441,154)
Net Cash Used in Investing Activities		(3,324,382)	(56,726,069)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Payments of) proceeds from fund borrowing		(647,350)	9,930,290
Purchase of Treasury Stock	1d	(132,573)	(2,286,375)
Dividends paid		(7,621,316)	(7,273,684)
Proceeds from (payments of) subordinated loans		952,042	(21,114)
Proceeds from marketable securities issued		15,510,825	4,845,207
Payments of marketable securities due	25	(980,000)	(3,390,000)
Net Cash Provided by Financing Activities		7,081,628	1,804,324
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		25,528,079	(9,355,298)
INCREASE IN CASH FROM BRI FINANCE ACQUISITION		36,764	-
EFFECT OF EXCHANGE RATE CHANGES ON FOREIGN CURRENCIES		1,279	12,800
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		163,388,757	172,731,255
CASH AND CASH EQUIVALENTS AT END OF YEAR		188,954,879	163,388,757
Cash and cash equivalents at end of year consist of:			
Cash	2a		
	3	25,212,024	28,771,635
Current accounts with Bank Indonesia	4	55,635,946	61,717,798
Current accounts with other banks	5	11,022,715	8,736,092
Placements with Bank Indonesia and other banks - maturing within three months or less since the acquisition date	6	78,142,754	49,734,664
Certificates of Bank Indonesia and Deposits Certificates of Bank Indonesia - maturing within three months or less since the acquisition date	7	18,941,440	14,428,568
Total Cash and Cash Equivalents		188,954,879	163,388,757

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2016 and for the Year Then Ended
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1. GENERAL

a. Establishment

PT Bank Rakyat Indonesia (Persero) Tbk (hereinafter referred to as "BRI") was established on and started its commercial operations on December 18, 1968 based on Law No. 21 year 1968. On April 29, 1992, based on Government of the Republic of Indonesia (the "Government") Regulation No. 21 year 1992, the legal status of BRI was changed to a limited liability corporation (Persero). The change into a limited liability corporation was documented by notarial deed No. 133 dated July 31, 1992 of notary Muhani Salim, S.H., approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-6584.HT.01.01.TH.92 dated August 12, 1992 and published in Supplement No. 3A of the Republic of Indonesia State Gazette No. 73 dated September 11, 1992. BRI's Articles of Association was then amended by notarial deed No. 7 dated September 4, 1998 of notary Imas Fatimah, S.H., pertaining to Article 2 on "Term of Corporate Establishment" and Article 3 on "Purpose, Objectives and Business Activities" to comply with the provisions of Law No. 1 year 1995 on "Limited Liability Company" that was approved by the Ministry of Justice of the Republic of Indonesia in its Decision Letter No. C2-24930.HT.01.04.TH.98 dated November 13, 1998 and was published in Supplement No. 7216 of the Republic of Indonesia State Gazette No. 86 dated October 26, 1999 and notarial deed No. 7 dated October 3, 2003 of notary Imas Fatimah, S.H., among others, regarding the Company's status and compliance with the Capital Market Laws which were approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its Decision Letter No. C-23726 HT.01.04.TH.2003 dated October 6, 2003 and published in Supplement No. 11053 of the Republic of Indonesia State Gazette No. 88 dated November 4, 2003.

Based on Bank Indonesia's Decision Letter No. 5/117/DPwB2/PWPwB24 dated October 15, 2003, regarding "SK appointment of BRI as a foreign exchange commercial bank", BRI has been designated as a foreign bank through Letter of Monetary Board No. SEKR/BRI/328 dated September 25, 1956.

Based on notarial deed No. 51 dated May 26, 2008 of notary Fathiah Helmi, S.H., BRI amended its Articles of Association, among others, to comply with the provisions of Law No. 40 year 2007 on "Limited Liability Company" and Capital Market and Financial Institution Supervisory Agency's ("Bapepam-LK") Regulation, whose function has been transferred to the Financial Services Authority ("OJK") since January 1, 2013, No. IX.J.I on "The Main Provisions of the Articles of Association of a Company that Conduct Public Offering of Shares and Public Company", which was approved by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-48353.AH.01.02.Year 2008, dated August 6, 2008 and was published in Supplement No. 23079 of the Republic of Indonesia State Gazette No. 68 dated August 25, 2009.

Subsequently, BRI's Articles of Association has been amended several times, the last amendment was documented in Deed No. 1 dated April 1, 2015, on the adjustment of the Articles of Association with the prevailing OJK regulation(s), notarised by Fathiah Helmi, S.H., and was accepted and recorded in the Legal Administration System in accordance with the Decision Letter of the Ministry of Laws and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0054353 dated April 8, 2015. According to Article 3 of the Articles of Association of BRI, BRI's scope of business is to conduct business in the banking sector, in accordance with the prevailing law and regulations, by implementing the principles of Limited Liability Company.

BRI is owned by the Indonesian government as the majority shareholder.

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As of December 31, 2016 and for the Year Then Ended
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1. GENERAL (continued)

b. Recapitalization Program

As a realization of the recapitalization program for commercial banks, set forth in Government Regulation No. 52 year 1999 regarding the Increase in Investments in Shares by the Republic of Indonesia in State-Owned Banks, BRI received all the recapitalization with a nominal amount of Rp29,149,000 in the form of Government Recapitalization Bonds issued in 2 (two) tranches at their nominal amounts of Rp20,404,300 on July 25, 2000 and Rp8,744,700 on October 31, 2000 (Note 9).

Furthermore, as stated in the Management Contract dated February 28, 2001 between the Republic of Indonesia represented by the Government through the Ministry of Finance and BRI, the Government determined that in order to achieve a minimum capital adequacy ratio of 4%, BRI's requirement for recapitalization is Rp29,063,531. Therefore, BRI has returned the excess amount of recapitalization with a nominal of Rp85,469 in the form of Government Recapitalization Bonds to the Republic of Indonesia on November 5, 2001.

On September 30, 2003, the Ministry of Finance issued Decision Letter No. 427/KMK.02/2003 dated September 30, 2003 regarding the final amount and implementation of government's rights, which arose from the recapitalisation program for commercial banks through which the Republic of Indonesia contributed Rp29,063,531.

c. Initial Public Offering of Shares and Stock Split

In relation to BRI's Initial Public Offering (IPO) of shares, based on the registration statement dated October 31, 2003, the Government, acting through the Ministry of State-Owned Enterprises agreed to conduct an IPO of 3,811,765,000 Series B common shares of BRI, consisting of 2,047,060,000 Series B common shares owned by the Republic of Indonesia (divestment) and 1,764,705,000 new Series B common shares, alongside over-subscription of option and over-allotment of option.

The IPO consists of the International Public Offering (under Rule 144A of the Securities Act and "S" Regulation) and the Indonesian Public Offering. BRI submitted its registration to Bapepam-LK and such registration statement became effective based on the Chairman of Bapepam-LK letter No. S-2646/PM/2003 dated October 31, 2003.

BRI's IPO of shares consists of 3,811,765,000 shares with a nominal value of Rp500 (full Rupiah) per share and with a selling price of Rp875 (full Rupiah) per share. Subsequently, over-subscribed shares of 381,176,000 and over-allotted shares of 571,764,000 were exercised at a price of Rp875 (full Rupiah) per share on November 10, 2003 and December 3, 2003, respectively. After BRI's IPO and the underwriters' exercise of the over-subscribed option and the over-allotted options, the Republic of Indonesia owns 59.50% of BRI equity shares. On November 10, 2003, the above mentioned offered shares started its first trading at the Jakarta and Surabaya Stock Exchanges (currently the Indonesia Stock Exchange). At the same time, all BRI shares were also listed (Note 31b).

Based on notarial deed No. 38, dated November 24, 2010, notary Fathiah Helmi, S.H., stock split was performed on shares with nominal value of Rp500 (full Rupiah) per share to Rp250 (full Rupiah) per share. The Republic of Indonesia's Ministry of Laws and Human Rights stated in its letter No. AHU.AH.01.10-33481 dated December 29, 2010, that the deed had been received and recorded in its Legal Administrative System database based on its letter No. AHU.AH.01.10-33481 dated December 29, 2010. The Stock split was performed in 2011 and BRI scheduled that January 10, 2011 would be the last day on which shares with a nominal value of Rp 500 (full Rupiah) would be traded in Regular Market and Negotiated Market and January 11, 2011 would be the date of commencement of legitimate trade for shares with new nominal value of Rp250 (full Rupiah).

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1. GENERAL (continued)

d. Treasury Stock

BRI through its letter No. R.224-DIR/DIS/09/2015 dated September 25, 2015 submitted a request for approval to OJK to conduct BRI's stock repurchase as many as Rp5,000,000, and this has been approved by OJK through its letter No. S-101/PB.31/2015 dated October 6, 2015. Furthermore, BRI submitted information disclosure to the Indonesia Stock Exchange in connection with the share repurchase plan for shares that had been issued and listed on the Stock Exchange as many as Rp2,500,000 through its letter No. B.696-DIR/SKP/10/2015 dated October 9, 2015. The buyback is carried out within a period of 3 months between October 12, 2015 until January 12, 2016. As of December 31, 2015 and January 12, 2016, BRI purchased 210,118,600 shares (Note 30a) and 221,718,000 shares (nominal value of Rp250 (full Rupiah) per share) with acquisition cost of Rp2,286,375 and Rp2,418,947, respectively (Note 30a).

e. Structure and Management

BRI's head office is located at BRI I Building, Jl. Jenderal Sudirman Kav. 44-46, Jakarta.

As of December 31, 2016 and 2015, BRI has the following network of working units (unaudited):

	December 31, 2016	December 31, 2015
Regional Offices	19	19
Head Inspection Office	1	1
Regional Inspection Offices	19	19
Domestic Branch Offices	462	462
Special Branch Office	1	1
Overseas Branch/Representative Offices	4	4
Sub-branch Offices	609	603
Cash Offices	984	983
BRI Unit	5,380	5,360
Teras and Teras Mobile	3,180	3,178
Floating Teras	3	1

As of December 31, 2016 BRI has 2 (two) overseas branch offices located in the Cayman Islands and Singapore, 2 (two) representative offices located in New York and Hong Kong, and 4 (four) subsidiaries, namely PT Bank BRISyariah, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd., Hong Kong, PT Asuransi Jiwa Bringin Jiwa Sejahtera and PT BRI Multifinance Indonesia. On the other hand, as of December 31, 2015 BRI has 2 (two) overseas branch office located in the Cayman Islands and Singapore, 2 (two) representative offices located in New York and Hong Kong, and 4 (four) subsidiaries, namely PT Bank BRISyariah, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd., Hong Kong and PT Asuransi Jiwa Bringin Jiwa Sejahtera

Based on the accounting policies of BRI, the coverage of BRI's key management are boards of commissioners, directors, audit committee, remuneration committee, the head of divisions, head of internal audit and inspectors, head of regionals, head of special branch and head of branch. The number of BRI's employees as of December 31, 2016 and 2015 are 58,885 and 54,859 employees (unaudited), respectively.

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1. GENERAL (continued)

e. Structure and Management (continued)

The composition of the Board of Commissioners of BRI as of December 31, 2016 appointed based on the minutes of BRI's Extraordinary Shareholders' General Meeting held on March 23, 2016 as stated under the Notarial Deed No. 01 of Notary Fathiah Helmi, S. H., while the composition of the Board of Commissioners of BRI as of December 31, 2015 appointed based on the minutes of BRI's Extraordinary Shareholders' General Meeting held on August 12, 2015, as stated under the Notarial Deed No. 12 of Notary Fathiah Helmi, S. H., are as follows:

	December 31, 2016	December 31, 2015
President/Independent Commissioner	Mustafa Abubakar	Mustafa Abubakar
Vice President Commissioner	Gatot Trihargo	Gatot Trihargo
Independent Commissioner	Adhyaksa Dault	Adhyaksa Dault
Independent Commissioner	Ahmad Fuad	Ahmad Fuad
Independent Commissioner	A. Fuad Rahmany	A. Fuad Rahmany
Independent Commissioner	A. Sonny Keraf	A. Sonny Keraf
Commissioner	Vincentius Sonny Loho	Vincentius Sonny Loho
Commissioner	Jeffry J. Wurangian	Jeffry J. Wurangian
Commissioner	Mahmud ^{*)}	-

*) In the approval process by the Financial Services Authority (OJK) on Fit and Proper Test in accordance with the prevailing laws and regulation

The composition of the Board of Directors of BRI as of December 31, 2016 was determined based on the minutes of BRI's Shareholders' Annual General Meeting held on March 23, 2016, as stated in the Notarial Deed No. 01 of Notary Fathiah Helmi, S. H., whereas the composition of the Board of Directors of BRI as of December 31, 2015 was determined based on the minutes of BRI's Extraordinary Shareholders' General Meeting held on August 12, 2015 as stated in the Notarial Deed No. 12 of Notary Fathiah Helmi, S.H., is as follows:

	December 31, 2016	December 31, 2015
President Director	Asmawi Syam	Asmawi Syam
Vice President Director	Sunarso	Sunarso
Director	Randi Anto	Randi Anto
Director	Haru Koesmahargyo	Haru Koesmahargyo
Director	Zulhelfi Abidin	Zulhelfi Abidin
Director	Susy Liestiwaty	Susy Liestiwaty
Director	Kuswiyoto	Kuswiyoto
Director	Donsuwan Simatupang	Donsuwan Simatupang
Director	Mohammad Irfan	Mohammad Irfan
Director	Sis Apik Wijayanto	Agus Toni Soetirto
Director	Priyastomo	Gatot Mardiwasisto

The composition of BRI's Audit Committee as of December 31, 2016 was determined based on BRI's Directors' Decision Letter No. Kep. 1059-DIR/KPS/12/2016 dated December 6, 2016 and Commissioners' Decision Letter No. R.57-KOM/11/2016 dated November 22, 2016 whereas the composition as of December 31, 2015 was determined based on BRI's Directors' Decision Letter No. Kep. 281-DIR/KPS/06/2015 dated June 15, 2015 and Commissioners' Decision Letter No. B.43-KOM/04/2015 dated April 7, 2015 is as follows:

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1. GENERAL (continued)

e. Structure and Management (continued)

	December 31, 2016	December 31, 2015
Chairman	A. Fuad Rahmany	A. Fuad Rahmany
Member	Adhyaksa Dault	Adhyaksa Dault
Member	A. Sonny Keraf	A. Sonny Keraf
Member	Pamuji Gesang Raharjo	Syahrir Nasution
Member	I Gde Yadnya Kusuma	-
Member	Sunuaji Noor Widiyanto	-

As of December 31, 2016 and 2015 the Corporate Secretary of BRI is Hari Siaga Amijarso, as decided based on Directors' Decision Letter No. Kep. 887-DIR/KPS/12/2015 dated December 21, 2015.

As of December 31, 2016, the Head of Internal Audit Task Force is Adi Setyanto and Bardiyono Wiyatmojo who are appointed as interim head for the given position in BRI's Director Decision Letter No. Kep. S.147.e-DIR/KPS/12/2016 dated December 7, 2016. The Head of Internal Audit Task Force on December 31, 2015 was Saptono Siwi as decided based on No. Kep. 626-DIR/KPS/10/2015 dated October 22, 2015.

f. Subsidiaries

PT Bank BRISyariah

On June 29, 2007, BRI entered into a Sale and Purchase of Shares Agreement with the shareholders of PT Bank Jasa Arta ("BJA") to acquire 100% of BJA's shares at a purchase price of Rp61 billion. Based on BRI's Shareholders' Extraordinary General Meeting, as stated in the Notarial Deed No. 3 dated September 5, 2007 of Notary Imas Fatimah, S.H., the shareholders approved the acquisition of BJA and have obtained the approval of Bank Indonesia established in letters No. 9/188/GBI/DPIP/Rahasia dated December 18, 2007 and No. 9/1326/DPIP/Prz dated December 28, 2007. The acquisition was completed on December 19, 2007 based on Acquisition Deed No. 61 of Notary Imas Fatimah, S.H., in which BRI acquired 99.99875% of the total shares which BJA issued and 0.00125% was granted to BRI's Employee Welfare Foundation (Yayasan Kesejahteraan Pekerja BRI).

Based on Notarial Deed No. 45 dated April 22, 2008 of Notary Fathiah Helmi, S.H., the name BJA was changed into PT Bank Syariah BRI ("BSB"). Based on the Governor of Bank Indonesia's Decision Letter No. 10/67/KEP.GBI/DpG/2008 dated October 16, 2008, BSB obtained the approval to change its business activities from a conventional bank into a commercial bank that conducts business activities based on Sharia principles. Within 60 (sixty) days from the decision date, BSB was obliged to perform its business activities based on Sharia principles and within a maximum of 360 (three hundred sixty) days from the decision date, BSB was obliged to settle all its loan receivables and debtor or customer liabilities from the previous conventional banking activities.

On December 19, 2008, through "the Spin-off Agreement of BRI's Sharia Business Unit" No. 27 dated December 19, 2008 of Notary Fathiah Helmi, S.H, BRI agreed to divest BRI's Sharia Business Unit ("UUS BRI") into BSB as of the effective date on January 1, 2009. The spin-off as of the effective date resulted in the following:

1. All assets and liabilities of UUS BRI which are in the possession of BRI, through legal transfer, are to become the rights of, liabilities of or expenditures that are to be fulfilled by BSB, the receiving entity.
2. All UUS BRI's operations and business activities are legally transferred to and thus are operated for the benefit of, at the risks of loss of and under the responsibility of BSB.

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank BRISyariah (continued)

The spin-off as of the effective date resulted in the following (continued):

3. All UUS BRI's rights, claims, authorities and liabilities arising from any agreements, actions or existing events made, performed, or occurred on or before the effective spin-off date including but not limited to the stated list of assets and liabilities of UUS BRI and all legal relations between UUS BRI and other parties are legally transferred to and thus are operated for the benefit of, at the risks of loss of and under the responsibility of BSB.

Based on BSB's Shareholders' Statements of Agreement as stated in Notarial Deed No. 18 of Notary Fathiah Helmi, S.H., dated April 14, 2009, the name of PT Bank Syariah BRI was changed into PT Bank BRISyariah ("BRIS") that was approved in the Governor of Bank Indonesia's Decision Letter No. 11/63/KEP.GBI/DpG/2009 dated December 15, 2009.

BRIS' Articles of Association has been amended several times. The latest amendment was documented in the Notarial Deed PT Bank BRISyariah Shareholders Annual General Meeting Statement of Agreement No. 52 dated August 31, 2016, of Notary Fathiah Helmi, S.H., a notary in Jakarta, regarding the change in the term of service of Directors, Board of Commissioners and the Supervisory Board of Syariah. Such amendment has been approved and is documented in the Legal Administrative System in accordance with the letter No. AHU-AH.01.03-0076528, dated September 1, 2016 that is issued by the Ministry of Law and Human Rights of Republic of Indonesia.

According to Article 3 of BRIS' latest Articles of Association, the scope of BRIS' business is to conduct banking activities based on the principles of Sharia.

Total assets of BRIS as of December 31, 2016 and 2015 amounted to Rp27,687,188 or 2.76% and Rp24,230,247 or 2.76%, respectively, of consolidated total assets. Total sharia income for the year ended December 31, 2016 and 2015, amounted to Rp2,634,201 or 2.69% and Rp2,424,752, or 2.84%, respectively, of total consolidated income earned from interest, Sharia and premium.

BRISyariah has 3,091 and 2,997 employees (unaudited) per December 31, 2016 and 2015, respectively.

BRISyariah's head office which is located in Jl. Abdul Muis No. 2-4, Central Jakarta, has 54 domestic branch offices and 206 sub-branch offices.

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)

On August 19, 2010, BRI entered into Sale and Purchase of Shares Agreement (PPJB) with Agricultural Estate Pension Fund (Dapenbun), who holds 95.96% of BRI Agro shares, to acquire BRI Agro's shares at a total nominal value of Rp330,296 for 3,030,239,023 shares, that is at a price of Rp109 (full Rupiah) per share. After the acquisition, the composition for shareholding would be as follows: 76% by BRI, 14% by Dapenbun and 10% by the public.

According to BRI's Shareholders' Extraordinary General Meeting, Notarial Deed No. 37 dated November 24, 2010 of notary Fathiah Helmi, S.H., shareholders approved the acquisition of BRI Agro Bank Indonesia, in its Letter No. 13/19/GBI/DPIP/Rahasia dated February 16, 2011, also granted its approval for the acquisition of BRI Agro. The acquisition was completed on March 3, 2011 based on the Notarial Deed No. 14 of notary Fathiah Helmi, S.H., from which BRI owned 88.65% of BRI Agro's total issued and fully paid shares, as stated in Notarial Deed No. 68 dated

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

December 29, 2009, of notary Rusnaldy, S.H. The above mentioned matter also considered the effects of Series I Warrants which are exercisable up to May 25, 2011.

In compliance with Bapepam-LK's Regulation No. IX.H.1, Addendum to the Decision Letter of Chairman of Bapepam-LK No. Kep-259/BL/2008 dated June 30, 2008 regarding "the Takeover of Public Company", BRI, as the new controlling shareholder of BRI Agro, has the obligation to execute Tender Offer on the remaining BRI Agro's shares which are owned by the public. The Tender Offer statement became effective on May 4, 2011 based on Chairman of Bapepam-LK's letter No. S-4985/BL/2011 and was announced on May 5, 2011, in two daily newspapers, *Bisnis Indonesia* and *Investor Daily*. The Tender Offer period commenced on May 5, 2011 and concluded on May 24, 2011. At the end of the Tender Offer, BRI purchased 113,326,500 shares (3.15% of the total shares of BRI Agro) at an offer price of Rp182 (full Rupiah) per share.

On July 1, 2011, Dapenbun exercised its option to buy 256,375,502 shares at a price of Rp109 (full Rupiah) per share. Based on Bapepam-LK's Regulation No. IX.H.1, the re-transfer period of Tender Offer is within a maximum of 2 (two) years. However, BRI Agro was treated as a special case where BRI had the obligation to meet minimum public shareholding of 10% at no later than May 24, 2013. This is in compliance with the letter received from the Indonesia Stock Exchange No. S-06472/BEI.PPJ/09-2011 dated September 23, 2011. As of December 31, 2011, 500,000 of BRI Agro shares have been successfully transferred back to the public and this reduced BRI's ownership to 79.78% while Dapenbun maintained its ownership at 14%. While there was no sale of shares during the year 2012 and 2013, 130,000 shares were sold in 2014. Thus, as of December 31, 2014, BRI was unable to meet what was required from her by the Indonesia Stock Exchange letter No. S-06472/BEI.PPJ/09-2011 dated September 23, 2011, to have a minimum public shareholding of 10% by May 24, 2013 as BRI Agro shares were still unquoted.

Based on the Notarial Deed for 'Statement of Decision of Meeting No. 30' dated May 16, 2012 of notary Rusnaldy, S.H., the name PT Bank Agroniaga Tbk was changed into PT Bank Rakyat Indonesia Agroniaga Tbk ("BRI Agro"). This change has been approved by Bank Indonesia in its Governor's Decision Letter No. 14/72/KEP.GBI/2012 dated October 10, 2012.

On May 10, 2013, BRI Agro submitted Registration Statement of Limited Public Offering IV ("PUT IV") to the Board of Commissioners of OJK in connection with the issuance of Preemptive Rights of 3,846,035,599 Common Shares with par value of Rp100 (full amount) per share. On June 26, 2013, the Board of Commissioners of OJK through its letter No. S-186/D.04/2013, approved the Statement of Registration for a Limited Public Offering IV, thus increasing the number of its issued capital stock by 3,832,685,599 shares.

As a result of PUT IV, BRI Agro's Articles of Association was amended as stated in Notarial Deed for 'Statement of Decision of Meeting No. 107' dated July 30, 2013, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, increasing BRI's ownership to 80.43%, Dapenbun's to 14.02% and public's to 5.55%. This amendment was approved by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0074249.AH.01.09.Year 2013 dated August 1, 2013.

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

On May 11, 2015, BRI Agro submitted Registration Statement of Limited Public Offering V (“PUT V”) to the Board of Commissioners of OJK in connection with the issuance of Preemptive Rights of 5,588,085,883 Common Shares with par value of Rp100 (full amount) per share. On June 17, 2015, the Board of Commissioners of OJK through its letter No. S-259/D.04/2015 notified BRI Agro that its Statement of Registration for a Limited Public Offering V has become effective, thus increasing the number of its issued capital stock by 4,028,934,521 shares.

As a result of PUT V, BRI Agro’s Articles of Association was amended as stated in notarial deed of Decision Meeting Statement and Amendment of Articles of Association No. 68 dated July 14, 2015, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, increasing BRI’s ownership to 87.23%, Dapenbun’s to 9.10% and public’s to 3.67%. This amendment was accepted and recorded by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Acceptance Letter of PT Bank Rakyat Indonesia Agroniaga Tbk Articles of Association Amendment Notice No. AHU-AH.01.03-0951264 dated July 14, 2015.

On October 17, 2016, BRI Agro submitted Registration Statement of Limited Public Offering VI (“PUT VI”) to the Board of Commissioners of OJK in connection with the issuance of Preemptive Rights of 3,845,996,122 Common Shares with par value of Rp100 (full amount) per share and the issuance of Warrants Series II of 616,908,103. On November 25, 2016, the Board of Commissioners of OJK through its letter No. S-695/D.04/2016 notified BRI Agro that its Statement of Registration for a Limited Public Offering VI has become effective, thus increasing the number of its issued capital stock by 3,845,996,122 shares. Warrants Series II can be converted into BRI Agro shares at Rp130 (full Rupiah) per share from June 9, 2017 until June 11, 2018.

As a result of PUT VI, BRI Agro’s Articles of Association was amended as stated in notarial deed of Decision Meeting Statement No. 58 dated December 27, 2016, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, resulting in BRI’s ownership remaining at 87.23%, changes in ownership of Dapenbun’s to 7.08% and public’s to 5.69%. This amendment was accepted and recorded by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Acceptance Letter of PT Bank Rakyat Indonesia Agroniaga Tbk Articles of Association Amendment Notice No. AHU-AH.01.03-0112637 dated December 27, 2016.

Total assets of BRI Agro as of December 31, 2016 and 2015 amounted to Rp11,379,242 or 1.13% and Rp8,364,502 or 0.95% respectively, of the consolidated total assets. Total interest income for the year ended December 31, 2016 and 2015 amounted to Rp965,085 or 0.99% and Rp786,710 or 0.92%, respectively, of the consolidated income earned from interest, Sharia and premium.

In accordance with Article 3 of its Articles of Association, BRI Agro’s scope of business is to conduct commercial banking activities.

BRI Agro, based on Bank Indonesia Letter No. 22/1037/UUps/Ps6D dated December 26, 1989, obtained its license as a commercial bank.

BRI Agro has 444 and 398 employees (unaudited) per December 31, 2016 and 2015, respectively.

BRI Agro’s head office is located at Gedung BRI Agro, Jl. Warung Jati Barat No. 139, Jakarta, and has 16 branch offices and 19 sub-branch offices.

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1. GENERAL (continued)

f. Subsidiaries (continued)

BRI Remittance Co. Limited Hong Kong (BRI Remittance)

On December 16, 2011, BRI signed the 'Instrument of Transfer and the Bought and Sold Notes' to acquire BRIngin Remittance Co. Ltd. (BRC) Hong Kong fully (equivalent to 1,600,000 shares) at a purchase price of HKD1,911,270. This acquisition was legalized by the Inland Revenue Department (IRD) Hong Kong with stamp duty dated December 28, 2011 and approved by Bank Indonesia in its letter No. 13/32/DPB1/TPB1-3/Rahasia dated December 1, 2011.

According to the Annual General Meeting of BRIngin Remittance Co. Ltd dated July 2, 2012, and the issuance of a Certificate of Change of Name No. 961091 dated October 11, 2012 by the Registrar of Companies Hong Kong Special Administrative Region, the name BRIngin Remittance Co. Ltd was officially changed to BRI Remittance Co. Ltd Hong Kong.

Total assets of BRI Remittance as of December 31, 2016 and 2015 amounted to Rp5,952 or 0.0006% and Rp5,832 or 0.0007%, respectively, of the consolidated total assets.

BRI Remittance's scope of business is to conduct commercial remittance activities.

BRI Remittance has 5 and 4 employees (unaudited) as of December 31, 2016 and 2015, respectively.

BRI Remittance's head office is located at Lippo Centre, Tower II, 89 Queensway, Admiralty, Hong Kong.

PT Asuransi Jiwa Bringin Jiwa Sejahtera

On October 6, 2015, BRI signed the Sale and Purchase of Shares Agreement with the shareholders of PT Asuransi Jiwa Bringin Jiwa Sejahtera ("BRI Life") to acquire 91.001% shares of BRI LIFE at a purchase price Rp1,627 billion. Based on BRI's Extraordinary Shareholders' General Meeting in accordance with Deed No. 14 dated December 14, 2015 of notary Fathiah Helmi, S.H., the shareholders have approved the acquisition of the BRI Life and has also received approval from OJK through its letter No. S-151/PB.31/2015 dated December 23, 2015. The acquisition was completed on December 29, 2015 based on Deed No. 41 of notary Fathiah Helmi, S.H. on the Acquisition of Shares in PT Asuransi Jiwa Bringin Jiwa Sejahtera, whereby BRI has 91.001% of the total issued shares of BRI LIFE and 8.999% of it was submitted to the BRI Workers Welfare Foundation.

BRI Life' Articles of Association has been amended several times. The latest amendment was documented in Notarial Deed No. 10 dated August 3, 2016, of notary Fathiah Helmi, S.H., a notary in Jakarta, regarding the change in Company's management and Article of Association. The amendment was accepted and recorded by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU.01.03-0071265 dated August 12, 2016.

According to Article 3 of BRI Life's latest Articles of Association, the scope of BRI Life's business is to conduct business in the life insurance sector.

The Ministry of Finance, in its letter No. KEP-007/KM/6/20013 dated January 21, 2003, granted BRI Life its license to open its branches and Sharia principled units.

As of December 31, 2016 and 2015, BRI Life's total asset is Rp6,174,156 or 0.62% and Rp4,933,309 or 0.56%, respectively, of the consolidated total asset. Total premium earned for the year ended December 31, 2016 is Rp2,474,579 or 2.53% of consolidated income earned from interest, Sharia and premium.

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1. GENERAL (continued)

f. Subsidiaries (continued)

PT Asuransi Jiwa Bringin Jiwa Sejahtera (continued)

BRI Life has 422 and 388 employees (unaudited) as of December 31, 2016 and 2015 respectively.

BRI Life's head office is located at Graha Irama Building 15th floor Jl. H.R Rasuna Said Blok X-1 Kav 1 and 2, Jakarta, and has 6 regional offices with a total of as many as 34 conventional sales offices and 11 sharia unit sales offices.

PT BRI Multifinance Indonesia

On July 12, 2016, BRI signed a Conditional share Sale and Purchase Agreement (PPJB) with The Bank of Tokyo-Mitsubishi UFJ, Ltd ("BTMU") to increase BRI's share ownership in PT BTMU-BRI Finance ("BBF") from 45% to 99%. The transaction was executed at a purchase price of Rp378,548. The agreement has been approved by OJK in its letter No. S-102/PB.31/2016 dated September 21, 2016. This transfer of shares was completed on September 30, 2016 in accordance with Notarial Deed No. 75, of notary Fathiah Helmi, S.H., through which BRI acquired 99% of the total shares which PT BRI Multifinance Indonesia (BRI Finance) issued while BRI's Employee Welfare Foundation (Yayasan Kesejahteraan Pekerja BRI), acquired the remaining 1%. On the acquisition of BRI Finance, BRI recorded goodwill amounting to Rp51,915 under "Other Assets".

Based on the Notarial Deed 'Statement of Decision outside of the Annual General Meeting No. 67', dated September 15, 2016, of notary I Gede Buda Gunamanta, S.H., the name PT BTMU-BRI Finance was changed into PT BRI Multifinance Indonesia. With its change of name, BRI Finance obtained its license to operate in the financing industry from OJK's Board of Commissioners whose decision was documented in the Statement of Decision No. KEP-771/NB.11/2016, dated October 17, 2016.

BRI Finance's Article of Association has been amended a number of times. The last amendment, which was with regard to the increase in the company's authorized capital, was documented in Notarial Deed No. 67, dated September 15, 2016, in the presence of notary I Gede Buda Gunamanta, S.H., a notary in Jakarta. The change in Article of Association has been accepted and recorded in the Legal and Administrative System in accordance with the letter from the Ministry of Law and Human Rights of the Republic of Indonesia No. AHU-AH.01.03-0084484, dated September 29, 2016.

As stated in Article 3 of the Article of Association, BRI Finance's scope of business activities is limited to financing activities.

As of December 31, 2016, BRI Finance has a total asset of Rp2,399,828 or 0.24% of consolidated total assets. Total interest income for the year ended December 31, 2016 is Rp57,948 or 0.06% of consolidated total interest income, Sharia and premium earned.

BRI Finance has 137 employees (unaudited) as of December 31, 2016.

BRI Finance's head office is located at Gedung Wisma 46, 10th floor, Kota BNI Jl. Jenderal Sudirman Kav.1, Jakarta, and has 4 branches located at Bandung, Surabaya, Samarinda and Medan.

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2. SUMMARY OF ACCOUNTING POLICIES

a. Basis of preparation of the consolidated financial statements

Statement of Compliance

The consolidated financial statements as of and for the years ended December 31, 2016 and 2015 were prepared and presented in accordance with Indonesian Financial Accounting Standards, which includes the Statements and Interpretations issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants and Bapepam-LK's Regulation No. VIII.G.7, Appendix of the Decision of the Chairman of Bapepam-LK No. KEP-347/BL/2012 dated June 25, 2012 regarding the "Guidelines on Financial Statements Presentations and Disclosures for Issuers or Public Companies".

The consolidated financial statements have been prepared in accordance with SFAS No. 1 (Revised 2013), "Presentation of Financial Statements" effective since January 1, 2015.

BRIS (Subsidiary), which is engaged in banking activities based on Sharia principles, presents its financial statements according to SFAS No. 101 on "Sharia Financial Statements Presentation", SFAS No. 102 (Revised 2013) on "Accounting for *Murabahah*", SFAS No. 104 on "Accounting for *Istishna*", SFAS No. 105 on "Accounting for *Mudharabah*", SFAS No. 106 on "Accounting for *Musyarakah*" and SFAS No. 107 on "Accounting for *Ijarah*", which supersede SFAS No. 59 on "Accounting for Sharia Banking" associated with recognition, measurement, presentation and disclosure for the respective topics, SFAS No. 110 on "Accounting for *Sukuk*" and the Indonesia Sharia Banking Accounting Guidelines (PAPSI) issued by Bank Indonesia and Indonesian Institute of Accountants (IAI).

The consolidated financial statements have been prepared on a historical cost basis, except for some accounts that were assessed using another measurement basis as explained in the accounting policies of the account. The consolidated financial statements have been prepared on accrual basis, except for the revenue from *istishna* and the profit sharing from the *Mudharabah* and *musyarakah* financing and the consolidated statement of cash flows.

The consolidated statement of cash flows has been prepared using the direct method with cash flows classified into operating, investing and financing activities. For purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash, current accounts with Bank Indonesia and current accounts with other banks, placements with Bank Indonesia and other banks, Certificates of Bank Indonesia and Deposits Certificates of Bank Indonesia maturing within 3 (three) months from the date of acquisition, provided they are neither pledged as collateral for fund borrowings nor restricted.

The presentation currency used in the consolidated financial statements is the Indonesian Rupiah (Rp). Unless otherwise stated, all figures presented in the consolidated financial statements are rounded off to millions of Rupiah.

b. Principles of Consolidation

The consolidated financial statements include the financial statements of BRI and its Subsidiaries whose majority shares are owned or controlled by BRI.

Where control over a subsidiary began or ceased during the year, the results of operations of a Subsidiary are included in the consolidated financial statements only from the date that control was acquired or up to the date that control has ceased.

Control is acquired when BRI is exposed, or has rights to variable returns from its involvement with a subsidiary and has the ability to affect those returns through its power over a subsidiary.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

b. Principles of Consolidation (continued)

BRI controls a subsidiary if, and only if, BRI has the following:

- a) Power over a subsidiary (existing rights that provide the current ability to direct the relevant activities that significantly affect returns of a subsidiary).
- b) Exposure, or rights to variable returns from its involvement with a subsidiary.
- c) The ability to use its power over the subsidiary to affect BRI's returns.

All significant balances and transactions, including unrealized gains/losses are eliminated to reflect the consolidated financial position and results of operations of BRI and Subsidiaries as a single entity.

The consolidated financial statements are prepared using uniform accounting policies for transactions and events in similar circumstances. If the Subsidiaries' financial statements use accounting policies which are different from those adopted in the consolidated financial statements, appropriate adjustments are made to the Subsidiaries' financial statements.

The non-controlling interest represents the non-controlling shareholders' proportionate share in the net income and equity of the Subsidiaries based on the percentage of ownership of the non-controlling shareholders in the Subsidiaries.

c. Financial assets and financial liabilities

Financial assets consist of cash, current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks, securities, export bills, Government Recapitalization Bonds, securities purchased under agreement to resell, derivatives receivable, loans, acceptances receivable, investment in entities at cost method and other assets.

Financial liabilities consist of liabilities due immediately, deposits from customers, deposits from other banks and financial institutions, securities sold under agreement to repurchase, derivatives payable, acceptances payable, marketable securities issued, fund borrowings, other liabilities and subordinated loans.

(i) Classification

BRI classifies its financial assets in the following categories at initial recognition:

- Financial assets held at fair value through profit or loss, which have 2 (two) sub-classifications, i.e. financial assets designated as such upon initial recognition and financial assets classified as held for trading;
- Loans and receivables;
- Held to maturity investments;
- Available for sale investments.

Financial liabilities are classified into the following categories at initial recognition:

- Fair value through profit or loss, which has 2 (two) sub-classifications, i.e. those designated as such upon initial recognition and those classified as held for trading;
- Other financial liabilities that are not classified as financial liabilities at fair value through profit or loss are categorized and measured at amortized cost.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(i) Classification (continued)

Classes of financial assets and liabilities at fair value through profit or loss consist of financial assets or liabilities held for trading which BRI acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a financial instrument portfolio that is managed together for short-term profit or position taking.

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that BRI intends to sell immediately or in the short term, which are classified as held for trading and those that BRI upon initial recognition designates as of fair value through profit or loss;
- those that BRI upon initial recognition designates as available for sale investments; or
- those for which BRI may not recover substantially all of its initial investment, other than because of loans and receivables deterioration, which classified as available for sale.

Held to maturity investments consist of quoted non-derivatives financial assets with fixed or determinable payments and fixed maturity that BRI has the positive intention and ability to hold to maturity. Investments intended to be held for an undetermined period are not included in this classification.

The available for sale investments consists of non-derivatives financial assets that are designated as available for sale or are not classified in one of the other categories of financial assets.

After initial recognition, available for sale investments are measured at fair value with gains or losses being recognized as part of equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gains or losses previously reported in equity is included in the consolidated statement of profit or loss and other comprehensive income. The effective yield and (where applicable) results of foreign exchange restatement for available for sale investments are reported in the consolidated statement of profit or loss and other comprehensive income.

Other financial liabilities pertain to financial liabilities that are neither held for trading nor designated at fair value through profit or loss upon recognition of the liability.

(ii) Initial recognition

- a. Purchase or sale of financial assets that requires delivery of assets within a time frame established by regulation or convention in the market (regular purchases) is recognized on the settlement date.
- b. Financial assets and financial liabilities are initially recognized at fair value. For those financial assets or financial liabilities not measured at fair value through profit or loss, the fair value includes directly attributable transaction costs. The subsequent measurement of financial assets and financial liabilities depends on their classification.

Transaction costs only include costs that are directly attributable to the acquisition of a financial asset or issuance of a financial liability and an additional charge that would not occur if the instrument is not acquired or issued. For financial assets, transaction costs are added to the amount recognized in the initial recognition of the asset, while for financial liabilities,

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ii) Initial recognition (continued)

transaction costs are deducted from the amount of debt recognized on initial recognition of a liability. The transaction costs are amortized over the terms of the instrument based on the effective interest rate method and recorded as part of interest income for transaction costs related to the asset or as part of interest expense for transaction costs related to financial liabilities.

BRI, upon initial recognition, may designate certain financial assets at fair value through profit or loss (fair value option). The fair value option is only applied when the following conditions are met:

- the application of the fair value option reduces or eliminates an accounting mismatch that would otherwise arise; or
- the financial assets are part of a portfolio of financial instruments, the risk of which are managed and reported to key management on a fair value basis; or
- the financial assets consist of a host contract and embedded derivatives that must be bifurcated.

The fair value option is applied to certain loans and receivables that are hedged with credit derivatives or interest rate swap, but for which the hedge accounting conditions are not fulfilled. Otherwise, the loans would be accounted for at amortized cost, while the derivatives are measured at fair value through profit or loss.

The fair value option is also applied to investment funds that are part of a portfolio managed on a fair value basis. Furthermore, the fair value option is applied to structured investments that include embedded derivatives.

(iii) Subsequent measurement

Available for sale financial assets and financial assets and liabilities at fair value through profit or loss are subsequently measured at fair value.

Loans and receivables, held to maturity investments and financial liabilities measured at amortized cost are measured at amortized cost using the effective interest rate method.

(iv) Derecognition

a. Financial assets are derecognized when:

- The contractual rights to receive cash flows from the financial assets have expired; or
- BRI has transferred its rights to receive cash flows from the financial assets or has assumed an obligation to pay the cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) BRI has substantially transferred all the risks and rewards of the assets, or (b) BRI has neither transferred nor retained substantially all risks and rewards of the assets, but has transferred control of the assets.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(iv) Derecognition (continued)

a. Financial assets are derecognized when (continued):

When BRI has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of BRI's continuing involvement in the asset.

Loans are written off when there is no realistic prospect of collection in the near future or the normal relationship between BRI and the debtors has ceased to exist. When a loan is deemed uncollectible, it is written off against the related allowance for impairment losses.

b. Financial liabilities are derecognized when they end, i.e. when the obligation under the liability is discharged, cancelled or expired.

Where an existing financial liability is replaced by another from the same creditor on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss and other comprehensive income.

(v) Income and expense recognition

a. Interest income and interest expense on available for sale assets and financial assets and liabilities measured at amortized cost, are recognized in the consolidated statement of profit or loss and other comprehensive income using the effective interest rate method.

b. Gains and losses arising from changes in the fair value of the financial assets and liabilities held at fair value through profit or loss are included in the consolidated statement of profit or loss and other comprehensive income.

Gains and losses arising from changes in the fair value of available for sale financial assets are recognized directly in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized or impaired.

When a financial asset is derecognized or impaired, the cumulative gains or losses previously recognized in equity should be reclassified to consolidated statement of profit or loss and other comprehensive income.

(vi) Reclassification of financial assets

BRI is not allowed to reclassify any financial instrument out of the fair value through profit or loss category, if upon initial recognition it was designated by BRI as measured at fair value through profit or loss.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(vi) Reclassification of financial assets (continued)

BRI is not allowed to classify any financial assets as held to maturity investments, if the entity has, during the current financial year or during the 2 (two) preceding financial years, sold or reclassified a significant amount of held to maturity investments before maturity (more than an insignificant amount in relation to the total amount of held to maturity investments) other than sales or reclassifications that:

- a. are so close to maturity or the financial asset's repurchase date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- b. occur after BRI has collected substantially all of the original principal of the financial assets through scheduled payments or prepayments; or
- c. are attributable to an isolated event that is beyond BRI's control, is non-recurring and could not have been reasonably anticipated by BRI.

(vii) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position if and only if, BRI has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards.

(viii) Amortized cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

(ix) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell an asset or paid to transfer a liability takes place either:

- In the principal market for the assets and liabilities; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when determining the price of the asset and liability assuming that market participants act in their own economic best interest.

A fair value measurement of non-financial assets considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to other market participants would use the asset in its highest and best use.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ix) Fair value measurement (continued)

BRI and subsidiaries uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are classified within fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities accessible at the measurement date.
- Level 2: inputs other than quoted prices included in level 1 for the asset and liability, which is directly or indirectly observable.
- Level 3: unobservable inputs for the asset and liability.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, BRI determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the fair value disclosures purposes, BRI has determined classes of assets and liabilities based on the nature, characteristics, risks of the asset and liability, and the level of the fair value hierarchy (Note 40).

(x) *Sukuk* Financial Asset

Since January 1, 2016, at initial recognition, the Bank determines the classification of investments in *Sukuk ijarah* and *Mudharabah* either measured at cost, fair value through other comprehensive income or fair value through profit or loss.

Before January 1, 2016, at initial recognition, the Bank determines the classification of investments in *Sukuk* either measured at cost or fair value through profit or loss.

Sukuk classifications are as follows:

- a. Measured at amortized cost
 - The investment is held in a business model whereby the primary goal is to obtain contractual cash flows and has contractual terms in determining the specific date of principal payments and or the results.
 - *Sukuk* acquisition cost includes transaction cost and the difference between the acquisition cost and the nominal value is amortized on a straight-line basis
- b. Measured at fair value through other comprehensive income
 - The investment is held in a business model whereby the primary goal is to obtain contractual cash flows and to sell the *Sukuk*, and has contractual terms in determining the specific date of principal payments and or the results.
 - *Sukuk* acquisition cost includes transaction cost and the difference between acquisition cost and the nominal value is amortized on a straight-line basis over the period of the *Sukuk* and is recognized in profit or loss.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(x) *Sukuk* Financial Asset (continued)

Sukuk classifications are as follows (continued):

b. Measured at fair value through other comprehensive income (continued)

- Gain or loss from changes of fair value is recognized in other comprehensive income after considering unamortized difference of acquisition cost and nominal value and accumulated gain or loss of fair value which has previously recognized in other comprehensive income. When *Sukuk* is derecognized, accumulated gain or loss which has previously recognized in other comprehensive income is reclassified to profit or loss.

c. Measured at fair value through profit or loss

Sukuk acquisition cost excludes transaction cost and the difference between fair value and the carrying value is recognized in profit or loss.

d. Transactions with related parties

BRI and Subsidiaries engage in transactions with related parties as defined in SFAS No. 7 (Revised 2010) on "Related Party Disclosures".

A party is considered a related party to BRI and Subsidiaries if:

- 1) directly or indirectly, through one or more intermediaries, a party (i) controls, or controlled by, or under common control with BRI and Subsidiaries; (ii) has an interest in BRI and Subsidiaries that provides significant influence on BRI and Subsidiaries or (iii) has joint control over BRI and Subsidiaries;
- 2) it is a member of the same group as BRI and Subsidiaries;
- 3) it is a joint venture of a third party in which BRI and Subsidiaries have ventured in;
- 4) it is a member of key management personnel in BRI and Subsidiaries;
- 5) it is a close family member of the individual described in clause (1) or (4);
- 6) it is an entity that is controlled, jointly controlled or significantly influenced by or for whom has significant voting rights in several entities, directly or indirectly, by the individual described in clause (4) or (5); and
- 7) it is a post-employment benefit plan for the employees benefit of either BRI and Subsidiaries or entities related to BRI and Subsidiaries.

Transactions with related parties are made on the same term and conditions as those transactions with third parties. All transaction done by BRI have complied with Bapepam-LK Regulation No. IX.E.1 regarding "The affiliate transactions and conflict of interest of certain transactions", at the time the transaction were made. All material transactions and balances with related parties are disclosed in the relevant notes to the consolidated financial statements and the details have been presented in Note 44 of the consolidated financial statements. Furthermore, material transactions and balances between BRI and Subsidiaries and the Government of the Republic of Indonesia (RI) and other entities related to the Government of the Republic of Indonesia are also disclosed in Note 44.

e. Allowance for impairment losses on financial assets

On each consolidated statement of financial position reporting date, BRI assesses whether there is an objective evidence that financial assets not carried at fair value through profit or loss are impaired.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

Financial assets are impaired when an objective evidence demonstrate that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows of the financial asset that can be estimated reliably.

The criteria used by the entity to determine the existence of an objective evidence of impairment loss include:

- a) significant financial difficulty of the issuer or obligor;
- b) a breach of contract, such as a default or delinquency in interest or principal payments;
- c) the creditor, for economic or legal reasons relating to the debtor's financial difficulty, grants the debtor a concession that the creditor would not otherwise consider;
- d) it becomes probable that the debtor will enter into bankruptcy or other financial reorganization;
- e) the disappearance of an active market for that financial asset because of financial difficulties; or
- f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
 - 1) adverse changes in the payment status of debtors in the portfolio; and
 - 2) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The estimated period between the occurrence of the event and identification of loss is determined by management for each identified portfolio. In general, the periods used vary between 3 (three) months and 12 (twelve) months; in exceptional cases, longer periods are warranted. BRI first assesses whether an objective evidence of impairment exists individually for financial assets that are individually significant or collectively, for financial assets that are not individually significant. If BRI determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Financial assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in the collective assesment of impairment.

BRI determines the loans to be evaluated for impairment through individual evaluation if one of the following criteria is met:

1. Loans which individually have significant value and an objective evidence of impairment;
2. Restructured loans which individually have significant value.

Based on the above criteria, BRI performs individual assessment for: (a) Corporate and middle loans with collectibility classification of substandard, doubtful and loss; or (b) Restructured corporate and middle loans.

BRI determines loans to be evaluated for impairment through collective evaluation if one of the following criteria is met:

1. Loans which individually have significant value but there is no objective evidence of impairment;
2. Loans which individually have insignificant value;
3. Restructured loans which individually have insignificant value.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

Based on the above criteria, BRI performs collective assessment for: (a) Corporate and middle loans with collectibility classification of current and special mention which have never been restructured; or (b) Retail and consumer loans.

Calculation of allowance for impairment losses on financial assets assessed collectively grouped based on similar credit risk characteristics and taking into account the loan segmentation based on historical loss experience and the possibility of failure (probability of default). Loans that have historical loss data and information that is categorized as a disaster prone areas by the Government of the Republic of Indonesia and supported by internal policies of BRI, the calculation of allowance for impairment losses is done by calculating the overall loss rate which include the actual loss rate plus the risk factors associated relevant based on a survey conducted periodically to external and internal parties of BRI.

BRI uses the migration analysis method, which is a statistical model analysis method to collectively assess allowance for impairment losses on loans. Under this method, BRI uses 3 (three) years moving average historical data to compute the Probability of Default (PD) and Loss of Given Default (LGD).

BRI uses the fair value of collateral as the basis for future cash flow if one of the following conditions is met:

1. Loans are collateral dependent, i.e. if the source of loans repayment is made only from the collateral;
2. Foreclosure of collateral is most likely to occur and supported by legally binding collateral agreement.

Impairment losses on financial assets carried at amortized cost are measured as the difference between the carrying amount of the financial assets and present value of estimated future cash flows discounted at the financial assets original effective interest rate. If loans or held to maturity securities and Government Recapitalization Bonds have a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical guideline, BRI may measure impairment on the basis of an instrument's fair value using an observable market price, the calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

Losses are recognized in the consolidated statement of profit or loss and other comprehensive income and reflected in an allowance for impairment losses account against financial assets carried at amortized cost.

Interest income on the impaired financial assets continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss previously recognized must be recovered and the recovery is stated in the consolidated statement of profit or loss and other comprehensive income.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

For financial assets classified as available for sale, BRI assesses on each consolidated statement of financial position reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity instruments, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. Impairment losses on available for sale marketable securities are recognized by transferring the cumulative loss that has been recognized directly in equity to the statement of profit or loss and other comprehensive income. The cumulative loss that has been removed from equity and recognized in the statement of profit or loss and other comprehensive income is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in the consolidated statement of profit or loss and other comprehensive income.

Impairment losses recognized in the consolidated statement of profit or loss and other comprehensive income on available for sale equity instruments should not be recovered through a reversal of a previously recognized impairment loss in the current year consolidated statement of profit or loss and other comprehensive income.

If in a subsequent period, the fair value of debt instrument classified as available for sale securities increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the consolidated statement of profit or loss and other comprehensive income, the impairment loss is reversed, with the amount of reversal recognized in the consolidated statement of profit or loss and other comprehensive income.

If the terms of the loans, receivables or held to maturity securities are renegotiated or otherwise modified because of financial difficulties of the debtor or issuer, impairment is measured using the original effective interest rate before the modification of terms.

If in the next period, the amount of allowance for impairment losses is decreased and the decrease can be related objectively to an event that occurred after the recognition of the impairment losses (i.e. upgrade debtor's or issuer's collectibility), the impairment loss that was previously recognized has to be reversed, by adjusting the allowance account. The reversal amount of financial assets is recognized in the current year consolidated statement of profit or loss and other comprehensive income.

The recoveries of written-off financial assets in the current year are credited by adjusting the allowance for impairment losses accounts. Recoveries of written-off loans from previous years are recorded as operating income other than interest income.

In connection with compliance to Bank Indonesia (OJK), BRI implemented Bank Indonesia Regulation No. 14/15/PBI/2012 dated October 24, 2012 on "Assessment of Commercial Bank Asset Quality" and OJK Regulation (POJK) No. 11/POJK.03/2015 dated August 21, 2015 on "Prudential Principle Provisions for Commercial Banks to Stimulate the National Economy" which applicable until August 24, 2017.

BRI's subsidiary which is engaged in Sharia Banking (BRIS) applies the Financial Services Authority Regulation (POJK) No. 16/POJK.03/2014 dated November 18, 2014 on "Asset Quality Assessment for Sharia Commercial Banks and Business Unit" effective since January 1, 2015 and POJK No. 12/POJK.03/2015 dated August 21, 2015 on "Prudential Principle Provisions for Sharia Banks and Sharia Business Units to Stimulate the National Economy" which applicable until

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

August 24, 2017. The assessment prior to January 1, 2015 using the PBI No.13/13/PBI/2011 dated March 24, 2011 on "Asset Quality Assessment for Sharia Commercial Banks and Sharia Business Unit".

The minimum allowance to be provided in accordance with Bank Indonesia (OJK) Regulation is as follows:

- a) 1% of earning assets classified as Current, excluding placements with Bank Indonesia, Government Bonds, other debt instruments issued by the Government of the Republic of Indonesia and earning assets secured by cash collateral;
- b) 5% of earning assets classified as Special Mention, net of deductible collateral;
- c) 15% of earning assets classified as Sub-standard, net of deductible collateral;
- d) 50% of earning assets classified as Doubtful, net of deductible collateral; and
- e) 100% of earning assets classified as Loss, net of deductible collateral.

The criteria for assessment of the value of collateral that can be deducted in the calculation of allowance for impairment losses are based on Bank Indonesia (OJK) Regulations.

f. Current accounts with Bank Indonesia and other banks

Current accounts with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less allowance for impairment losses. The current accounts with Bank Indonesia and other banks are classified as loans and receivables.

g. Placements with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks consist of placement in deposit facility of Bank Indonesia such as Deposit Facility, Term Deposit and Sharia Deposit Facility whereas placements with other banks represent placements of funds in the form of inter-bank call money, time deposits and banker's acceptance.

Placements with Bank Indonesia and other banks are stated at amortized cost using the effective interest rate method less allowance for impairment losses. Placements with Bank Indonesia and other banks are classified as loans and receivables.

h. Securities and Government Recapitalization Bonds

Securities consist of securities traded in the money and capital market such as Certificates of Bank Indonesia, Deposits Certificates of Bank Indonesia, Bank Indonesia Sharia Certificates, Government bonds, promissory notes, subordinated bonds, mutual fund units, Medium-Term Notes, U.S Treasury Bonds, Singapore Government Securities, Negotiable Certificate of Deposits, MAS bills and credit linked notes and bonds traded in the stock exchange.

Securities include bonds issued by the Government that are not related with the recapitalization program such as Government Debentures (Surat Utang Negara or SUN), Government Treasury Bills (Surat Perbendaharaan Negara or SPN) and Government bonds in foreign currency purchased from primary and secondary markets.

Government Recapitalization Bonds are bonds issued by the Government in connection with the recapitalization program for commercial banks which consist of bonds under BRI's recapitalization and Government Recapitalization Bonds purchased from the secondary market.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

h. Securities and Government Recapitalization Bonds (continued)

Securities and Government Recapitalization Bonds are initially measured at fair value. After the initial recognition, the securities and Government Recapitalization Bonds are recorded according to their category, i.e. as held to maturity, fair value through profit or loss or available for sale.

The value of securities and Government Recapitalization Bonds is stated based on the classification as follows:

- 1) Held to maturity securities and Government Recapitalization Bonds are carried at amortized cost using the effective interest rate method. BRI does not classify securities or Government Recapitalization Bonds as held to maturity financial assets if BRI has, during the current financial year or during the 2 (two) preceding financial years, sold or reclassified more than an insignificant amount of held to maturity securities or Government Recapitalization Bonds before maturity other than sales or reclassifications that are defined in SFAS No. 55 which is applicable in the relevant periods.
- 2) Securities and Government Recapitalization Bonds classified as fair value through profit or loss are stated at fair value. Gains and losses from changes in fair value of securities and Government Recapitalization Bonds are recognized in the consolidated statement of profit or loss and other comprehensive income.
- 3) Securities and Government Recapitalization Bonds classified as available for sale investments are stated at fair value. Interest income is recognized in the consolidated statement of profit or loss and other comprehensive income using the effective interest rate method. Foreign exchange gains or losses on available for sale securities and Government Recapitalization Bonds are recognized in the consolidated statement of profit or loss and other comprehensive income. Other fair value changes are recognized directly in equity until the securities and Government Recapitalization Bonds are sold or impaired, whereby the cumulative gains and losses previously recognized in equity are recognized in the consolidated statement of profit or loss and other comprehensive income.

i. Export bills

Export bills represent negotiated export bills that have been discounted and guaranteed by other banks. Export bills are stated at acquisition cost after deducting the discount and allowance for impairment losses. Export bills are classified as loans and receivables.

j. Loans

Loans represent the lending of money or equivalent receivables under contracts or borrowing and lending commitments with debtors, whereby the debtors are required to repay their debts with interest after a specified period of time.

Loans are initially measured at fair value plus transaction costs that are directly attributable and additional costs to obtain financial assets and after initial recognition, are measured at amortized cost based on the effective interest rate method less allowance for impairment losses.

Loans are classified as loans and receivables.

Loans extended under syndication agreements are recognized at the nominal amount to the extent of the risks, borne by BRI.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

j. Loans (continued)

Restructured loans are stated at the lower of carrying value on the date of restructuring or value of the future cash receipts after the restructuring. Losses resulting from the difference between the carrying value on the date of restructuring and the present value of future cash receipts after the restructuring is recognized in the consolidated statement of profit or loss and other comprehensive income. After the restructuring, all future cash receipts specified by the new terms are recorded as a return of principal loans and interest income in accordance with the terms of the restructuring.

Loans are written off when there is no realistic prospect of collections in the future and all collateral have been realized or foreclosed. When loans are deemed uncollectible, it is written off against the related allowance for impairment losses. Subsequent payment of loans written off are credited to the allowance of impairment losses in the consolidated statement of financial position.

k. Sharia receivables and financing

Financing/receivables based on Sharia principles is receivables from providing funds or other similar form of receivables arising from transactions carried out based on sale or purchase arrangements and profit sharing between BRIS and other parties for a certain period of time. Such receivables consist of receivables arising from *murabahah* transactions, *istishna* transactions and *qardh* transactions, for financing consist of *Mudharabah* and *musyarakah* financing.

Murabahah is a sale and purchase contract between the customer and BRIS, whereby BRIS finances the consumption, investment and working capital needs of the customer sold with a principle price plus a certain margin that is mutually informed and agreed. Repayment on this financing is made in installments within a specified period.

Murabahah receivables are initially measured at fair value plus direct attributable transaction costs and is an additional cost to obtain the respected financial assets and after the initial recognition are measured at amortized cost using the effective margin method less any allowance for impairment losses value.

Mudharabah financing is a joint financing made between BRIS as the owner of the funds (*shahibul maal*) and the customer as a business executor (*mudharib*) during a certain period. The profit sharing from the project or the business is determined in accordance with the mutually agreed *nisbah* (pre-determined ratio). On the statement of financial position date, *Mudharabah* financing is stated at the outstanding financing balance less allowance for impairment losses which is provided based on the management's review of the financing quality.

Musyarakah is a partnership contract among fund's owners (*musyarakah* partners) to contribute funds and conduct a business on a joint basis through partnership with the profit sharing based on a predetermined ratio, while the losses are borne proportionally based on the capital contribution. On the statement of financial position date, *Musyarakah* financing is stated at the outstanding financing balance less allowance for impairment losses which is provided based on the management's review on the financing quality.

Istishna is a sale and purchase contract between *al-mustashni* (buyer) and *al-shani* (manufacturer also acting as the seller). Based on the contract, the buyer orders the manufacturer to produce or to supply *al-mashnu* (goods ordered) according to the specifications required by the buyer and to sell them at agreed price. *Istishna* receivables are stated at outstanding billings to final buyer less allowance for impairment losses. Deferred *istishna* margin is stated as contra account of *istishna* receivables.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

k. Sharia receivables and financing (continued)

Qardh is the provision of funds or equivalent claims based on agreement between the borrower and the lender that requires the borrower to repay the debts after a certain period of time. *Qardh* are stated at outstanding balance less allowance for impairment losses based on the management's review on the financing quality.

l. Finance lease receivables

Determining whether an arrangement is a lease agreement or agreements containing leases based on the substance of the agreement at inception date and whether the fulfillment of the agreement depends on the use of an asset and the agreement provides a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and benefit incidental to ownership. Leases are classified as operating lease if the lease does not transfer substantially all the risks and benefit incidental to ownership.

Finance lease receivables are recognized at the net investment which is the fair value less administrative revenue and plus transaction cost (if any) which are directly attributable and subsequently measured at amortized cost using the effective interest rate method.

At initial recognition, the fair value of net investment in finance lease is a finance lease receivable plus the residual value which will be received at the end of the lease minus deferred finance lease income and guarantee deposit. The difference between the gross receivable and the present value of finance lease receivables is recognized as unrecognized finance lease income. Unrecognized finance lease income is allocated as current year income using the effective interest rate.

m. Acceptances receivable and payable

Acceptances receivable and payable represent letters of credit (L/C) transactions that have been accepted by the accepting bank.

Acceptances receivable and payable are stated at amortized cost. Acceptances receivable are stated net of allowance for impairment losses.

Acceptances receivable are classified as loans and receivables. Acceptances payable are classified as financial liabilities measured at amortized cost.

n. Investment in associated entities

BRI's investments in its associated companies are measured using the equity method. An associated entity is an entity in which BRI has significant influence or share ownership of more than 20% of the voting rights. The initial recognition of investments in associates are recognized at cost and the carrying amount is added or subtracted to recognize the BRI's portion of profit or loss of subsidiaries after the acquisition date. BRI's portion of profit or loss of subsidiaries are recognized in profit or loss of BRI. Receipt of distributions from subsidiaries reduce the carrying amount of the investment.

The consolidated statement of profit or loss and other comprehensive income reflects the share of the results of operations of the associated entities. Where there has been a change recognized directly in the equity of the associated entities, BRI recognizes its share of any such changes and

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

n. Investment in associated entities (continued)

discloses this, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between BRI and the associated entities are eliminated to the extent of BRI's interest in the associated entities.

After application of the equity method, BRI determines whether it is necessary to recognize an additional impairment loss on BRI's investment in its associated entities. BRI determines at each reporting date whether there is any objective evidence that the investment in the associated entities is impaired. If this is the case, BRI calculates the amount of impairment as the difference between the recoverable amount of the investment in associated entities and its carrying value, and recognizes the amount in the consolidated statement of profit or loss and other comprehensive income.

BRI's investment in its associated entities with no significant influence or share ownership under 20% are recorded in accordance with SFAS No. 55 (Revised 2014) and deducted by allowance for impairment losses.

o. Premises and equipment

Premises and equipment are initially recognized at cost, which comprises its purchase price and any costs directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Subsequent to initial recognition, premises and equipment (excluding landrights) are carried at cost less any subsequent accumulated depreciation and impairment losses.

Premises and equipment acquired in exchange for a non-monetary asset or for a combination of monetary and non-monetary assets are measured at fair values, unless:

- (i) the exchange transaction lacks commercial substance, or
- (ii) the fair value of neither the assets received nor the assets given up can be measured reliably.

Depreciation of an asset starts when it is available for use and is computed using the straight-line method based on the estimated economic useful lives of the assets as follows:

	Years
Buildings	15
Motor vehicles	5
Computers and machineries	3 - 5
Furniture and fixtures	5

The carrying amounts of premises and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.

The carrying amount of an item of premises and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset is directly included in the profit or loss for the year when the item is derecognized.

The asset residual values, useful lives and depreciation method are evaluated at each year end and adjusted prospectively if necessary.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

o. Premises and equipment (continued)

Land are initially stated at cost and not depreciated. Subsequent to initial recognition, land is measured at fair value at the revaluation date less any subsequent accumulated impairment losses. Valuation of land are performed by appraisers with professional qualification, and is done in regular basis to ensure that the carrying amount does not differ materially from its fair value at the end of reporting period (Note 17).

Increase in the carrying amount arising from revaluation is recorded in "Fixed Asset Revaluation Surplus" and presented in other comprehensive income. However, the increase is recognized in profit or loss, up to the amount of impairment of the same assets due to revaluation previously recognised in profit or loss. A decrease in carrying value arising as a result of a revaluation should be recognised in profit or loss.

Repairs and maintenance is charged to the operational as incurred. The cost of major renovation and restoration is capitalized to the carrying amount of the related premises and equipment when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset and is depreciated over the remaining useful life of the related asset.

Constructions in-progress are stated at cost, including capitalized borrowing costs and other charges incurred in connection with the financing of the said asset constructions. The accumulated costs will be reclassified to the appropriate "Premises and Equipment" account when the construction is completed and available for intended use. Assets under construction are not depreciated as these are not yet available for use.

The legal cost of land rights in the form of Business Usage Rights ("Hak Guna Usaha" or "HGU"), Building Usage Right ("Hak Guna Bangunan" or "HGB") and Usage Rights ("Hak Pakai" or "HP") when the land was initially acquired are recognized as part of the cost of the land under the "Premises and Equipment". The extension or the legal renewal costs of land rights were recognized as intangible assets and were amortized over the shorter of the rights' legal life and land's economic life.

p. Impairment of Non-Financial Assets

BRI assesses at each annual reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset (i.e. an intangible asset with an indefinite useful life, an intangible asset not yet available for use, or goodwill acquired in a business combination) is required, BRI makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the consolidated statement of profit or loss and other comprehensive income as "impairment losses". In assessing the value in use, the estimated net future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, refer to SFAS No. 68, "Fair Value Measurements" (Note 2c).

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

p. Impairment of Non-Financial Assets (continued)

Impairment losses of continuing operations, if any, are recognized in the consolidated statement of profit or loss and other comprehensive income under expense categories that are consistent with the functions of the impaired assets.

q. Foreclosed collaterals

Foreclosed collaterals acquired in settlement of loans (included as part of "Other Assets") are recognized at net realizable values or loan outstanding amount, whichever is lower. Net realizable value is the fair value of the collateral after deducting the estimated costs of disposal. The excess in loan balances which has not been paid by debtors over the value of foreclosed collaterals is charged to allowance for possible losses on loans in the current year. The difference between the value of the collateral and the proceeds from sale thereof is recognized as a gain or loss at the time of sale of the collateral.

Management evaluates the value of foreclosed collaterals periodically. Allowance for losses foreclosed collaterals formed by impairment of foreclosed collaterals.

Reconditioning costs arising after foreclosure capitalized in the accounts of the foreclosed collaterals.

r. Prepaid expenses

Prepaid expenses are amortized over their useful lives using the straight line method.

s. Liabilities due immediately

Liabilities due immediately represent the liability of BRI to external parties which by nature should be paid immediately in accordance with the requirements in the agreement which have been previously determined. This account is classified as other financial liabilities and measured at amortized cost.

t. Deposits from customers and other banks and financial institutions

Demand deposits represent funds deposited by customers whereby the withdrawal can be done at any time by using a check, or through transfer with a bank draft or other forms of payment order. These demand deposits are stated at the amount due to the account holder.

Wadiah demand deposits represent third party funds which are available for withdrawal at any time and earn bonus based on BRIS' policy. *Wadiah* demand deposits are stated at the amount due to the account holder of the deposit in BRIS.

Saving deposits represent the customers' funds which entitle the depositors to withdraw under certain agreed conditions. Deposits are stated at the amount due to the account holders.

Wadiah saving deposits represent funds deposited by customers in BRIS, whereby the deposits can be withdrawn any time and does not require BRIS to give interest unless in the form of bonus in a voluntary way. *Wadiah* saving deposits are stated at the amount due to the account holders.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

t. Deposits from customers and other banks and financial institutions (continued)

Mudharabah saving deposits represent funds from third parties which earn bonus based on a predetermined and pre-agreed profit-sharing return ratio (*nisbah*) from income derived by BRIS from the use of such funds. *Mudharabah* saving deposits is stated at the customers' saving balance.

Time deposits represent funds deposited by customers that can be withdrawn only at a certain point of time as stated in the contract between the depositor and BRI and BRI Agro. Time deposits are stated at the nominal amount provided in the certificates of deposits or at the amount stated in the agreement.

Mudharabah time deposits represent third party funds that can be withdrawn only at a certain point in time based on the agreement between the *Mudharabah* time deposit holder and BRIS. *Mudharabah* time deposits are stated at the nominal amount as agreed by the deposit holder and BRIS.

Deposits from other banks and financial institutions consist of liabilities to other banks, either domestic or overseas, in the form of demand deposits, saving deposits, time deposits and inter-bank call money through the issuance of promissory notes with a term of up to 90 (ninety) days and stated at the amount due to banks and financial institutions.

Deposits from customers and other banks and financial institutions are classified as other financial liabilities measured at amortized cost using effective interest rate except deposits and temporary *syirkah* funds which are stated at the BRI and its subsidiaries' payable amount to customers. Incremental costs directly attributable to the acquisition of deposits from customers are deducted from the amount of deposits.

u. Securities purchased under agreement to resell and securities sold under agreement to repurchase

Securities purchased under agreement to resell

Securities purchased under agreement to resell are presented as financial assets in the consolidated statement of financial position, at the resale price net of unamortized interest and net of allowance for impairment losses. The difference between the purchase price and the resale price is treated as unearned interest income (unamortized) and recognized as income over the period starting from when those securities are purchased until they are resold using effective interest rate.

Securities purchased under agreement to resell are classified as loans and receivables measured at amortized cost.

Securities sold under agreement to repurchase

Securities sold under agreement to repurchase are presented as liabilities in the consolidated statement of financial position, at the repurchase price, net of unamortized prepaid interest. The difference between the selling price and the repurchase price is treated as prepaid interest and recognized as expense over the period starting from when those securities are sold until they are repurchased using effective interest rate.

Securities sold under agreement to repurchase are classified as financial liabilities measured at amortized cost.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

v. Marketable securities issued

Marketable securities issued by BRI consist of Bonds, Medium-Term Notes (MTN) and Negotiable Certificate of Deposit (NCD).

The marketable securities issued are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium associated related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

w. Borrowings

Borrowings represent funds received from other banks, Bank Indonesia or other parties with a repayment obligation based on borrowing agreements.

Borrowings are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method (EIR). Amortized cost is calculated by taking into account any discount or premium associated related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

x. Subordinated loans

Subordinated loans are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium associated related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

y. Provision

Provisions are recognized when BRI and Subsidiaries have a present obligation (legal or constructive) that, as a result of past events, the settlement of the liability is likely to result in an outflow of resources that contain economic benefits and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If the outflow of resources to settle the obligation is most likely will not occur, the provision is reversed.

z. Provision for timely interest payment in BRI unit

On Time Interest Payment (Pembayaran Bunga Tepat Waktu or PBTW) represents incentives given to Micro Loans (Kredit Umum Pedesaan or Kupedes) debtors who settled their loans according to the mutually agreed installment schedules. The amount of PBTW is 25% of the interest received from either Kupedes working capital loans or Kupedes investment loans. PBTW is recorded as a deduction from interest income on loans. BRI provided Allowance for On Time Interest Payment (CPBTW) for the PBTW and present it in "Other Liabilities".

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

aa. Interest income and interest expense

Interest income and expense for all interest bearing financial instruments are recognized in the consolidated statement of profit or loss and other comprehensive income using the effective interest rate method. The effective interest rate is the rate that precisely discounts the estimated future cash payments or receipts through the expected life of the financial instrument (or, wherever appropriate, a shorter period) to obtain the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, BRI and BRI Agro estimates future cash flows considering all contractual terms of the financial instruments except future credit losses.

This calculation includes all commissions, provision fees and other forms received by the parties in the contract that are inseparable from the effective interest rate, transaction costs and all other premiums or discounts.

If the value of a financial asset or group of similar financial assets has decreased as a result of impairment losses, the interest income subsequently obtained is recognized based on the interest rate used to discount future cash flows in calculating impairment losses.

ab. Fees and commissions

Fees and commissions directly related to lending activities, or fees and commissions income related to a specific period, are amortized over the term of the contract using the effective interest rate and classified as part of interest income in the consolidated statement of profit or loss and other comprehensive income.

Fees and commissions that are not related to the credit activity or a period of time and/or associated with the service provided, are recognized as revenue at the time of the transaction and recorded under other operating income.

ac. Sharia income and expense

Sharia income consists of income from *murabahah*, *istishna*, *ijarah* transactions and profit sharing from *Mudharabah* and *musyarakah* financing.

Income from *ijarah* transactions is recognized using the accrual method. Income from *istishna* transactions and profit sharing from *Mudharabah* and *musyarakah* financing are recognized when the cash installments are received. Expenses based on Sharia principles consist of *Mudharabah* profit sharing expense and *wadiah* bonus expense.

Income from *murabahah* receivables is recognized using the effective margin method. Effective margin is the margin that precisely discounts the estimated future cash payments or receipts through the expected life of the *murabahah* receivables. When calculating the effective margin, BRIS estimates the future cash flows considering all contractual terms of the financial instrument, except future credit losses. This calculation includes all commissions, provision fees and other forms accepted by the parties in the contract that are an inseparable part of the effective margin, transaction costs and all other premiums or discounts.

Mudharabah and *musyarakah* income are recognized when cash is received or in a period where the right of revenue sharing is due based on agreed portion (nisbah).

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ad. Premium income and claim expense

Premiums of short-term insurance contracts are recognized as income within the contract period based on the insurance coverage provided. Premiums of non short-term insurance contracts are recognized as income when due from policyholders. Premiums received prior to the issuance of insurance policies or premium due date is recorded as policyholders' deposit.

Premiums relating to investment contract and unbundled financial risk component of insurance contract are accounted as a deposit through the consolidated statement of financial position as an adjustment to the investment contract liabilities accounts.

Gross reinsurance premiums are recognized as expenses when payable or on the date in which the policy becomes effective.

Claims and benefits consist of approved claims. Claims and benefits are recognized as expense when the liabilities to cover claims are incurred. Reinsurance claims received from reinsurance companies are recognized and recorded as reinsurance claim in the same period the claim expenses are recognized.

Claims and benefits relating to investment contract and unbundled financial risk component of insurance contract are accounted as a withdrawal through the consolidated statement of financial position as an adjustment to the investment contract liabilities accounts.

ae. Insurance and investment contract liabilities and reinsurance

Insurance contract liabilities

a. Liabilities for future policy benefits

Liabilities for future policy benefits represent present value of estimated payments throughout the guaranteed benefits including all the embedded options available, the estimated present value of all handling costs incurred and also considering the future premium receipt. Liabilities for future policy benefits represent liabilities of non short-term insurance contracts.

Increase (decrease) in liability for future policy benefits is recognized as expense (income) in the profit or loss for the year. The liabilities are derecognized when the contract expires, is discharged or is cancelled.

b. Estimated claim liabilities

Estimated claim liabilities represents claims in process which are computed based on the estimated loss from claims that are still in process at consolidated statement of financial position date, including claims incurred but not yet reported ("IBNR").

The changes in estimated claim liabilities are recognized in the profit or loss for the year. The liabilities are derecognized when the contract expires, is discharged or is cancelled.

c. Unearned premium reserves

Unearned premium reserves represents part of the premiums already received but not yet earned, as the period of insurance covered extends beyond the end of the year. Unearned premium reserves represents liabilities of short-term insurance contract.

Unearned premium reserves are calculated individually for each contract based on the insurance coverage provided during the insurance period or risk period consistent with the recognition of short-term insurance premium income.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ae. Insurance and investment contract liabilities and reinsurance (continued)

Insurance contract liabilities (continued)

c. Unearned premium reserves (continued)

Increase (decrease) in unearned premium reserves is recognized as expense (income) in the profit or loss for the year. The liabilities are derecognized when the contract expires, is discharged or is cancelled.

Investment contract liabilities

Investment contract liabilities represent liabilities calculated on investment contract (including unbundled amount of financial risk component in insurance contract) using the valuation principle in accordance with SFAS No.55 (Revised 2014). Deposits and withdrawals related to the investment contract (including unbundled amount of financial risk component in insurance contract) are recorded directly as an adjustment to the investment contract liabilities in the consolidated statement of financial position and are not recognised as premium income in the profit or loss. Except for deposit and withdrawal, all changes in investment contract liabilities are recognized in the profit or loss for the year. The liabilities are derecognized when the contract expires, is discharged or is cancelled.

Reinsurance

BRI Life cedes insurance risk in the normal course of business for all of its businesses.

The benefits to which BRI Life is entitled under its reinsurance contracts held are recognized as reinsurance assets. These assets consist of receivables that are dependent on the expected claims and benefits arising under the related reinsurance contracts. As required by SFAS No. 62, reinsurance assets are not offset against the related insurance contract liabilities.

Reinsurance receivables are estimated in a manner consistent with settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

BRI Life reinsured part of its total accepted risk to other insurance and reinsurance companies. The premium paid to the reinsurer on the reinsurer's share of the premium on prospective reinsurance transaction is recognized as reinsurance premium over the reinsurance contract period in proportion to the insurance coverage provided. A payment or obligation for retrospective transaction is recognized as reinsurance receivable from the reinsurer in the amount equivalent to the payment made or recorded liability in relation to the reinsurance contract.

Reinsurance assets include balances expected to be recovered from reinsurance companies for ceded liability for future policy benefits, ceded estimated claim liabilities, and ceded unearned premium reserves. Amounts recoverable from reinsurers are estimated in a manner consistent with the liability associated with the reinsured policy.

BRI Life presents separately reinsurance assets of future policy benefit liabilities, unearned premium reserves, and estimated claim liabilities.

A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that BRI Life may not receive all amounts due under the terms of the contract, and the impact of the amounts that BRI Life will receive from the reinsurer can be reliably measured.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ae. Insurance and investment contract liabilities and reinsurance (continued)

Reinsurance (continued)

If a reinsurance asset is impaired, BRI Life reduces the carrying amount and recognizes the impairment loss in the profit or loss for the year.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired or when the contract is transferred to another party.

af. Employee benefits

Short-term employee benefits

Short-term employee benefits such as salaries, social security contributions, short-term leaves, bonuses and other non-monetary benefits are recognized during the period when services have been rendered. Short-term employee benefits are measured using undiscounted amounts.

Defined contribution plan

Contribution payable to the pension fund equivalent to a certain percentage of salaries for qualified employees under the BRI's defined contribution plan. The contribution is accrued and recognized as expense when services have been rendered by qualified employees and actual payments are deducted from the contribution payable. Contribution payable is measured using undiscounted amounts.

Defined benefit plan and other long-term employee benefits

The post-employment benefits and other long-term employee benefits such as gratuity for services and grand leaves are accrued and recognized as expense when services have been rendered by qualified employees. The benefits are determined based on BRI's regulations and the minimum requirements of Labor Law No. 13/2003.

The post-employment benefits and other long-term employee benefits are actuarially determined using the Projected Unit Credit Method.

Remeasurement of net defined benefit liabilities (assets), which is recognized as other comprehensive income, consist of:

- (i) Actuarial gains and losses.
- (ii) Return on plan assets, excluding amounts that included in net interest on liabilities (assets).
- (iii) The changes in the impact of the asset ceiling, excluding amounts that included in net interest on liabilities (assets).

Remeasurement of net defined benefit liabilities (assets), which is recognized as other comprehensive income are not reclassified to profit or loss in subsequent periods.

For other long-term employee benefits over the current service cost, net interest on net defined benefit liabilities (assets), and the remeasurement of net defined benefit liability (asset) obligations are recognized immediately in the current period consolidated statement of profit or loss and other comprehensive income.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

af. Employee benefits (continued)

Defined benefit plan and other long-term employee benefits (continued)

All past service costs are recognized as expense at the earlier date between the amendment or curtailment program occurs, and when the related restructuring or termination costs are recognized, therefore, unvested past service cost can no longer be deferred and recognized over the future vesting period.

ag. Stock options

In connection with the IPO, BRI has granted stock options to Directors and employees of certain positions and levels based on criteria established by BRI. Cost of stock compensation at the issuance date is calculated using the fair value of the stock options and is recognized as part of "Salaries and Employee Benefits Expense" based on cliff-vesting scheme using the straight-line method over the vesting period. The accumulation of stock compensation cost is recognized as "Stock Options" in the equity.

The fair values of the stock options granted are calculated using the Black-Scholes option pricing model.

ah. Earnings per share

Basic earnings per share is calculated by dividing income for the period/year attributable to equity holders of the Parent Entity (BRI) by the weighted average number of issued and fully paid shares during the related year.

ai. Foreign currency transactions and balances

BRI and Subsidiaries maintain their accounting records in Indonesian Rupiah. Transactions in foreign currencies are recorded at the prevailing exchange rates at the time of the transactions. As of December 31, 2016 and 2015, all foreign currency denominated monetary assets and liabilities are translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian Time). The resulting gains or losses are recognized in the current year consolidated statement of profit or loss and other comprehensive income.

The exchange rates used in the translation of foreign currency amounts into Rupiah are as follows (full Rupiah):

	December 31, 2016	December 31, 2015
1 United States Dollar	13,472.50	13,785.00
1 Great Britain Pound Sterling	16,555.01	20,439.02
1 Japanese Yen	115.07	114.52
1 European Euro	14,175.77	15,056.67
1 Hong Kong Dollar	1,737.34	1,778.70
1 Saudi Arabian Riyal	3,591.90	3,672.48
1 Singapore Dollar	9,311.93	9,758.95
1 Malaysian Ringgit	3,003.23	3,210.67
1 Australian Dollar	9,723.11	10,083.73
1 Renminbi	1,939.19	2,122.85
1 Thailand Baht	376.12	381.97
1 Swiss Franc	13,208.98	13,919.33
1 Canadian Dollar	9,986.29	9,924.41

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ai. Foreign currency transactions and balances (continued)

The exchange rates used in the translation of foreign currency amounts into Rupiah are as follows (full Rupiah) (continued):

	December 31, 2016	December 31, 2015
1 Bruneian Dollar	9,311.29	9,758.60
1 Danish Krone	1,906.86	2,017.77
1 South Korean Won	11.20	11.72
1 New Zealand Dollar	9,362.72	9,444.80
1 Papua New Guinean Kina	4,243.86	4,583.55
1 United Arab Emirates Dirham	3,667.98	3,753.06
1 Swedish Krona	1,482.52	1,641.11
1 Norwegian Krone	1,560.42	1,565.52
1 Indian Rupee	198.40	208.31

aj. Translation of the financial statements of Overseas Branch and Representative Offices

BRI has 1 (one) Subsidiary in Hong Kong, 2 (two) branch offices in Cayman Islands and Singapore, and 2 (two) representative offices located in New York and Hong Kong which are considered as separate foreign entities.

For consolidated financial statements purposes, all accounts of the overseas branch and representative offices are translated into Rupiah with the following exchange rates:

- Assets and liabilities, commitments and contingencies - using Reuters spot rates at 4.00 p.m. WIB at statement of financial position reporting date.
- Revenues, expenses, gains and losses - using the average middle rate during the month. The end of year balances consist of the sum of the translated monthly balances of revenues, expenses and profit and losses during the year.
- Equity - Capital Stock and Additional Paid-in Capital using historical rates.
- Statement of cash flows - using the spot rate published by Reuters at 4.00 p.m. WIB on statement of financial position reporting date, except for the profit and loss accounts which are translated at the average middle rates and equity accounts which are translated at the historical rates.

The resulting difference arising from the translation process on the above financial statements is included in equity as "Differences Arising From The Translation of Foreign Currency Financial Statements".

ak. Derivatives Instrument

Derivatives financial instruments are valued and recognized in the consolidated statement of financial position at fair value. Each derivatives contract is recorded as asset when the fair value is positive and as liability when the fair value is negative.

Derivatives receivable and payable are classified as financial assets and liabilities measured at fair value through profit or loss.

Gains or losses resulting from fair value changes are recognized in the consolidated statement of profit or loss and other comprehensive income.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ak. Derivatives Instrument (continued)

The fair value of derivatives instruments is determined based on discounted cash flows and pricing models or quoted prices from brokers of other instruments with similar characteristics, which refers to SFAS No. 68: "Fair Value Measurement" (Note 2c).

al. Taxation

Current tax expense is provided based on the estimated taxable income for the current year. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the fiscal bases of assets and liabilities at each reporting date.

Deferred tax assets are recognized for all deductible temporary differences and carry forward of uncompensated tax losses to the extent that it is probable for temporary differences and carry forward of uncompensated tax losses to be utilized in deducting future taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced when it is no longer probable that sufficient taxable profits will be available to compensate part or all of the benefit of the deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply on the year when the asset is realized or the liability is settled based on tax laws that have been enacted or substantively enacted as of consolidated statement of financial position reporting date. The related tax effects of the provisions for and/or reversals of all temporary differences during the year, including the effect of change in tax rates, are recognized as "Income Tax Benefit (Expense), Deferred" and included in net profit or loss for the year, except to the extent that they relate to items previously charged or credited to equity.

Amendments to tax obligations are recorded when an assessment is received or, if an appeal is submitted by business unit, when the result of the appeal is determined.

For each of the consolidated entity, the tax effects on temporary differences and tax loss carry forward, which can individually be either asset or liability, are shown at the applicable net amounts.

Assets and liabilities on deferred tax and current tax can be offset if there is a legal enforceable right to offset.

am. Segment information

A segment is a distinguishable component of the business unit that is engaged either in providing certain products (business segment), or in providing products within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment revenue, expenses, income, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intra-group balances and transactions are eliminated as part of consolidation process.

BRI and Subsidiaries presents segments operation based on BRI's internal consolidation report that is presented to the Board of Directors as the operational decision maker.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

am. Segment information (continued)

BRI has identified and disclosed financial information based on main business (business segment) classified into micro, retail, corporate, others and subsidiaries, including geographical segment.

A geographical segment is engaged in providing products or services within a particular economic environment with risks and different returns compared to other operating segments in other economic environments. BRI's geographical segment covers Indonesia, Asia and United States of America.

an. Use of significant accounting judgments, estimates and assumptions

The preparation of the BRI and Subsidiaries consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of the asset and liability affected in future periods.

Judgments

The following judgments are made by management in the process of applying BRI and Subsidiaries' accounting policies that have the most significant effects on the amounts recognized in BRI and Subsidiaries' consolidated financial statements as follows:

Going concern

BRI's management has assessed the ability of BRI and Subsidiaries' ability to continue as going concerns and believes that BRI and Subsidiaries have the resources to continue their businesses in the future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt to the BRI's ability to continue as a going concern. Therefore, the consolidated financial statements have been prepared on going concern basis.

Classification of financial assets and financial liabilities

BRI and Subsidiaries determine the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in SFAS No. 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are accounted for in accordance with BRI and Subsidiaries' accounting policies disclosed in Note 2c.

Fair value of financial and non-financial instruments

All assets and liabilities in which fair value is measured or disclosed in the consolidated financial statements can be classified in fair value hierarchy levels, based on the lowest level of input that is significant on the overall fair value measurement:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities accessible at the measurement date.
- Level 2: inputs other than quoted prices included in Level 1 for the assets and liabilities, which is directly or indirectly observable.
- Level 3: unobservable inputs for the assets and liabilities.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

an. Use of significant accounting judgments, estimates and assumptions (continued)

Judgments (continued)

Held to maturity classification

The securities under held to maturity classification requires significant judgment. In making this judgment, BRI and Subsidiaries evaluate their intention and ability to hold such investments to maturity. If BRI and Subsidiaries fail to keep these investments to maturity other than in certain specific circumstances, for example, selling an insignificant amount close to maturity, they will be required to reclassify the entire portfolio as available for sale securities. The available for sale securities would therefore be measured at fair value and not at amortized cost.

Contingencies

The management of BRI and Subsidiaries are currently involved in legal proceedings. The estimate of the probable cost for the resolution of claims has been developed in consultation with the aid of the legal counsel handling BRI and Subsidiaries defense in this matter and is based upon an analysis of potential results. Management does not believe that the outcome of this matter will affect the results of operations. It is probable, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies related to these proceedings.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as disclosed below. BRI and Subsidiaries based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of BRI and Subsidiaries. Such changes are reflected in the assumptions when they occur.

Allowance for impairment losses on loans, sharia financing/receivables, and finance lease receivables

The management of BRI and Subsidiaries review its loan portfolio, sharia financing/receivables, and finance lease receivables to assess impairment on an annual basis by updating allowance for impairment losses made during the period as necessary based on the continuing analysis and monitoring of individual accounts by loan officers.

In determining whether an impairment loss should be provided in the consolidated statement of profit or loss and other comprehensive income, BRI and Subsidiaries assess for any observable data indicating the existence of measurable decrease in the estimated future cash flows from loan portfolio before the decrease is individually identified in the portfolio.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

an. Use of significant accounting judgments, estimates and assumptions (continued)

Estimates and Assumptions (continued)

Allowance for impairment losses on loans, sharia financing/receivables, and finance lease receivables (continued)

This evidence may include observable data indicating that there has been an adverse change in the payment status of group borrowers, or national or local economic conditions that correlate with breach on assets in group. BRI and Subsidiaries use estimates in the amount and timing of future cash flows when determining the level of allowance for losses required. Such estimates are based on assumptions of several factors and actual results may differ, resulting to future changes in the amount of allowance for losses.

Impairment of securities

BRI determines that securities are impaired based on the same criteria as financial assets carried at amortized cost.

Useful lives of premises and equipment

The management of BRI estimates the useful lives of premises and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of premises and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of premises and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in the aforementioned factors. The amounts and timing of recorded expenses for any period are affected by changes of those factors and circumstances during recording. A reduction in the estimated useful lives of premises and equipment increases the recorded operating expenses.

Impairment of non-financial assets

BRI and Subsidiaries assess impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that considered important which may lead to impairment assessment are the following:

- a) significant underperformance relative towards expected historical or projected future operating results;
- b) significant changes in the manner of use of the acquired assets or the overall business strategy; and
- c) significant negative industry or economic trends.

The management of BRI and Subsidiaries recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher amount between fair value less costs of disposal and use of asset value (or cash-generating unit). Recoverable amounts are estimated for individual assets or, if not possible, for the cash-generating unit to which the asset belongs.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

an. Use of significant accounting judgments, estimates and assumptions (continued)

Estimates and Assumptions (continued)

Recognition of deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that the taxable income can be compensated against the losses. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with tax planning strategies.

BRI reviews its deferred tax assets at each of the consolidated statement of financial position reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable income will be available to compensate part or all of the deferred tax assets.

Present value of employee benefit

The cost of defined pension plan and other post employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and disability rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Estimated Claim Liability

Estimated claims liability represents amount set aside to provide for the outstanding and incurred claims arising from insurance policies in force. The Company's management judgment is required to determine the amount of estimated claims liability.

Liabilities for Future Policy Benefits

The Company records long-term insurance contract liabilities using method of present value of estimated payment of all benefit promised including all options available plus present value of all expenses incurred and has considered the future receipt of premium. The main assumption underlying this method is the Company's past claim experience and discount rate.

ao. Allowances for impairment losses on non-earning assets and commitments and contingencies

In accordance with Circular Letter of Bank Indonesia (BI) No. 13/658/DPNP/DPnP dated December 23, 2011, BRI and BRI Agro are no longer required to provide allowance for impairment losses on non-earning assets and administrative accounts (commitments and contingencies), but the management is required to continue calculating the allowance for impairment losses in accordance with the applicable accounting standards.

For non-earning assets, the management of BRI and BRI Agro determine the impairment losses at the lower amount between the carrying value and fair value after deducting cost of disposal.

For commitments and contingencies with credit risk, BRI and BRI Agro's management determine the impairment losses based on the difference between the carrying amount and the present value of the payment obligations that are expected to occur (when payment under the guarantee has become probable).

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ap. Changes in accounting policies and disclosures

BRI and its subsidiaries have applied the following accounting standards starting on January 1, 2016, which are considered relevant to the consolidated financial statements, namely:

- Amendment SFAS No. 4, "Separate Financial Statements of Equity Method in Separate Financial Statements", allows the use of the equity method as a method of recording the investment in subsidiaries, joint ventures and associates in the separate financial statements of these entities.
- Amendment SFAS No. 15, "Investments in Associates and Joint Ventures on Investment Entities: Application Exception Consolidation", clarified in paragraph 36a of exceptions consolidation for investment entities when certain criteria are met.
- Amendment SFAS No. 16, "Acceptable amortization and depreciation method of fixed assets", added explanation for indication of technical or commercial obsolescence of an asset. Amendment SFAS No. 16 clarified that depreciation method based on income is no longer viable.
- Amendment SFAS No. 19, "Intangible Assets on Clarification Method Received for Depreciation and Amortization", to provide clarification on the view that income can not become the basis for measurement of the usage of economic benefits from the use of intangible assets can be rebutted in certain limited circumstances.
- Amendment SFAS No. 24, "Employee Benefit: Defined Contribution Plans", simplify the accounting method for defined contribution plans from workers or third parties that does not rely on the total number of service years, for instance contribution plans measured as a percentage of salary.
- Amendment SFAS No. 65, "Consolidated Financial Statements of Investment Entities: Application Exception Consolidation", that clarify the exception of consolidation for investment entities when certain criteria are met.
- Amendment of SFAS No. 67, "Disclosure of Interests in Other Entities of Investment Entities: Application Exception Consolidation", that clarify the exception of consolidation for investment associates when certain criteria are met.
- SFAS No. 5 (2015 Adaptation), "Operating Segments", added short disclosure on combined operating segment and economic indicators that have similar characteristics.
- SFAS No. 7 (2015 Adaptation), "Related Party Disclosure", added criteria of related parties and clarify disclosure for payables that are given to the management entity.
- SFAS No. 13 (2015 Adaptation), "Investment Property", clarified that SFAS No. 13 and SFAS No. 22 interplay. Entities can refer to SFAS No. 13 to differentiate between investment property and owner-occupied property. Entities may also refer to SFAS No. 22 as a guide whether the acquisition of an investment property is a business combination.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

ap. Changes in accounting policies and disclosures (continued)

BRI and its subsidiaries have applied the following accounting standards starting on January 1, 2016, which are considered relevant to the consolidated financial statements, namely (continued):

- SFAS No. 16 (2015 Adaptation), "Property, Plant and Equipment", clarified in paragraph 35 on revaluation model, that when an entity uses revaluation model, carrying amount of assets are presented in the revaluated amount.
- SFAS No. 19 (2015 Adaptation), "Intangible Assets", clarified in paragraph 80 related to the revaluation model, that when an entity uses the revaluation model, the carrying amount of the asset is back on the revaluation amount.
- SFAS No. 22 (2015 Adaptation), "Business Combinations", to clarify the scope and the obligation to pay contingent consideration that meet the definition of financial instruments are recognized as financial liabilities or equity. This SFAS also resulted in adjustments to the impact of SFAS No. 55 "Financial Instruments: Recognition and Measurement" and SFAS No. 57 "Provisions, Contingent Liabilities and Contingent Assets".
- SFAS No. 25 (Adaptation 2015), "Accounting Policies, Changes in Accounting Estimates and Errors", gave editorial correction to SFAS No. 25 paragraph 27 about limitation on retrospective application.
- SFAS No. 53 (2015 Adaptation), "Share-Based Payment", clarify definition of vesting conditions and separately define performance and service condition.
- SFAS No. 68 (2015 Adaptation), "Fair Value Measurement", clarified that portfolio exception, which permits entities to measure fair value measurement of financial asset or liability groups on a net basis, is to be applied for the whole contract (including non-financial contract) in the scope of SFAS No. 55.
- SFAS No. 110 (Revised 2015), "Sukuk Accounting", regulated recognition, measurement, presentation and disclosure of *Sukuk ijarah* and *Sukuk Mudharabah* transaction, both as either buyer or seller.

The impact to the consolidated financial statements on the adoption of the accounting standards mentioned above has been disclosed in the relevant notes to the consolidated financial statements.

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3. CASH

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
Rupiah		24,499,503		28,186,685
Foreign currencies				
United States Dollar	25,130,556	338,571	17,232,365	237,548
Saudi Arabian Riyal	27,860,774	100,072	21,532,275	79,078
Singapore Dollar	8,179,992	76,171	8,788,995	85,771
European Euro	3,703,923	52,506	2,208,753	33,256
Australian Dollar	4,901,050	47,653	4,745,013	47,847
Papua New Guinean Kina	6,273,700	26,625	355,486	1,629
Malaysian Ringgit	5,869,535	17,628	12,137,945	38,971
Renminbi	7,706,154	14,944	12,894,640	27,373
Japanese Yen	113,550,640	13,066	107,975,654	12,365
United Arab Emirates Dirham	1,805,500	6,623	1,498,990	5,626
Great Britain Pound Sterling	324,900	5,379	187,719	3,837
Hong Kong Dollar	2,981,757	5,180	1,792,237	3,188
Bruneian Dollar	237,922	2,215	282,786	2,760
Thailand Baht	5,394,605	2,029	4,333,480	1,655
Swiss Franc	130,200	1,720	141,120	1,964
New Zealand Dollar	109,491	1,025	91,870	868
Canadian Dollar	72,670	726	60,755	603
South Korean Won	34,316,799	384	51,743,811	607
Indian Rupee	19,307	4	19,307	4
		712,521		584,950
Total		25,212,024		28,771,635

As of December 31, 2016 and 2015, balances denominated in Rupiah include cash in ATMs (Automated Teller Machines) amounting to Rp9,148,888 and Rp9,054,533, respectively.

4. CURRENT ACCOUNTS WITH BANK INDONESIA

Current accounts with Bank Indonesia consist of:

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
Rupiah		44,066,637		51,781,843
United States Dollar	858,735,147	11,569,309	720,780,213	9,935,955
Total		55,635,946		61,717,798

As of December 31, 2016 and 2015, current accounts with Bank Indonesia based on Sharia banking principles amounted to Rp1,201,177 and Rp997,139, respectively.

Current accounts with Bank Indonesia are maintained to comply with Bank Indonesia's Minimum Legal Reserve Requirements (GWM).

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4. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

As of December 31, 2016 and 2015, the GWM ratios of BRI (Parent Entity) (unaudited) are as follows:

	December 31, 2016	December 31, 2015
Primary GWM - Rupiah	6.94%	9.31%
Secondary GWM - Rupiah	9.96	14.10
Primary GWM - Foreign Currency	8.03	8.43

The calculation of the GWM ratios as of December 31, 2016 is based on Bank Indonesia regulation (PBI) No.18/3/PBI/2016 dated March 10, 2016, regarding "Third Amendment to Bank Indonesia regulation No. 15/15/PBI/2013 on GWM of Commercial Banks in Rupiah and Foreign Currency for Conventional Banking". The calculation of the GWM ratios as of December 31, 2015 is based on Bank Indonesia regulation (PBI) No. 17/21/PBI/2015 dated November 26, 2015, regarding "Second Amendment to Bank Indonesia regulation No. 15/15/PBI/2013 on GWM of Commercial Banks in Rupiah and Foreign Currency for Conventional Banking".

As of December 31, 2016 and 2015, based on the above mentioned Bank Indonesia regulation, BRI is required to maintain minimum primary GWM of 6.5% and 7.5%, respectively, in Rupiah, of 8% in foreign currencies, and secondary GWM of 4% in Rupiah.

BRI has complied with Bank Indonesia regulation regarding the minimum legal reserve requirement as of December 31, 2016 and 2015.

5. CURRENT ACCOUNTS WITH OTHER BANKS

a) By Currency:

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>		119,480		97,449
<u>Foreign currencies</u>				
United States Dollar	441,928,870	5,953,887	270,217,641	3,724,950
European Euro	216,459,615	3,068,481	33,479,134	504,084
Renminbi	289,301,369	561,010	1,593,611,539	3,382,990
Singapore Dollar	44,289,848	412,424	24,571,730	239,794
Japanese Yen	1,850,099,200	212,882	903,091,742	103,413
Hong Kong Dollar	91,641,803	159,213	55,503,846	98,725
Great Britain Pound Sterling	9,564,477	158,340	5,429,297	110,970
Australian Dollar	14,336,181	139,392	14,747,424	148,709
United Arab Emirates Dirham	26,818,881	98,371	26,967,569	101,211
Saudi Arabian Riyal	13,268,872	47,660	11,964,329	43,939
Swiss Franc	2,559,185	33,804	3,255,641	45,316
New Zealand Dollar	1,349,992	12,640	2,672,833	25,244
Canadian Dollar	1,152,637	11,511	1,736,245	17,231
Norwegian Krone	4,765,927	7,437	13,768,507	21,555
Swedish Krona	2,249,280	3,335	1,255,222	2,060
		10,880,387		8,570,191
		10,999,867		8,667,640

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

a) By Currency (continued):

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>		9,258		3,566
<u>Foreign currencies</u>				
Hong Kong Dollar	5,273,792	9,162		-
United States Dollar	328,678	4,428	4,706,990	64,886
		13,590		64,886
		22,848		68,452
Total		11,022,715		8,736,092

b) By Bank:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
PT Bank Pembangunan Daerah (BPD) Papua	39,297	41,737
PT Bank Central Asia Tbk	34,910	40,680
Citibank, N.A.	26,315	-
PT Bank Danamon Indonesia Tbk	9,554	600
BPR Warga Dani Bringin Dana Sejahtera	6,431	6,262
Others	2,973	8,170
	119,480	97,449
<u>Foreign currencies</u>		
JP Morgan Chase Bank, N.A.	5,341,827	1,657,543
ING Belgium N.V. Brussels	1,838,108	78,237
Standard Chartered Bank	863,323	803,954
Bank of China, Ltd.	490,368	2,538,323
Bank of America	446,363	844,719
Others	1,900,398	2,647,415
	10,880,387	8,570,191
	10,999,867	8,667,640
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
PT Bank Mandiri (Persero) Tbk	8,096	2,078
PT Bank Negara Indonesia (Persero) Tbk	1,014	1,443
PT Bank BNI Syariah	74	45
PT Bank Syariah Mandiri	74	-
	9,258	3,566

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5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b) By Bank (continued):

	December 31, 2016	December 31, 2015
<u>Related parties (Note 44) (continued)</u>		
<u>Foreign currencies</u>		
PT Bank Negara Indonesia (Persero) Tbk	9,626	63,390
PT Bank Mandiri (Persero) Tbk	3,964	1,496
	13,590	64,886
	22,848	68,452
Total	11,022,715	8,736,092

c) By Collectibility:

Current accounts with other banks as of December 31, 2016 and 2015 were classified as "Current".

d) Average annual interest rates:

	2016	2015
Rupiah	0.27%	0.24%
United States Dollar	0.26	0.11

e) BRI assessed allowance for impairment losses on current accounts with other banks individually based on whether objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of December 31, 2016 and 2015, because management believes that current accounts with other banks are fully collectible.

As of December 31, 2016 and 2015, there are no current accounts with other banks which are used as collateral.

6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS

a) By Currency and Type:

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Bank Indonesia				
Deposit Facility		52,359,589		14,591,094
Term Deposit		5,997,961		-
Deposit Facility Syariah		963,000		2,422,000
		59,320,550		17,013,094

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties (continued)</u>				
<u>Rupiah (continued)</u>				
Inter-bank call money				
PT Bank Sumitomo				
Mitsui Indonesia		250,000		-
PT BPD Jawa Barat				
dan Banten Tbk		245,000		200,000
Standard Chartered Bank		200,000		-
PT Bank Aceh		200,000		400,000
JP Morgan Chase Bank, N.A.		100,000		-
PT Bank Sinarmas Tbk		80,000		80,000
PT Bank Bukopin Tbk		80,000		50,000
PT Bank OCBC NISP Tbk		80,000		150,000
PT Bank Danamon				
Indonesia Tbk		70,000		-
PT Bank Panin Dubai				
Syariah Tbk		70,000		-
PT Bank CIMB Niaga Tbk		70,000		190,000
PT Bank Pan Indonesia Tbk		60,000		390,000
PT BPD Jambi		50,000		50,000
PT BPD Sulawesi Tengah		50,000		50,000
PT BPD Maluku		50,000		50,000
PT BPD Jawa Tengah		50,000		-
PT BPD Lampung		50,000		-
PT BPD Jawa Timur		50,000		-
PT Bank Victoria				
International Tbk		30,000		-
PT BPD Riau Kepri		25,000		-
PT Bank Maybank				
Indonesia Tbk		20,000		-
PT Bank DBS Indonesia		20,000		-
PT Bank Victoria Syariah		20,000		-
PT Bank Kesejahteraan Ekonomi		20,000		-
The Bank of Tokyo-Mitsubishi				
UFJ Ltd.	-			1,250,000
The Hong Kong and				
Shanghai Banking				
Corporation Limited	-			200,000
PT BPD Kalimantan Timur		-		170,000
PT Bank ANZ Indonesia		-		150,000
PT Bank Mega Tbk		-		100,000
PT Bank BNP Paribas				
Indonesia		-		100,000
PT Bank DKI		-		100,000
PT Bank UOB Indonesia		-		100,000
PT BPD Kalimantan Selatan		-		50,000
		1,940,000		3,830,000
Time Deposits				
PT Bank Bukopin Tbk		3,300		-
PT Bank Sahabat Sampoerna		2,000		-
		5,300		-

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties (continued)</u>				
<u>Rupiah (continued)</u>				
Other Placement				
(Banker's Acceptance)				
PT Bank KEB Hana Indonesia		130,000		-
PT Bank BNP Paribas Indonesia		-		200,000
PT Bank ANZ Indonesia		-		140,000
PT Bank Sumitomo Mitsui Indonesia		-		100,000
		<u>130,000</u>		<u>440,000</u>
		61,395,850		21,283,094
		<u>61,395,850</u>		<u>21,283,094</u>
<u>United States Dollar</u>				
Bank Indonesia				
Term Deposit	999,961,670	13,471,984	1,524,944,851	21,021,365
		<u>13,471,984</u>		<u>21,021,365</u>
Inter-bank call money				
Wells Fargo Bank, N.A.	70,300,000	947,117	56,900,000	784,367
Federal Reserve Bank	62,352,096	840,039	-	-
The Bank of New York Mellon	33,700,000	454,023	275,800,000	3,801,903
Citibank, N.A.	29,940,000	403,367	36,450,000	502,463
PT Bank BNP Paribas Indonesia	1,310,193	17,652	-	-
TD Bank, N.A.	627,068	8,448	75,452,619	1,040,114
PT Bank ANZ Indonesia	-	-	16,760,000	231,037
		<u>2,670,646</u>		<u>6,359,884</u>
		2,670,646		6,359,884
Time Deposits				
US Bank	228,828	3,083	1,724,986	23,779
TD Bank, N.A.	511,630	6,893	276,429	3,811
		<u>9,976</u>		<u>27,590</u>
		9,976		27,590
Other Placement				
(Banker's Acceptance)				
PT Bank Mega Tbk	9,996,546	134,678		-
		<u>134,678</u>		<u>-</u>
		134,678		-
<u>Renminbi</u>				
Inter-bank call money				
PT Bank ICBC Indonesia		-	67,000,000	142,231
		<u>16,287,284</u>		<u>27,551,070</u>
		16,287,284		27,551,070
		<u>77,683,134</u>		<u>48,834,164</u>
		77,683,134		48,834,164

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Inter-bank call money				
Lembaga Pembiayaan Ekspor Indonesia		200,000		400,000
PT Bank Negara Indonesia (Persero) Tbk		200,000		100,000
PT Bank Mandiri (Persero) Tbk		40,000		400,000
PT Bank Tabungan Negara (Persero) Tbk		-		50,000
PT BTMU-BRI Finance		-		46,000
		440,000		996,000
Time Deposits				
PT Bank Tabungan Negara (Persero) Tbk		12,220		1,000
PT Bank Mandiri (Persero) Tbk		5,400		-
PT Bank BNI Syariah		2,000		2,000
PT Bank Syariah Mandiri		-		1,500
		19,620		4,500
		459,620		1,000,500
Total		78,142,754		49,834,664

b) By Time Period:

The classifications of placements based on their remaining period to maturity are as follows:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	61,265,850	21,043,094
> 1 month - 3 months	130,000	140,000
> 3 months - 1 year	-	100,000
	61,395,850	21,283,094
<u>Foreign currencies</u>		
≤ 1 month	16,287,284	27,551,070
	77,683,134	48,834,164
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 month	459,620	853,500
> 1 month - 3 months	-	147,000
	459,620	1,000,500
Total	78,142,754	49,834,664

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6. PLACEMENTS WITH BANK INDONESIA AND OTHER BANKS (continued)

c) By Collectibility:

All placements with Bank Indonesia and other banks were classified as "Current" as of December 31, 2016 and 2015.

d) The average annual interest rates are as follows:

	2016	2015
<u>Rupiah</u>		
Placements with Bank Indonesia	4.35%	5.73%
Placements with other banks	6.46	7.36
<u>Foreign currencies</u>		
Placements with Bank Indonesia	0.44%	0.13%
Placements with other banks	0.62	0.06

BRI assessed placements with Bank Indonesia and other banks individually based on whether an objective evidence of impairment exists.

On December 31, 2016 and 2015, there were no placements with Bank Indonesia and other banks which are impaired nor restricted.

Management believes that no allowance for impairment losses is necessary as of December 31, 2016 and 2015 because management believes that placements with Bank Indonesia and other banks are fully collectible.

7. SECURITIES

a) By Purpose, Currency and Type:

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Fair value through profit or loss</u>				
<u>Third parties</u>				
<u>Rupiah</u>				
Mutual funds		258,831		113,025
Bonds		54,416		12,682
Subordinated bonds		45,880		-
Others		111,464		100,669
		470,591		226,376
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Government bonds		84,746		274,693
Mutual funds		34,557		9,118
Bonds		10,329		5,409
Medium-Term notes		-		56,198
Others		72,759		64,585
		202,391		410,003

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7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Fair value through profit or loss (continued)</u>				
<u>Related parties (Note 44)</u>				
<u>(continued)</u>				
<u>United States Dollar</u>				
Government bonds		-	21,110,337	291,006
Mutual funds	147,263	1,984	141,458	1,949
		1,984		292,955
		674,966		929,334
<u>Available for sale</u>				
<u>Third parties</u>				
<u>Rupiah</u>				
Certificates of Bank Indonesia		8,895,833		6,455,944
Deposits Certificate of Bank Indonesia		6,023,957		5,516,495
Bonds		2,141,239		648,015
Subordinated bonds		812,649		510,769
Mutual funds		552,481		1,323,167
Medium-Term Notes		40,000		-
Others		82,796		72,495
		18,548,955		14,526,885
<u>United States Dollar</u>				
Certificates of Bank Indonesia	276,240,564	3,721,651	99,206,021	1,367,555
Bonds	59,913,082	807,179	63,715,053	878,312
U.S Treasury Bonds	25,822,008	347,887	18,830,395	259,577
		4,876,717		2,505,444
<u>Singapore Dollar</u>				
<u>Monetary</u>				
Authority of Singapore (MAS) Bills	35,000,048	325,918		-
Singapore Government Securities	21,338,863	198,706	22,632,262	220,867
		524,624		220,867
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Government bonds		21,158,568		24,238,226
Bonds		2,408,561		1,171,001
Mutual funds		373,303		250,386
Medium-Term Notes		155,074		324,965
Subordinated bonds		-		3,067
Others		77,508		75,919
		24,173,014		26,063,564
<u>United States Dollar</u>				
Government bonds	1,441,010,726	19,414,017	1,135,153,863	15,648,096
Bonds	106,060,345	1,428,898	108,057,309	1,489,570
		20,842,915		17,137,666

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7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Available for sale (continued)</u>				
<u>Related parties (Note 44)</u>				
<u>(continued)</u>				
<u>European Euro</u>				
Government bonds	37,108,474	526,041	16,446,133	247,624
		69,492,266		60,702,050
<u>Held to maturity</u>				
<u>Third parties</u>				
<u>Rupiah</u>				
Certificates of Bank Indonesia		2,009,192		-
Certificates of Bank Indonesia Syariah (SBIS)		1,650,000		1,350,000
Bonds		1,444,330		1,633,889
Deposits Certificates of Bank Indonesia		-		1,088,575
Negotiable Certificate of Deposits		660,243		187,394
Medium-Term Notes		150,000		125,000
Subordinated bonds		60,000		60,000
		5,973,765		4,444,858
<u>United States Dollar</u>				
Promissory Notes	2,000,000	26,945	2,000,000	27,570
Credit Linked Notes		-	51,096,844	704,370
Certificates of Bank Indonesia		-	49,775,190	686,151
		26,945		1,418,091
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Government bonds		32,185,729		35,460,319
Bonds		2,567,989		2,979,508
Negotiable Certificate of Deposits		808,282		164,182
Medium-Term Notes		99,710		164,443
Subordinated bonds		-		84,906
		35,661,710		38,853,358
<u>United States Dollar</u>				
Government bonds	1,391,260,144	18,743,752	1,286,721,436	17,737,455
Bonds	54,871,034	739,250	55,250,925	761,634
		19,483,002		18,499,089
<u>European Euro</u>				
Government bonds	12,039,541	170,670	2,956,364	44,513
		61,316,092		63,259,909
Total		131,483,324		124,891,293
Less: Allowance for impairment losses		(758)		(758)
Net		131,482,566		124,890,535

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7. SECURITIES (continued)

b) By Collectibility:

As of December 31, 2016 and 2015, all securities are classified as 'Current', except for Bonds I Year 2003 issued by PT Great River International which is classified as 'Loss'. The bond is owned by BRI Life (subsidiary) with a nominal value of Rp 758, and has already matured on October 13, 2008.

Based on the above, BRI Life management has established provisions for impairment losses amounting to Rp758 as of December 31, 2016 and 2015.

c) By Remaining Period to Maturity:

The classifications of securities based on their remaining period to maturity are as follows:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	19,405,171	14,963,594
> 1 month - 3 months	308,968	1,571,743
> 3 months - 1 year	4,168,321	1,720,870
> 1 year	1,110,851	941,912
	<u>24,993,311</u>	<u>19,198,119</u>
<u>Foreign currencies</u>		
≤ 1 month	5,401,340	2,726,311
> 3 months - 1 year	26,946	686,151
> 1 year	-	731,940
	<u>5,428,286</u>	<u>4,144,402</u>
	<u>30,421,597</u>	<u>23,342,521</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 month	25,408,685	26,476,578
> 1 month - 3 months	4,151,328	2,669,743
> 3 months - 1 year	3,685,462	7,537,421
> 1 year	26,791,640	28,643,183
	<u>60,037,115</u>	<u>65,326,925</u>
<u>Foreign currencies</u>		
≤ 1 month	21,362,145	18,051,666
> 1 month - 3 months	504,355	-
> 3 months - 1 year	996,873	-
> 1 year	18,161,239	18,170,181
	<u>41,024,612</u>	<u>36,221,847</u>
	<u>101,061,727</u>	<u>101,548,772</u>
Total	131,483,324	124,891,293
Less: Allowance for impairment losses	(758)	(758)
Net	<u>131,482,566</u>	<u>124,890,535</u>

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7. SECURITIES (continued)

d) By Type and Issuer:

d.1. Government Bonds

Government bonds represent bonds issued by the government of a country in connection with the management of Government debentures portfolio such as Government Debentures (SUN), Government Treasury Bills (SPN) and Government bonds issued in foreign currencies which are obtained from the primary and secondary markets, including U.S Treasury Bonds and Singapore Government Securities. The details of Government bonds are as follows:

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015
Fair value through profit or loss				
<u>Rupiah</u>				
FR0062	6.38	April 15, 2042	-	14,200
FR0064	6.13	May 15, 2028	25,245	23,700
FR0065	6.63	May 15, 2033	25,381	23,625
IFR0002	11.95	August 15, 2018	-	1,060
IFR0006	10.25	March 15, 2030	13,136	17,300
SR005	6.00	February 27, 2016	-	13,631
SR006	8.75	March 5, 2017	1,683	664
SR007	8.25	March 11, 2018	2,571	118,949
SR008	8.30	March 10, 2019	6,576	-
PBS005	6.75	April 15, 2043	1,967	5,987
PBS006	8.25	September 15, 2020	1,524	5,660
PBS008	7.00	June 15, 2016	-	49,917
PBS011	8.75	August 15, 2023	1,544	-
PBS012	8.88	November 15, 2031	5,119	-
			84,746	274,693
<u>United States Dollar</u>				
INDOIS18	4.00	November 21, 2018	-	28,746
INDOIS25	4.33	May 28, 2025	-	262,260
			-	291,006
			84,746	565,699
Available for sale				
<u>Rupiah</u>				
FR0028	10.00	July 15, 2017	536,177	1,198,484
FR0030	10.75	May 15, 2016	-	1,007,414
FR0031	11.00	November 15, 2020	138,158	134,709
FR0034	12.80	June 15, 2021	432,304	384,615
FR0035	12.90	June 15, 2022	757,206	559,911
FR0036	11.50	September 15, 2019	3,832	3,783
FR0039	11.75	August 15, 2023	59,790	57,675
FR0040	11.00	September 15, 2025	632,718	455,084
FR0042	10.25	July 15, 2027	286,341	212,898
FR0043	10.25	July 15, 2022	261,181	203,281
FR0044	10.00	September 15, 2024	222,400	212,600
FR0045	9.75	May 15, 2037	-	10,457
FR0046	9.50	July 15, 2023	32,433	10,310
FR0047	10.00	February 15, 2028	240,250	180,277
FR0048	9.00	September 15, 2018	10,276	10,057
FR0050	10.50	July 15, 2038	29,885	28,023
FR0052	10.50	August 15, 2030	516,675	326,933
FR0053	8.25	July 15, 2021	1,450,367	1,654,130
FR0054	9.50	July 15, 2031	331,687	312,238
FR0055	7.38	September 15, 2016	-	397,359
FR0056	8.38	September 15, 2026	2,506,370	1,569,743
FR0057	9.50	May 15, 2041	43,988	51,355
FR0058	8.25	June 15, 2032	556,645	467,875
FR0059	7.00	May 15, 2027	926,358	418,925
FR0060	6.25	April 15, 2017	195,860	732,539
FR0061	7.00	May 15, 2022	751,137	546,105
FR0062	6.38	April 15, 2042	318,231	294,142
FR0063	5.63	May 15, 2023	549,859	576,344
FR0064	6.13	May 15, 2028	540,181	540,185
FR0065	6.63	May 15, 2033	531,400	545,372
FR0066	5.25	May 15, 2018	310,181	629,059

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government bonds (continued)

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015
Available for sale (continued)				
<u>Rupiah (continued)</u>				
FR0068	8.38	March 15, 2034	505,881	792,413
FR0069	7.88	April 15, 2019	764,862	1,988,752
FR0070	8.38	March 15, 2024	661,557	1,411,402
FR0071	9.00	March 15, 2029	296,492	614,504
FR0072	8.25	May 15, 2036	411,694	488,637
FR0073	8.75	May 15, 2031	468,926	397,692
FR0074	7.50	August 15, 2032	9,724	-
IFR0002	11.95	August 15, 2018	1,062	-
IFR0006	10.25	March 15, 2030	7,424	-
ORIO10	8.50	October 15, 2016	-	930,747
ORIO11	8.50	October 15, 2017	621,859	2,352,526
ORIO12	9.00	October 15, 2018	91,217	311,111
ORIO13	6.60	October 15, 2019	7,918	-
PBS004	6.10	February 15, 2037	5,210	-
PBS005	6.75	April 15, 2043	4,484	-
PBS006	8.25	September 15, 2020	758,238	-
PBS007	9.00	September 15, 2040	5,162	-
PBS009	7.75	January 25, 2018	196,348	-
PBS011	8.75	August 15, 2023	861,570	-
PBS012	8.88	November 15, 2031	623,873	-
PBS013	6.25	May 15, 2019	48,550	-
PBS014	6.50	May 15, 2021	144,414	-
SR006	8.75	March 5, 2017	2,263	-
SR007	8.25	March 11, 2018	84,196	-
SR008	8.30	March 10, 2019	515,218	-
SPN	various	various	888,536	1,218,560
			21,158,568	24,238,226
<u>United States Dollar</u>				
RI0016	7.50	January 15, 2016	-	286,911
RI0017	6.88	March 9, 2017	828,285	1,157,720
RI0018	6.88	January 17, 2018	929,727	1,929,241
RI0320	5.88	March 13, 2020	1,424,638	1,557,619
RI0521	4.88	May 5, 2021	1,904,424	1,868,137
RI0035	8.50	October 12, 2035	186,485	175,630
RI0037	6.63	February 17, 2037	140,247	101,320
RI0038	7.75	January 17, 2038	103,873	145,528
RI0124	5.88	January 15, 2024	303,472	257,913
RI0125	4.13	January 15, 2025	896,925	934,991
RI0126	4.75	January 8, 2026	528,825	571,009
RI0142	5.25	January 17, 2042	121,976	212,242
RI0144	6.75	January 15, 2044	-	14,799
RI0145	5.13	January 15, 2045	281,896	562,709
RI0146	5.95	January 8, 2046	-	13,596
RI0422	3.75	April 25, 2022	1,315,939	1,193,348
RI0423	3.38	April 15, 2023	678,228	647,913
RI0443	4.63	April 15, 2043	558,528	896,127
RI1023	5.38	October 17, 2023	437,598	366,998
RI190304	11.63	March 4, 2019	2,014,787	2,429,173
INDOIS18	4.00	November 21, 2018	385,785	-
INDOIS19S	6.13	March 15, 2019	334,657	-
INDOIS21	3.40	March 31, 2021	335,128	-
INDOIS21A	3.40	March 29, 2021	532,184	-
INDOIS22	3.30	November 21, 2022	465,791	-
INDOIS24	4.35	September 10, 2024	451,106	-
INDOIS25	4.33	May 28, 2025	749,483	-
INDOIS26	4.55	March 29, 2026	1,619,896	-
RI0118	6.88	January 17, 2018	113,301	-
RI0122	3.70	January 8, 2022	108,348	-
RI0127	4.35	January 8, 2027	459,370	-
RI0138	7.75	January 17, 2038	121,342	-
RI0237	6.63	February 17, 2037	15,589	-
RI1035	8.50	October 12, 2035	73,217	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government bonds (continued)

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015
Available for sale (continued)				
<u>United States Dollar (continued)</u>				
U.S. Treasury Bonds	5.38	February 15, 2031	347,887	259,577
USDFR0001	3.50	May 15, 2017	321,026	325,172
USDFR0002	4.05	June 24, 2026	671,941	-
			19,761,904	15,907,673
<u>European Euro</u>				
RIEUR0721	2.88	July 8, 2021	162,568	148,493
RIEUR0725	3.38	July 30, 2025	101,726	99,131
RIEUR0623	2.63	June 14, 2023	261,747	-
			526,041	247,624
<u>Singapore Dollar</u>				
SIGB 100119	1.63	October 1, 2019	-	29,259
SIGB 060125	2.38	June 1, 2025	-	191,608
SIGB 060126	2.13	June 1, 2026	198,706	-
			198,706	220,867
			41,645,219	40,614,390
Held to maturity				
<u>Rupiah</u>				
FR0028	10.00	July 15, 2017	342,646	348,171
FR0030	10.75	May 15, 2016	-	243,314
FR0034	12.80	June 15, 2021	420,891	430,439
FR0035	12.90	June 15, 2022	57,248	57,264
FR0036	11.50	September 15, 2019	19,495	19,360
FR0038	11.60	August 15, 2018	18,396	18,667
FR0039	11.75	August 15, 2023	69,516	70,385
FR0040	11.00	September 15, 2025	75,079	75,392
FR0042	10.25	July 15, 2027	168,992	169,827
FR0043	10.25	July 15, 2022	688,999	688,969
FR0044	10.00	September 15, 2024	182,031	183,267
FR0045	9.75	May 15, 2037	234,918	234,754
FR0046	9.50	July 15, 2023	235,744	236,030
FR0047	10.00	February 15, 2028	398,197	397,461
FR0048	9.00	September 15, 2018	110,113	108,723
FR0050	10.50	July 15, 2038	68,578	68,566
FR0052	10.50	August 15, 2030	297,317	296,968
FR0053	8.25	July 15, 2021	1,380,814	1,161,690
FR0054	9.50	July 15, 2031	405,972	405,156
FR0055	7.38	September 15, 2016	-	1,455,833
FR0056	8.38	September 15, 2026	1,637,257	1,048,011
FR0058	8.25	June 15, 2032	544,794	547,064
FR0059	7.00	May 15, 2027	258,767	259,099
FR0060	6.25	April 15, 2017	602,725	601,749
FR0061	7.00	May 15, 2022	423,576	426,074
FR0062	6.38	April 15, 2042	66,504	66,554
FR0063	5.63	May 15, 2023	525,544	527,631
FR0064	6.13	May 15, 2028	147,389	147,273
FR0065	6.63	May 15, 2033	287,317	287,084
FR0066	5.25	May 15, 2018	280,110	276,593
FR0067	8.75	February 15, 2044	34,680	34,675
FR0068	8.38	March 15, 2034	713,746	713,645
FR0069	7.88	April 15, 2019	2,928,607	2,667,864
FR0070	8.38	March 15, 2024	1,285,993	1,288,114
FR0071	9.00	March 15, 2029	741,827	742,894
FR0072	8.25	May 15, 2036	212,248	56,728
FR0073	8.75	May 15, 2031	467,605	71,862
IFR0005	9.00	January 15, 2017	298,557	300,286
IFR0006	10.25	March 15, 2030	80,442	78,453

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government bonds (continued)

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015
Held to maturity (continued)				
<u>Rupiah(continued)</u>				
IFR0007	10.25	January 15, 2025	306,987	307,570
IFR0010	10.00	February 15, 2036	79,217	80,072
ORI010	8.50	October 15, 2016	-	1,744,718
ORI011	8.50	October 15, 2017	786,549	792,512
ORI012	9.00	October 15, 2018	132,302	-
ORI013	6.60	October 15, 2019	98	-
PBS001	4.45	February 15, 2018	215,846	213,927
PBS002	5.45	January 15, 2022	245,516	244,625
PBS003	6.00	January 15, 2027	266,526	265,628
PBS004	6.10	February 15, 2037	123,656	123,146
PBS005	6.75	April 15, 2043	97,276	96,228
PBS006	8.25	September 15, 2020	2,893,544	2,581,571
PBS007	9.00	September 15, 2040	30,205	30,256
PBS008	7.00	June 15, 2016	-	2,965,407
PBS009	7.75	January 25, 2018	2,308,622	1,982,030
PBS010	8.63	January 25, 2019	259,221	-
PBS011	8.75	August 15, 2023	191,103	-
PBS012	8.88	November 15, 2031	44,898	-
PBS013	6.25	May 15, 2019	148,482	-
SR005	6.00	February 27, 2016	-	1,605,014
SR006	8.75	March 5, 2017	3,113,119	2,940,235
SR007	8.25	March 11, 2018	1,869,273	1,563,194
SR008	8.30	March 10, 2019	32,846	-
SPN	various	various	2,327,809	1,112,297
			32,185,729	35,460,319
<u>United States Dollar</u>				
RI0016	7.50	January 15, 2016	-	373,421
RI0017	6.88	March 9, 2017	502,673	539,409
RI0018	6.88	January 17, 2018	922,187	979,824
RI0035	8.50	October 12, 2035	57,339	59,214
RI0037	6.63	February 17, 2037	186,650	198,880
RI0124	5.88	January 15, 2024	261,200	267,736
RI0125	4.13	January 15, 2025	147,016	121,775
RI0118	6.88	January 17, 2018	84,959	-
RI0122	3.70	January 8, 2022	13,589	-
RI0126	4.75	January 8, 2026	497,715	480,535
RI0144	6.75	January 15, 2044	15,546	15,939
RI0145	5.13	January 15, 2045	13,324	13,631
RI0146	5.95	January 8, 2046	33,450	34,219
RI0320	5.88	March 13, 2020	514,416	508,767
RI0422	3.75	April 25, 2022	825,804	831,383
RI0423	3.38	April 15, 2023	100,704	102,765
RI0521	4.88	May 5, 2021	1,050,303	1,043,289
RI0127	4.35	January 8, 2027	53,670	-
RI1023	5.38	October 17, 2023	270,267	235,277
RI190304	11.63	March 4, 2019	484,682	530,860
USDFR0001	3.50	May 15, 2017	454,973	470,080
USDFR0002	4.05	June 24, 2026	673,625	-
INDOIS18	4.00	November 21, 2018	3,237,057	3,298,068
INDOIS19s	6.13	March 15, 2019	3,975,859	4,154,911
INDOIS21	3.40	March 31, 2021	27,263	-
INDOIS21A	3.40	March 29, 2021	135,212	-
INDOIS22	3.30	November 21, 2022	1,688,553	1,619,728
INDOIS24	4.35	September 10, 2024	1,093,728	1,064,136
INDOIS25	4.33	May 28, 2025	955,060	793,608
INDOIS26	4.55	March 29, 2026	466,928	-
			18,743,752	17,737,455

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government bonds (continued)

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015
Held to maturity (continued)				
European Euro				
RIEUR0725	3.38	July 30, 2025	41,964	44,513
RIEUR0623	2.62	June 14, 2023	42,159	-
RIEUR0721	2.88	July 8, 2021	86,547	-
			170,670	44,513
			51,100,151	53,242,287
Total			92,830,116	94,422,376

The market values of Government bonds classified as fair value through profit or loss and available for sale ranged from 74.48% to 135.63% and 71.00% to 125.68% of nominal amounts as of December 31, 2016 and 2015, respectively.

d.2. Bonds

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Fair value through profit or loss						
Third parties						
Rupiah						
PT Indosat Tbk						
Sukuk Ijarah Berkelanjutan I Phase I Series C 2014	10.50	December 12, 2021	idAAA(Sy)	idAAA(Sy)	2,597	701
Sukuk Ijarah IV Series B 2009	11.75	December 8, 2016	-	idAAA(Sy)	-	1,018
PT Bank Muamalat Indonesia Tbk						
Subordinasi Mudharabah Berkelanjutan I Phase I 2012	8.26	June 29, 2022	-	idA(Sy)	-	823
Subordinasi Mudharabah Berkelanjutan I Phase II 2013	7.62	March 28, 2023	idA-(Sy)	idA(Sy)	4,684	6,104
PT Adira Dinamika Multi Finance Tbk						
Berkelanjutan II Phase II Series C 2013	11.00	October 24, 2018	idAAA	-	7,238	-
PT Surya Artha Nusantara Finance						
Berkelanjutan II Phase I Series B 2016	9.00	June 9, 2019	idAA-	-	19,740	-
PT Medco Energi Internasional						
Berkelanjutan II Phase I Series B 2016	11.30	July 15, 2021	idAA-	-	10,160	-
PT Bank Maybank Indonesia Tbk						
Sukuk Mudharabah Berkelanjutan I Phase II 2016	8.25	June 10, 2019	AAA***)	-	4,894	-
PT Summarecon Agung Tbk						
Ijarah Berkelanjutan I Phase I 2013	10.85	December 11, 2018	idA+(Sy)	idA+(Sy)	1,013	994
Ijarah Berkelanjutan I Phase II 2014	11.50	October 10, 2019	idA+(Sy)	idA+(Sy)	4,090	3,042
					54,416	12,682

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Fair value through profit or loss (continued)						
Third parties (continued)						
Rupiah (continued)						
PT Adhi Karya (Persero) Tbk						
<i>Mudharabah Berkelanjutan I</i>						
Phase I 2012	9.35	July 3, 2017	idA(Sy)	idA(Sy)	500	487
<i>Mudharabah Berkelanjutan I</i>						
Phase II 2013	8.10	March 15, 2018	-	idA(Sy)	-	1,588
PT Perusahaan Listrik Negara (Persero)						
<i>Sukuk Ijarah V Series B 2010</i>	10.40	July 8, 2022	idAAA(Sy)	idAAA(Sy)	1,039	1,004
<i>Ijarah Berkelanjutan I</i>						
Phase I 2013	8.00	July 5, 2020	idAAA(Sy)	idAAA(Sy)	773	2,330
PT Waskita Karya (Persero)						
Series B 2012	9.75	June 5, 2017	idA-	-	8,017	-
					10,329	5,409
					64,745	18,091
Available for sale						
Third parties						
Rupiah						
PT Adira Dinamika Multi						
Finance Tbk						
Phase I Series C 2011	9.00	December 16, 2016	-	idAAA	-	24,409
Phase IV Series B 2014	10.50	November 12, 2017	idAAA	idAAA	25,558	25,380
Phase II Series A 2015	8.75	September 5, 2016	-	idAAA	-	11,983
Phase II Series C 2013	11.00	October 24, 2018	idAAA	-	11,378	-
Phase III Series C 2012	8.65	March 30, 2020	idAAA	-	1,002	-
Phase I Series B 2015	8.75	June 30, 2020	idAAA	-	20,681	-
Phase III Series A 2016	8.75	March 12, 2017	idAAA	-	20,036	-
Phase I Series D 2013	8.90	March 1, 2018	idAAA	-	8,997	-
Phase I Series A 2015	9.50	June 30, 2018	idAAA	-	10,147	-
Phase II Series C 2015	10.25	August 25, 2020	idAAA	-	8,334	-
PT Astra Sedaya Finance						
Phase I Series C 2012	8.60	February 21, 2017	idAAA	idAAA	6,007	4,955
Phase II Series C 2013	9.75	November 26, 2017	idAAA	idAAA	50,645	9,988
Phase III Series B 2014	10.50	April 4, 2017	idAAA	idAAA	22,871	15,148
Phase IV Series B 2014	10.50	October 29, 2017	AAA***)	idAAA	68,308	58,026
Phase V Series A 2015	8.50	July 12, 2016	-	idAAA	-	9,956
Phase V Series B 2015	9.25	July 2, 2018	AAA***)	idAAA	75,237	27,824
Phase IV Series A 2016	7.90	August 6, 2017	AAA***)	-	99,170	-
Phase I Series B 2016	8.50	May 11, 2019	AAA***)	-	36,549	-
Phase I Series A 2016	7.95	May 21, 2017	idAAA	-	6,999	-
PT Bank CIMB Niaga Tbk						
Phase II Series C 2013	9.75	November 20, 2018	idAAA	idAAA	20,342	9,868
Phase I Series B 2012	7.75	October 30, 2017	idAAA	-	13,443	-
Phase I Series C 2016	8.25	November 3, 2021	idAAA	-	95,590	-
PT Bank Maybank Indonesia Tbk						
Phase I Series B 2011	8.75	December 6, 2016	-	idAAA	-	25,865
Phase II Series B 2012	8.00	October 31, 2017	idAAA	-	2,000	-
<i>Sukuk Mudharabah</i>						
Phase II 2016	8.25	June 10, 2019	idAAA	-	78,368	-
Phase I Series A 2015	10.35	June 30, 2021	idAAA	-	5,091	-
Phase II Series A 2016	9.10	April 13, 2019	idAAA	-	61,268	-
PT Bank OCBC NISP Tbk						
Phase I Series C 2013	7.40	February 19, 2016	-	idAAA	-	11,976
Phase II Series B 2015	9.40	February 10, 2017	idAAA	idAAA	25,043	24,992
Phase II Series C 2015	9.80	February 10, 2018	idAAA	idAAA	88,471	23,864
Phase I Series C 2016	8.25	May 11, 2019	idAAA	-	132,651	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Available for sale (continued)						
Third parties (continued)						
Rupiah (continued)						
PT Bank Pan Indonesia Tbk						
Phase I 2012	8.15	December 20, 2017	idAA	idAA	40,036	33,568
Phase I 2016	9.15	June 28, 2021	idAA	-	126,331	-
Phase II 2016	8.75	October 27, 2021	idAA	-	76,880	-
PT Bank Tabungan Pensiunan Nasional Tbk						
Phase I Series B 2011	9.90	June 28, 2016	-	AA+***)	-	10,004
Phase II Series B 2012	8.25	August 3, 2017	idAAA	AA+***)	32,035	24,600
Phase I Series B 2013	8.25	July 4, 2018	AAA***)	AA+***)	14,888	9,514
Phase III Series B 2013	8.25	March 5, 2018	AAA***)	AA+***)	17,946	4,791
PT Bank UOB Indonesia						
Year 2015 Series B	9.40	April 1, 2018	AAA***)	AAA***)	99,168	24,710
Year 2015 Series C	9.60	April 1, 2020	AAA***)	-	18,338	-
Year 2016 Series C	9.60	April 1, 2022	AAA***)	-	15,083	-
PT BCA Finance						
Phase II Series B 2013	7.50	June 14, 2016	-	idAAA	-	19,844
Phase II Series C 2013	7.60	June 14, 2017	idAAA	idAAA	4,990	4,846
Phase I Series C 2015	9.00	March 20, 2018	idAAA	idAAA	59,012	48,975
Phase II Series B 2016	8.15	June 21, 2019	idAAA	-	16,629	-
PT BFI Finance Indonesia Tbk						
Phase II Series A 2015	9.88	March 29, 2016	-	idA+	-	19,002
PT BII Finance Center						
Series A 2013	7.75	June 19, 2016	AA+***)	AA+***)	5,023	29,787
Phase I Series A 2015	10.35	November 12, 2018	AA+***)	-	30,558	-
PT Bumi Serpong Damai Tbk						
Phase II Year 2013	8.38	June 5, 2018	idAA-	idAA-	12,740	2,839
Phase I Series C Year 2013	8.38	July 4, 2019	idAA-	-	11,968	-
PT Federal International Finance						
Phase II Series A 2015	8.50	September 21, 2016	-	idAAA	-	30,000
Phase III Series B 2016	9.15	April 5, 2019	idAAA	-	30,186	-
Phase II Series A 2015	8.50	September 21, 2016	idAAA	-	40,067	-
PT Indofood Sukses Makmur Tbk						
Bonds VI Year 2012	7.25	May 31, 2017	idAA+	idAA+	2,998	2,897
Bonds VII Year 2014	10.13	June 13, 2019	idAA+	-	5,103	-
PT Indosat Tbk						
Series B 2009	11.75	December 8, 2016	-	idAAA	-	1,022
Series B 2012	8.88	June 27, 2022	idAAA	idAAA	18,485	26,800
Series A 2012	8.75	March 27, 2022	idAAA	-	3,269	-
Phase III Series D 2015	11.20	December 8, 2025	idAAA	idAAA	21,595	19,649
Phase I Series B 2014	10.30	November 25, 2021	idAAA	-	2,597	-
Phase II Series B 2016	9.25	November 12, 2018	idAAA	-	4,998	-
<i>Ijarah</i> Phase I Series C 2014	10.50	December 12, 2021	idAAA	-	729	-
PT Mandala Multifinance Tbk						
Phase I Series C 2015	11.50	May 8, 2018	idA	idA	5,091	4,967
PT Summarecon Agung Tbk						
Phase I Year 2013	10.85	December 11, 2018	idA+	idA+	17,297	7,945
Phase II Year 2014	11.50	October 10, 2019	idA+	-	56,604	-
PT Toyota Astra Financial Services						
Phase I Series B 2014	10.50	February 13, 2017	idAAA	-	20,030	-
Phase II Series B 2015	9.25	June 11, 2018	AA+***)	-	64,766	-
Phase III Series B 2015	9.50	November 6, 2018	AAA***)	-	5,041	-
Phase I Series B 2016	8.40	June 1, 2019	AAA***)	-	37,044	-
PT Wahana Ottomitra Multiartha Tbk						
Phase I Series B 2014	11.00	June 25, 2017	AA***)	AA***)	3,036	3,028
Phase IV Series A 2015	9.35	January 2, 2017	F1+***)	AA***)	25,000	24,993
Phase IV Series B 2015	10.80	December 22, 2018	AA***)	AA***)	10,442	10,000

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Available for sale (continued)						
<i>Third parties (continued)</i>						
<i>Rupiah (continued)</i>						
PT Protelindo Profesional Telekomunikasi						
Phase I Series A 2016	7.90	December 10, 2023	AA***)	-	10,039	-
PT Bank DKI						
<i>Berkelanjutan</i> I Phase I 2016	8.70	June 30, 2021	A+(idn)***)	-	33,036	-
PT AKR Corporindo						
Series B Year 2012	8.60	December 21, 2019	AA***)	-	34,625	-
PT Tower Bersama						
Phase I Year 2016	7.70	July 1, 2021	AA***)	-	4,877	-
PT Medco Energi Internasional						
Phase II Year 2013	8.70	March 15, 2018	idA-(sy)	-	13,997	-
Phase I Year 2012	9.10	December 19, 2017	idA-(sy)	-	2,965	-
Phase III Year 2012	8.60	June 15, 2019	idA-(sy)	-	5,002	-
Phase II Series A Year 2016	8.75	July 26, 2018	idA-(sy)	-	9,991	-
PT Nippon Indosari Corpindo						
Phase II Year 2015	8.70	March 18, 2020	idAA-	-	2,009	-
PT Tiga Pilar Sejahtera						
Phase I Year 2013	8.70	May 28, 2021	idAA-	-	5,000	-
PT Bank Muamalat Indonesia Tbk						
<i>Mudharabah</i> Phase II Year 2013	7.65	March 28, 2023	idA-(sy)	-	5,222	-
PT Smart Tbk						
Phase I Series B Year 2012	9.25	July 3, 2019	idAA-	-	4,944	-
PT Indonesia Infrastruktur Finance						
Phase I Series A Year 2016	8.25	July 19, 2019	idA+	-	54,465	-
Phase I Series B Year 2016	8.70	July 19, 2021	idA+	-	4,878	-
					2,141,239	648,015
United States Dollar						
Alibaba	3.60	November 28, 2024	A1**)	A1**)	66,622	66,388
AT&T Global	5.80	February 15, 2019	Baa1**)	Baa1**)	4,886	4,179
AT&T Global	4.45	May 15, 2021	Baa1**)	Baa1**)	3,803	3,297
Bank of America	5.75	December 1, 2017	Baa1**)	Baa1**)	2,051	1,769
Bank of America	3.30	January 11, 2023	Baa1**)	-	3,980	-
Bank of America	5.63	July 1, 2020	Baa1**)	Baa1**)	2,986	2,600
Bank of America	3.30	January 11, 2023	Baa1**)	Baa1**)	769	4,003
Chase Bank	3.63	May 13, 2024	A-	-	27,344	-
Chase Bank	3.13	January 23, 2025	A-	-	65,658	-
Chase Bank	4.95	March 25, 2020	A-	-	3,945	-
Chase Bank	3.20	June 15, 2026	A-	-	8,373	-
BB&T Corp	3.63	September 16, 2025	A2**)	A2**)	4,090	3,486
Bed Bath & Beyond Inc	3.75	August 1, 2024	Baa1**)	Baa1**)	40,408	40,921
Berkshire Hathaway	1.60	May 15, 2017	Aa2**)	Aa2**)	7,863	7,140
BHP Billiton Ltd.	3.25	November 21, 2021	A1**)	A1**)	4,070	3,103
Canadian Imperial Bank of Commerce	1.55	January 23, 2018	Aa3**)	Aa3**)	7,229	6,174
Cisco Systems, Inc.	4.95	February 15, 2019	A1**)	A1**)	5,346	4,591
Citigroup Inc.	2.65	October 26, 2020	Baa1**)	Baa1**)	4,078	4,887
Citigroup Inc.	3.75	June 16, 2024	Baa1**)	Baa1**)	5,714	3,325
Comcast Corporation	5.70	May 15, 2018	A3**)	A3**)	4,392	3,389
Comcast Corporation	2.85	January 15, 2023	A3**)	A3**)	4,359	3,693
ConocoPhillips Co.	3.35	November 15, 2024	A2**)	A2**)	3,971	3,121
CVS Health	5.75	June 1, 2017	-	Baa1**)	-	1,678
CVS Health	2.75	December 1, 2022	Baa1**)	Baa1**)	979	804
Enterprise Products Partners L.P.	3.35	March 15, 2023	Baa1**)	Baa1**)	4,067	3,050

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Available for sale (continued)						
Third parties (continued)						
United States Dollar (continued)						
Ford Motor Company	4.25	September 20, 2022	Baa3**)	-	13,867	-
Ford Motor Company	2.88	October 1, 2018	Baa3**)	Baa3**)	6,500	5,450
Ford Motor Company	4.25	September 20, 2022	-	Baa3**)	-	14,208
Freeport-McMoRan Inc.	4.55	November 14, 2024	Baa3**)	Baa3**)	125,968	81,406
General Electric	3.10	January 9, 2023	A1**)	A1**)	68,182	68,925
General Electric	3.37	November 15, 2025	A1**)	A1**)	3,958	3,403
Goldman Sachs Group, Inc.	2.75	September 15, 2020	A3**)	A3**)	3,467	3,015
The Home Depot	2.00	June 15, 2019	-	A2**)	-	5,006
International Business Machines Corporation	1.13	February 6, 2018	Aa3**)	Aa3**)	8,777	7,393
International Business Machines Corporation	3.63	February 12, 2024	Aa3**)	Aa3**)	4,068	3,423
JPMorgan Chase & Co.	6.00	January 15, 2018	-	A3**)	-	7,590
JPMorgan Chase & Co.	4.95	March 25, 2020	-	A3**)	-	3,285
JPMorgan Chase & Co.	2.35	January 23, 2025	-	A3**)	-	27,974
JPMorgan Chase & Co.	3.13	January 23, 2025	-	A3**)	-	67,420
Kinder Morgan Energy Partners LP	2.65	February 1, 2019	Baa3**)	Baa3**)	5,968	4,711
Macy's Inc	3.63	June 1, 2024	Baa2**)	Baa2**)	26,298	25,883
Occidental Petroleum Corporation	1.75	February 15, 2017	-	A2**)	-	3,453
Oversea-Chinese Banking Corporation Limited	4.25	June 19, 2024	AA-***)	AA-***)	54,283	56,342
PacificFirst Mortgage	2.95	February 1, 2022	A1**)	A1**)	4,072	3,467
PepsiCo Inc.	2.75	March 1, 2023	A1**)	A1**)	26,885	26,812
PepsiCo Inc.	3.10	July 13, 2022	A1**)	-	3,997	-
Phillips66	2.95	May 1, 2017	A3**)	A3**)	3,783	3,353
PNC Financial Services Group, Inc.	2.95	February 23, 2025	A2**)	A2**)	3,928	3,263
Province of Ontario	4.40	April 14, 2020	Aa2**)	Aa2**)	12,978	11,365
Province of Quebec	2.75	August 25, 2021	Aa2**)	Aa2**)	6,904	5,780
PT Medco Energi Internasional Tbk Phase I 2011	6.05	July 14, 2016	-	A+****)	-	138,181
Royal Bank of Canada	2.63	March 15, 2019	Aa3**)	Aa3**)	9,649	8,148
Royal Dutch Shell plc	2.13	May 11, 2020	Aa1**)	Aa1**)	3,987	3,318
The Federal Home Loan Mortgage Corporation	3.75	March 27, 2019	Aaa****)	Aaa****)	20,374	17,483
The Federal Home Loan Mortgage Corporation	2.38	January 13, 2022	Aaa****)	Aaa****)	8,454	7,186
U.S. Bancorp	1.95	November 15, 2018	A1**)	A1**)	4,003	3,396
Time Warner Inc.	3.55	June 1, 2024	Baa2**)	Baa2**)	1,972	1,620
Verizon Communications	3.65	September 14, 2018	Baa1**)	Baa1**)	4,035	3,954
Verizon Communications	5.15	September 15, 2023	Baa1**)	Baa1**)	2,822	2,345
Walgreen Company	3.10	September 15, 2022	Baa2**)	Baa2**)	26,867	27,325
Wal-Mart Stores, Inc.	3.25	October 25, 2020	-	Aa2**)	-	3,482
Wells Fargo & Company	2.60	July 22, 2020	A2**)	A2**)	4,127	3,550
Wells Fargo & Company	3.50	March 8, 2022	A2**)	A2**)	5,542	4,680
Toyota Motor Corp	1.90	April 8, 2021	Baa1**)	-	5,826	-
Xerox Corporation Ltd.	3.80	May 15, 2024	Baa2**)	Baa2**)	38,655	39,119
					807,179	878,312
Related parties (Note 44)						
Rupiah						
Lembaga Pembiayaan Ekspor Indonesia						
Phase I Year 2010 Series D	10.00	July 8, 2017	idAAA	idAAA	5,058	5,004
Phase I Series D 2014	9.75	5 June 2019	idAAA	idAAA	20,284	9,960
Phase III Series B 2014	9.25	October 16, 2017	-	idAAA	-	9,918
Phase V Series B 2015	9.00	March 13, 2018	idAAA	idAAA	62,434	59,298

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Available for sale (continued)						
Related parties (Note 44) (continued)						
Rupiah (continued)						
Lembaga Pembiayaan Ekspor Indonesia (continued)						
Phase VI Series B 2015	9.20	September 16, 2018	idAAA	idAAA	25,148	24,382
Phase VI Series C 2015	9.50	September 16, 2020	idAAA	idAAA	55,770	48,300
Phase V Series C 2015	9.50	March 13, 2020	idAAA	-	45,337	-
Phase I Series B 2016	8.20	June 8, 2019	idAAA	-	71,956	-
Phase I Series C 2016	8.70	June 8, 2021	idAAA	-	83,148	-
Phase VII Series C 2016	9.60	February 19, 2021	idAAA	-	25,350	-
Phase VII Series B 2016	9.25	February 19, 2019	idAAA	-	91,008	-
Phase III Series D 2016	8.50	November 22, 2023	idAAA	-	50,025	-
PT Adhi Karya (Persero) Tbk						
Phase I Series B 2012	9.80	July 3, 2019	idA	idA	978	941
Phase II Series A 2013	8.10	March 15, 2018	idA	idA	7,815	7,468
Phase II 2012	8.10	March 15, 2018	idA-(sy)	-	1,661	-
Phase II Series B 2013	8.50	March 15, 2020	idA-	-	9,539	-
PT Aneka Tambang (Persero) Tbk						
Phase I Series A 2011	8.38	December 14, 2018	idA-	idA-	1,882	1,821
Phase I Series B 2011	9.05	December 14, 2021	idA-	idA-	26,361	28,040
PT Bank Tabungan Negara (Persero) Tbk						
Series XII Year 2006	12.75	September 19, 2016	-	idAA	-	22,565
Phase II Year 2013	7.90	March 27, 2023	idAA+	idAA	18,028	16,840
Phase I Series A 2015	9.63	July 8, 2018	idAA+	idAA	35,273	24,465
Phase I Series B 2015	9.88	July 8, 2020	idAA+	idAA	30,252	28,830
Phase I Series C 2015	10.00	July 8, 2022	idAA+	idAA	10,020	9,498
Bonds XIV Year 2010	10.25	June 11, 2020	idAA+	idAA	49,407	36,523
Bonds XV Year 2011	9.50	June 28, 2021	idAA+	-	19,804	-
Phase II Series A 2016	8.20	August 30, 2019	idAA+	-	97,240	-
Phase II Series B 2016	8.75	August 30, 2021	idAA+	-	94,830	-
PT Jasa Marga (Persero) Tbk						
Series XIII R	10.25	June 21, 2017	idAA	idAA	161,216	161,904
Series Q 2006	13.50	July 6, 2016	-	idAA	-	35,707
Series JM-10 Year 2010	9.35	October 12, 2020	idAA	idAA	18,324	17,593
Phase I Series S Series C 2013	8.90	September 27, 2018	idAA	idAA	60,756	37,426
Phase II Series T 2014	9.85	September 19, 2019	idAA	idAA	35,353	24,217
PT Mandiri Tunas Finance						
Phase I Series A 2013	7.75	June 5, 2016	-	idAA	-	3,721
Phase II Series A 2014	10.70	May 23, 2017	idAA	idAA	71,703	71,050
Phase II Series A 2016	8.95	June 11, 2019	idAA	-	17,794	-
Phase II Series B 2016	9.25	June 1, 2021	idAA	-	50,013	-
PT Pegadaian (Persero)						
Year 2006 Series XI A	13.10	May 23, 2016	-	idAA+	-	6,081
Year 2007 Series B	8.00	September 4, 2017	-	idAA+	-	13,944
Phase II Series D 2012	7.75	February 14, 2019	idAA+	idAA+	6,825	2,778
Phase I Series D 2013	8.00	July 9, 2020	idAA+	idAA+	3,859	2,992
Phase III Series B 2015	9.25	May 7, 2018	idAA+	idAA+	58,284	43,063
Phase III Series C 2015	9.50	May 7, 2020	idAA+	idAA+	26,151	25,922
Series X B 2003	10.50	July 11, 2018	idAA+	-	1,022	-
Phase III Series C 2015	9.50	May 7, 2020	idAA+	-	9,083	-
PT Permodalan Nasional Madani (Persero)						
Phase I Series B 2014	10.50	December 19, 2017	idA	idA	8,053	7,862
Phase II Series A 2016	9.00	December 10, 2018	idA	-	12,806	-
PT Perusahaan Listrik Negara (Persero)						
Year 2007 Series IX A	10.40	July 10, 2017	idAAA	idAAA	76,874	76,479
Year 2010 Series XI B	12.55	January 12, 2020	idAAA	idAAA	8,760	8,556
Year 2010 Series XII B	10.40	July 8, 2022	idAAA	idAAA	36,446	34,830
Phase II Series A 2013	9.00	December 10, 2018	idAAA	idAAA	10,001	4,867

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Available for sale (continued)						
Related parties (Note 44) (continued)						
Rupiah (continued)						
PT Perusahaan Listrik Negara (Persero) (continued)						
Phase II Series B 2013	9.60	December 10, 2023	idAAA	idAAA	9,985	4,748
Phase I Series A 2013	8.00	July 5, 2020	idAAA	-	961	-
Phase II Series B 2013	9.60	December 10, 2023	idAAA(sy)	-	1,690	-
PT Pupuk Indonesia (Persero)						
Year 2014 Series A	9.63	July 8, 2017	AAA***)	AAA***)	22,463	34,885
Year 2014 Series B	9.95	July 8, 2019	AAA(idn)	AAA***)	30,593	11,003
PT Sarana Multi Infrastruktur (Persero)						
Year 2014 Series B	10.00	June 11, 2019	idAAA	idAA+	42,815	19,787
Year 2014 Series A	9.60	June 11, 2017	idAAA	-	10,066	-
Phase I Series B Year 2016	8.20	November 18, 2021	idAAA	-	3,988	-
Phase VI Year 2014	8.60	August 25, 2020	idAAA	-	9,694	-
PT Sarana Multigriya Finansial (Persero)						
Phase II 2012 <i>Berjamin Aset</i> KPR Series C	7.55	April 25, 2017	AA+***)	idAA+	5,992	5,813
Phase V Series B 2014	10.00	December 16, 2017	idAA+	idAA+	14,161	13,882
Phase I Series B 2015	9.25	July 7, 2018	idAA+	idAA+	19,766	29,190
Phase IV Series A 2016	8.60	March 21, 2017	idAA+	-	10,015	-
Phase IV Series B 2016	9.13	March 11, 2019	idAA+	-	11,010	-
Phase V Series B 2016	8.20	June 17, 2019	idAA+	-	19,800	-
Phase VI Year 2016	8.60	September 27, 2021	idAA+	-	77,070	-
PT Telekomunikasi Indonesia (Persero) Tbk						
Phase I Series A 2015	9.93	June 23, 2022	idAAA	idAAA	51,015	50,260
PT Waskita Karya (Persero) Tbk						
Year 2012 Series B	9.75	June 5, 2017	idA-	idA	77,018	67,466
Phase II Series A 2015	10.40	October 16, 2018	idA-	idA	3,014	2,992
Phase II Series B 2015	11.10	October 16, 2020	idA-	idA	106,970	18,130
Phase I Year 2014	10.40	November 18, 2017	idA-	-	8,035	-
Phase I Year 2016	9.25	June 10, 2019	idA-	-	92,856	-
PT Pembangunan Perumahan (Persero)						
Phase I Year 2013	8.38	March 19, 2018	idA	-	18,638	-
PT Hutama Karya (Persero)						
Year 2013 Series C	9.50	June 28, 2020	idA-	-	23,974	-
PT Bank Mandiri (Persero)						
Phase I Series A 2016	7.95	September 30, 2021	idAAA	-	48,979	-
PT Angkasa Pura II (Persero)						
Year 2016 Series C	9.00	June 30, 2026	idAAA	-	12,370	-
Year 2016 Series A	8.60	June 30, 2021	idAAA	-	63,692	-
					2,408,561	1,171,001
United States Dollar						
Lembaga Pembiayaan Ekspor Indonesia						
Year 2017	3.75	April 26, 2017	Baa3**)	Baa3**)	157,565	139,279
PT Bank Negara Indonesia (Persero) Tbk						
Year 2017	4.13	April 27, 2017	BB****)	BB****)	457,325	480,160
PT Pelabuhan Indonesia II						
Year 2025	4.25	May 5, 2025	B1**)	B1**)	209,527	196,548
PT Pelabuhan Indonesia III (Persero)						
Year 2025	4.88	October 1, 2024	BB+****)	BB+****)	100,613	76,085
PT Pertamina (Persero)						
Year 2023	4.30	May 20, 2023	Baa3**)	Baa3**)	127,113	157,193
Year 2021	5.25	May 23, 2021	Baa3**)	Baa3**)	31,631	27,405
Year 2022	4.88	May 3, 2022	Baa3**)	Baa3**)	98,285	93,616

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Available for sale (continued)						
Related parties (Note 44) (continued)						
United States Dollar (continued)						
PT Perusahaan Gas Negara (Persero) Tbk Year 2024	5.13	May 16, 2024	Baa3**)	Baa3**)	100,658	79,908
PT Perusahaan Listrik Negara (Persero) Year 2017	7.25	June 28, 2017	-	BBB-***)	-	26,269
Year 2020	7.75	January 20, 2020	BBB-***)	BBB-***)	11,814	8,909
Year 2021	5.50	November 22, 2021	BBB-***)	BBB-***)	134,367	136,052
Year 2042	5.25	October 24, 2042	-	BBB-***)	-	68,146
					1,428,898	1,489,570
					6,785,877	4,186,898
Held to maturity						
Third parties						
Rupiah						
PT Adira Dinamika Multi Finance Tbk						
Phase I Series C 2011	9.00	December 16, 2016	-	idAAA	-	19,490
Phase I Series C 2013	7.85	March 1, 2016	-	idAAA	-	15,000
Phase I Series D 2013	8.90	March 1, 2018	idAAA	idAAA	9,954	9,918
Phase IV Series A 2014	9.60	November 22, 2017	idAAA	-	10,000	-
Phase IV Series B 2014	10.50	November 12, 2017	idAAA	idAAA	56,071	50,000
Sukuk Phase I Series C 2013	7.85	March 1, 2016	-	idAAA(sy)	-	15,000
Sukuk Phase II Series B 2014	10.50	November 12, 2017	idAAA(sy)	idAAA(sy)	20,000	20,000
Sukuk Phase I Series A 2015	8.75	July 10, 2016	-	idAAA(sy)	-	100,000
Phase I Series A 2015	9.50	June 30, 2018	idAAA	-	10,058	-
PT Agung Podomoro Land Tbk Series II Year 2012	9.38	August 15, 2017	idA-	idA	10,000	10,000
PT Astra Sedaya Finance						
Phase I Series C 2012	8.60	February 21, 2017	idAAA	idAAA	4,498	4,483
Phase III Series B 2013	7.75	February 22, 2016	-	idAAA	-	39,939
Phase I Series C 2013	7.75	June 27, 2016	-	idAAA	-	10,087
Phase II Series B 2013	9.50	November 26, 2016	-	idAAA	-	5,011
Phase IV Series B 2014	10.50	October 29, 2017	AAA***)	idAAA	6,660	6,727
Phase V Series A 2015	8.50	July 12, 2016	-	idAAA	-	20,000
Phase V Series B 2015	9.25	July 2, 2018	AAA***)	-	4,063	-
Phase I Series B 2016	8.50	May 11, 2019	AAA***)	-	24,000	-
PT Bank CIMB Niaga Tbk						
Series B 2011	8.30	December 23, 2016	-	idAAA	-	43,895
Phase I Series B 2012	7.75	October 30, 2017	idAAA	idAAA	41,959	35,377
Phase II Series B 2013	9.15	November 20, 2016	-	idAAA	-	6,902
Phase II Series C 2013	9.75	November 20, 2018	idAAA	idAAA	51,246	36,037
PT Bank Maybank Indonesia Tbk						
Phase I Series B 2011	8.75	December 6, 2016	-	idAAA	-	84,908
Phase II Series B 2012	8.00	October 31, 2017	idAAA	idAAA	57,545	27,339
Phase II Series A 2016	9.10	April 13, 2019	idAAA	-	17,168	-
Sukuk Mudharabah Phase II Year 2016	8.25	June 10, 2019	idAAA	-	125,000	-
PT Bank Muamalat Indonesia Tbk Subordinasi Mudharabah Berkelanjutan I Phase I 2012	8.21	June 29, 2022	idA-(sy)	idA(sy)	4,057	4,068
PT Bank OCBC NISP Tbk						
Phase I Series C 2013	7.40	February 19, 2016	-	idAAA	-	44,921
Phase II Series A 2015	9.00	February 20, 2016	-	idAAA	-	68,010
Phase II Series C 2015	9.80	February 10, 2018	idAAA	idAAA	35,020	35,035

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Held to maturity (continued)						
Third parties (continued)						
Rupiah (continued)						
PT Bank OCBC NISP Tbk (continued)						
Phase I Series B 2016	8.00	May 11, 2018	idAAA	-	25,089	-
Phase I Series C 2016	8.25	May 11, 2019	idAAA	-	85,048	-
PT Bank Pan Indonesia Tbk						
Phase I 2012	8.15	December 20, 2017	idAA	idAA	12,385	9,763
Phase I 2016	9.15	June 28, 2021	idAA	-	135,000	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk Series VII C 2011	10.40	February 9, 2018	idAA-	idAA-	1,022	1,039
PT Bank Permata Tbk						
Phase I Series B 2013	10.50	December 24, 2016	-	idAAA	-	32,065
PT Bank Sumut						
Series III Year 2013	10.13	July 5, 2016	-	idA	-	10,000
PT Bank Tabungan Pensiunan Nasional Tbk						
Phase I Series B 2011	9.90	June 28, 2016	-	AA+****)	-	15,074
Phase II Series B 2012	8.25	August 3, 2017	AAA****)	AA+****)	22,998	20,981
Phase III Series A 2013	7.65	March 5, 2016	-	AA+****)	-	12,479
Phase III Series B 2013	8.25	March 5, 2018	AAA****)	AA+****)	5,907	5,837
PT Bank UOB Indonesia						
Series A 2015	8.60	April 11, 2016	-	AAA****)	-	30,015
Series B 2015	9.40	April 1, 2018	AAA****)	AAA****)	45,097	45,193
Series C 2015	9.60	April 1, 2020	AAA****)	-	10,272	-
Phase I Series B 2016	8.00	November 25, 2019	AAA****)	-	30,000	-
PT BCA Finance						
Phase I Series D 2012	7.70	May 9, 2016	-	idAAA	-	15,858
Phase II Series B 2013	7.50	June 14, 2016	-	idAAA	-	36,481
Phase III Series B 2014	10.00	March 27, 2017	idAAA	idAAA	56,063	56,712
Phase I Series A 2015	8.25	March 30, 2016	-	idAAA	-	20,002
Phase I Series C 2015	9.00	March 20, 2018	idAAA	idAAA	77,054	65,000
Phase I Series B 2015	8.50	March 20, 2017	idAAA	idAAA	9,988	9,937
PT BII Finance Center						
Series C 2012	8.00	June 7, 2016	-	AA+****)	-	4,982
Series A 2013	7.75	June 19, 2016	-	AA+****)	-	39,772
PT BPD Sumatera Barat (Bank Nagari)						
Series VI Year 2010	9.88	January 13, 2016	-	idA	-	10,000
PT Federal International Finance						
Phase II Series B 2013	7.75	April 4, 2016	-	idAAA	-	28,654
Phase I Series A 2015	8.50	May 4, 2016	-	idAAA	-	40,000
PT Great River International Tbk						
Bonds I Year 2003	14.00	October 13, 2008	-	-	758	758
PT Indomobil Finance Indonesia						
Phase I Series C 2012	8.25	May 11, 2016	-	idA	-	3,980
Phase II Series B 2013	8.25	May 8, 2016	-	idA	-	8,974
Phase I Series A 2015	9.10	May 4, 2016	-	idA	-	37,000
PT Indosat Tbk						
Series V B 2007	10.65	May 29, 2017	idAAA	idAAA	8,018	8,051
Series VIII B 2012	8.88	June 27, 2022	idAAA	idAAA	64,253	64,433
Sukuk Ijarah Series IV B 2009	11.75	December 8, 2016	-	idAAA(sy)	-	3,076
Sukuk Ijarah Series V 2012	8.63	June 27, 2019	idAAA(sy)	idAAA(sy)	22,137	22,190
Sukuk Ijarah Phase I Series C 2014	10.50	December 12, 2021	idAAA(sy)	idAAA(sy)	14,447	14,476
Sukuk Ijarah Phase III Series B 2015	11.20	December 8, 2025	AAA(idn)	idAAA(sy)	10,000	10,000
PT Bank Nagari						
Series VII Year 2015	10.99	January 8, 2021	idAA	-	10,000	-

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Held to maturity (continued)						
Third parties (continued)						
Rupiah (continued)						
PT Federal International Finance Series B year 2015	9.25	April 24, 2018	idAAA	-	18,304	-
PT Japfa Comfeed Indonesia Tbk Phase I 2012	9.90	January 12, 2017	idA	idA	150,000	150,000
PT Mayora Indah Tbk Sukuk Mudharabah II 2012	8.25	May 9, 2017	idAA-(Sy)	idAA-(Sy)	6,483	6,443
PT Summarecon Agung Tbk Sukuk Phase I 2013	10.85	December 11, 2018	idA+(sy)	idA+(sy)	11,651	12,760
PT Summarecon Agung Tbk Sukuk Phase II 2014	11.50	October 10, 2019	idA+(sy)	idA+(sy)	10,000	10,000
PT Indonesia Infrastruktur Finance Series B year 2016	8.70	July 19, 2021	AAA(idn)	-	50,000	-
PT Toyota Astra Financial Services Series III B 2013	7.60	May 17, 2016	-	idAA+	-	29,643
PT Wahana Ottomitra Phase I Series B 2016	8.40	June 1, 2019	AAA***)	-	33,000	-
PT Wahana Ottomitra Multiartha Tbk Phase II Series B 2014	11.25	December 5, 2017	AA***)	AA***)	5,057	5,114
PT Wahana Ottomitra Phase IV Series A 2015	9.35	January 2, 2017	F1+**)	AA***)	25,000	25,000
PT Wahana Ottomitra Phase I Series B 2016	9.50	June 24, 2019	AA***)	-	2,000	-
					1,444,330	1,633,889
Related parties (Note 44)						
Rupiah						
Lembaga Pembiayaan						
Ekspor Indonesia						
Series IV D 2009	12.75	June 18, 2016	-	idAAA	-	1,944
Phase I Series D 2010	10.00	July 8, 2017	idAAA	idAAA	2,000	2,000
Series I B 2011	7.75	December 20, 2016	-	idAAA	-	38,000
Phase III Series B 2013	6.40	May 23, 2016	-	idAAA	-	74,861
Phase II Series C 2014	9.25	June 5, 2017	idAAA	idAAA	9,999	30,762
Phase III Series B 2014	9.25	October 16, 2017	idAAA	idAAA	16,001	16,003
Phase III Series C 2014	9.75	October 16, 2019	idAAA	idAAA	20,000	20,000
Phase V Series B 2015	9.00	March 13, 2018	idAAA	idAAA	50,000	49,998
Phase VI Series A 2015	8.40	September 26, 2016	-	idAAA	-	49,998
Phase VI Series B 2015	9.20	September 16, 2018	idAAA	idAAA	75,000	74,997
Phase VI Series C 2015	9.50	September 16, 2020	idAAA	idAAA	105,000	104,996
Phase V Series C 2015	9.50	March 13, 2018	idAAA	-	10,277	-
Phase I Series C 2014	9.25	June 5, 2017	idAAA	-	19,995	-
Mandiri Tunas Finance						
Phase II Series A 2014	10.70	May 23, 2017	idAA	idAA	34,075	34,256
Phase I Series A 2015	10.20	December 18, 2018	idAA	idAA	90,000	90,000
PT Adhi Karya (Persero) Tbk						
Phase I Series A 2012	9.35	July 3, 2017	idA-	idA	2,009	2,020
Phase I Series B 2012	9.80	July 3, 2019	idA-	idA	11,041	11,054
Sukuk Mudharabah Phase I Year 2012	9.35	July 3, 2017	idA-(sy)	idA(sy)	4,012	4,029
Sukuk Mudharabah Phase II Year 2013	8.10	March 15, 2018	idA-(sy)	idA(sy)	298	297
PT Aneka Tambang (Persero) Tbk						
Series I A	8.38	December 14, 2018	idA-	idA-	20,000	20,000
Series I B	9.05	December 14, 2021	idA-	idA-	75,000	75,000
PT Bank BNI Syariah						
Sukuk Mudharabah I 2015	9.10	May 26, 2018	idAA+(sy)	idAA+ (sy)	68,927	51,046
PT Bank Tabungan Negara (Persero) Tbk						
Series XII	12.75	September 19, 2016	-	idAA	-	67,703
Series XIV	10.25	June 11, 2020	idAA+	idAA	79,449	76,198
Series XV	9.50	June 28, 2021	idAA+	idAA	50,000	50,000
Series I Phase I 2012	7.90	June 5, 2022	idAA+	idAA	25,000	25,000

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Held to maturity (continued)						
Related parties (Note 44) (continued)						
Rupiah (continued)						
PT Bank Tabungan						
Negara (Persero) Tbk (continued)						
Series I Phase II 2013	7.90	March 27, 2023	idAA+	idAA	49,768	49,512
Phase II Series A 2015	9.63	July 8, 2018	idAA+	idAA	35,031	35,048
Phase II Series B 2015	9.88	July 8, 2020	idAA+	idAA	32,000	32,000
Phase II Series C 2015	10.00	July 8, 2022	idAA+	idAA	55,000	55,000
Phase II Series A 2016	8.20	August 30, 2019	idAA+	-	99,995	-
Phase II Series B 2016	8.75	August 30, 2021	idAA+	-	79,996	-
PT Danareksa (Persero)						
Series V B Year 2010	10.20	January 11, 2016	-	idA	-	3,012
PT Hutama Karya (Persero)						
Series C Year 2013	9.50	June 28, 2020	idA-	idA-	10,000	10,000
PT Jasa Marga (Persero) Tbk						
Series XII Q 2006	13.50	July 6, 2016	-	idAA	-	72,734
Series XIII R 2007	10.25	June 21, 2017	idAA	idAA	67,318	44,465
Series JM-10 Year 2010	9.35	October 12, 2020	idAA	idAA	57,683	57,825
Phase I Series B 2013	8.70	September 27, 2016	-	idAA	-	9,952
Phase II Series T 2014	9.85	September 19, 2019	idAA	idAA	41,440	41,576
Phase I Series S Series C 2013	8.90	September 27, 2018	idAA	-	5,977	-
PT Pegadaian (Persero)						
Series X B 2003	10.50	July 11, 2018	idAA+	idAA+	5,077	5,117
Series XI A 2006	13.10	May 23, 2016	-	idAA+	-	90,176
Series XII A 2007	10.03	September 4, 2017	idAA+	idAA+	46,154	40,300
Series XIII B 2009	12.65	July 1, 2017	idAA+	idAA+	5,054	3,044
Series XIII C 2009	12.88	July 1, 2019	idAA+	idAA+	2,000	2,000
Series C 2011	9.00	October 11, 2021	idAA+	idAA+	4,120	4,139
Phase II Series D 2012	7.75	February 14, 2019	idAA+	idAA+	1,939	1,914
Phase I Series B 2013	7.40	July 9, 2016	-	idAA+	-	1,986
Phase II Series B 2014	9.35	July 11, 2017	idAA+	idAA+	85,026	85,075
Phase II Series C 2014	9.75	July 11, 2019	idAA+	idAA+	1,005	1,007
Phase III Series A 2015	8.50	May 17, 2016	-	idAA+	-	81,040
Phase III Series B 2015	9.25	May 7, 2018	idAA+	idAA+	269,011	269,024
Phase III Series C 2015	9.50	May 7, 2020	idAA+	idAA+	45,050	45,062
PT Pembangunan Perumahan (Persero) Tbk						
Phase I Year 2013	8.38	March 19, 2018	idA	idA	9,736	9,546
PT Perkebunan Nusantara X (Persero)						
Year 2013	8.90	July 5, 2018	idBBB+	idBBB+	10,000	10,000
PT Perusahaan Listrik Negara (Persero)						
Series VIII A 2006	13.60	June 21, 2016	-	idAAA	-	8,106
Series VIII B 2006	13.75	June 21, 2021	idAAA	idAAA	2,000	2,000
Series IX A 2007	10.40	July 10, 2017	idAAA	idAAA	24,034	24,103
Series IX B 2007	10.90	July 10, 2022	idAAA	idAAA	18,544	18,614
Series XI A 2010	11.95	January 12, 2017	idAAA	idAAA	1,000	2,000
Series XI B 2010	12.55	January 12, 2020	idAAA	idAAA	1,000	1,000
Series XII B 2010	10.40	July 8, 2022	idAAA	idAAA	3,000	3,000
Phase I Series B 2013	8.25	July 5, 2023	idAAA	idAAA	5,000	5,000
Phase II Series A 2013	9.00	December 10, 2018	idAAA	idAAA	14,944	14,893
Sukuk Ijarah IV A	11.95	January 12, 2017	idAAA(sy)	idAAA(sy)	1,000	10,000
Sukuk Ijarah II 2007	10.40	July 10, 2017	idAAA(sy)	idAAA(sy)	4,036	4,104
Sukuk Ijarah IV B 2010	12.55	January 12, 2020	idAAA(sy)	idAAA(sy)	11,000	1,000
Sukuk Ijarah Series V B 2010	10.40	July 8, 2022	idAAA(sy)	idAAA(sy)	7,000	7,000
Sukuk Ijarah Phase I Year 2013						
Year 2013	8.00	July 5, 2020	idAAA(sy)	idAAA(sy)	2,450	2,450
Sukuk Ijarah Phase II Series A 2013						
Series A 2013	9.00	December 10, 2018	idAAA(sy)	idAAA(sy)	5,000	5,000
Sukuk Ijarah Phase II Series B 2013						
Series B 2013	9.60	December 10, 2023	idAAA(sy)	idAAA(sy)	5,000	5,000

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Held to maturity (continued)						
Related parties (Note 44) (continued)						
Rupiah (continued)						
PT Pupuk Indonesia (Persero)						
Year 2014 Series A	9.63	July 8, 2017	AAA***)	AAA***)	75,634	74,363
Year 2014 Series B	9.95	July 8, 2019	AAA***)	AAA***)	40,377	40,503
PT Sarana Multi Infrastruktur (Persero)						
Series A Year 2014	9.60	June 11, 2017	idAAA	idAA+	13,015	13,048
Series B Year 2014	10.00	June 11, 2019	idAAA	idAA+	16,163	16,220
PT Angkasa Pura II						
Series A Year 2016	8.60	June 30, 2021	idAAA	-	10,165	-
PT Angkasa Pura I						
Series A Year 2016	8.10	November 22, 2021	idAAA	-	100,000	-
PT Sarana Multigriya Finansial (Persero)						
Phase I Series B 2012	7.50	December 27, 2017	idAA+	idAA+	19,666	19,360
Phase III Series B 2014	10.00	March 27, 2017	idAA+	idAA+	10,009	10,040
Phase V Series B 2014	10.00	December 16, 2017	idAA+	idAA+	26,106	26,209
Phase I Series A 2015	8.60	July 17, 2016	-	idAA+	-	119,990
Phase I Series B 2015	9.25	July 7, 2018	idAA+	idAA+	30,000	30,000
Phase II Year 2015	8.90	November 28, 2016	-	idAA+	-	150,000
Phase III Year 2015	9.25	January 3, 2017	idAA+	idAA+	50,000	50,000
<i>Benjamin Aset Piutang KPR</i>						
Phase II Series C 2012	7.55	April 25, 2017	idAA+	idAA+	2,985	2,940
PT Telekomunikasi Indonesia (Persero) Tbk						
Series B Year 2010	10.20	July 6, 2020	idAAA	idAAA	36,114	37,334
Phase I Series A 2015	9.93	June 23, 2022	idAAA	idAAA	190,000	190,000
Phase I Series D 2015	11.00	June 23, 2045	idAAA	idAAA	5,168	5,170
PT Waskita Karya (Persero) Tbk						
Year 2012 Series B	9.75	June 5, 2017	idA-	idA	51,116	50,345
					2,567,989	2,979,508
United States Dollar						
Lembaga Pembiayaan Ekspor Indonesia						
Year 2017	3.75	April 26, 2017	Baa3**)	Baa3**)	150,132	157,161
PT Bank Negara Indonesia (Persero) Tbk						
Year 2017	4.13	April 27, 2017	Baa3**)	Baa3**)	384,338	403,587
PT Pelabuhan Indonesia III (Persero)						
Year 2025	4.88	October 1, 2024	Baa3**)	Baa3**)	21,353	22,320
PT Pelabuhan Indonesia II						
Year 2025	4.25	May 5, 2025	Baa3**)	Baa3**)	33,863	35,217
PT Pertamina (Persero)						
Year 2023	4.30	May 20, 2023	Baa3**)	Baa3**)	27,624	28,731
Year 2041	6.50	May 27, 2041	idBBB-***)	BBB-***)	6,890	6,890
PT Perusahaan Gas Negara (Persero) Tbk						
Year 2024	5.13	May 16, 2024	Baa3**)	Baa3**)	52,148	43,597

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Held to maturity (continued)						
Related parties (Note 44) (continued)						
United States Dollar (continued)						
PT Perusahaan Listrik Negara (Persero)						
Year 2020	7.75	January 20, 2020	Baa3**)	Baa3**)	11,740	12,407
Year 2021	5.50	November 22, 2021	Baa3**)	Baa3**)	44,339	44,901
Year 2042	5.25	October 24, 2042	idBBB-***)	BBB-***)	6,823	6,823
					739,250	761,634
					4,751,569	5,375,031
Total					11,602,191	9,580,020

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo).

***) Based on ratings issued by Moody's.

****) Based on ratings issued by Fitch Ratings.

*****) Based on ratings issued by Standard & Poor.

d.3. Mutual Funds

	December 31, 2016	December 31, 2015
Rupiah		
PT Danareksa Investment Management	282,354	180,023
PT Sinarmas Asset Management	160,367	58,437
PT Schroder Investment Management Indonesia	137,144	39,404
PT Insight Investments Management	108,163	149,647
PT RHB Asset Management Indonesia	101,907	37,994
PT Trimegah Asset Management	78,202	74,511
PT Maybank Asset Management	78,076	-
PT Mandiri Manajemen Investasi	51,210	26,240
PT BNI Asset Management	50,106	50,312
PT Syailendra Capital	48,542	25,316
PT Mega Asset Management	40,099	12,040
PT BNP Paribas Investment Partners	27,832	37,221
PT Batavia Prosperindo Aset Manajemen	14,772	440,995
PT Manulife Aset Manajemen Indonesia	12,362	15,300
PT CIMB Principal Asset Management	8,040	24,009
PT Bahana TCW Investment Management	6,131	458,541
PT Panin Asset Management	4,227	984
PT PNM Investment Management	3,287	2,929
PT Kresna Asset Management	2,990	1,019
PT Pratama Capital Assets Management	1,843	1,683
PT MNC Asset Management	1,054	-
PT Indopremier Securities	464	410
PT Mega Capital Investama	-	35,168
PT Samuel Aset Manajemen	-	23,513
	1,219,172	1,695,696
United States Dollar		
PT Danareksa Investment Management	1,984	1,949
Total	1,221,156	1,697,645

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.4. Negotiable Certificate of Deposits (NCD)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value	
				December 31, 2016	December 31, 2015
Held to maturity					
<u>Third parties</u>					
<u>Rupiah</u>					
PT Bank Sumitomo Mitsui					
Phase II 2016 Series C	100,000	7.76	September 22, 2017	94,704	-
Phase II 2016 Series B	100,000	7.66	July 11, 2017	96,154	-
Phase II 2016 Series A	50,000	7.50	March 22, 2017	49,187	-
PT Bank Commonwealth					
Phase III 2016 Series B	100,000	7.55	July 14, 2017	96,132	-
Phase III 2016 Series C	100,000	7.65	October 13, 2017	94,358	-
Phase III 2016 Series A	50,000	7.44	April 13, 2017	48,974	-
Phase IV 2015 Series A	90,000	8.40	February 5, 2016	-	89,275
PT Bank Tabungan Pensiun Nasional Tbk					
Phase II 2016 Series A	10,000	7.30	May 8, 2017	9,750	-
Phase II 2016 Series B	30,000	7.60	November 8, 2017	28,165	-
PT Bank Mizuho Tbk					
Phase II 2016	50,000	7.50	May 22, 2017	43,717	-
PT Bank CIMB Niaga Tbk					
Phase II 2016 Series B	50,000	7.60	January 13, 2017	49,869	-
Phase II 2016 Series C	50,000	7.80	March 16, 2017	49,233	-
PT Bank Maybank Indonesia Series A Year 2015	100,000	8.70	March 23, 2017	-	98,119
				660,243	187,394
<u>Related parties (Note 44)</u>					
<u>Rupiah</u>					
PT Bank Tabungan Negara (Persero) Tbk					
Phase V Year 2016	500,000	7.73	July 3, 2017	481,000	-
Phase II Year 2016	100,000	7.80	August 10, 2017	95,547	-
Phase VI Year 2016	50,000	7.75	March 29, 2017	49,071	-
Phase II Year 2015 Series II B	10,000	9.00	May 2, 2016	-	9,702
Phase II Year 2015 Series II C	10,000	9.25	October 31, 2016	-	9,271
PT Bank Mandiri (Persero) Tbk					
Phase II Year 2016 Series A	100,000	7.55	December 21, 2017	93,091	-
Phase I Year 2015 Series C	150,000	8.50	May 26, 2016	-	145,209
PT Bank Negara Indonesia (Persero) Tbk					
Phase Year 2016 Series E	100,000	8.25	June 15, 2018	89,573	-
				808,282	164,182
Total				1,468,525	351,576

d.5. Promissory Notes

Issuer	Annual Interest Rate (%)	Maturity Date	Rating		Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Held to maturity						
<u>Third parties</u>						
<u>United States Dollar</u>						
Morgan Stanley	4.00	August 31, 2017	A-****)	A-****)	26,945	27,570
Total					26,945	27,570

****) Based on ratings issued by Standard & Poor.

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.6. Subordinated Bonds

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Fair value through profit loss						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Maybank Indonesia Tbk Berkelanjutan II Phase II Year 2016	9.63	June 10, 2023	idAA	-	7,786	-
PT Bank PAN Indonesia Tbk Series III Year 2010 Berkelanjutan I Phase I Year 2012	10.50	November 9, 2017	idAA-	-	3,058	-
PT Bank CIMB Niaga Tbk Series II Year 2012	9.40	December 20, 2019	idAA-	-	2,014	-
PT Bank KEB Hana Indonesia Phase I Year 2016	10.85	December 23, 2020	idAA	-	1,454	-
PT Bank Permata Tbk Series II Year 2011	9.95	December 21, 2023	idAA	-	30,956	-
	11.00	June 28, 2018	idAA+	-	612	-
					45,880	-
Available for sale						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Bank Pan Indonesia Tbk Series III Year 2010 Phase I Year 2012	10.50	November 9, 2017	idAA-	idAA-	147,662	141,850
PT Bank UOB Indonesia Series I Year 2014	9.40	December 20, 2019	idAA-	idAA-	91,136	87,541
PT Bank Maybank Indonesia Tbk Phase I Year 2011	11.35	May 28, 2021	idAA	idAA	29,252	13,166
PT Bank Maybank Indonesia Tbk Phase II Year 2012	10.00	December 6, 2018	idAA+	idAA+	15,648	15,298
PT Bank Maybank Indonesia Tbk Series I Year 2011	9.25	October 31, 2019	idAA+	idAA+	64,029	39,840
PT Bank Maybank Indonesia Tbk Berkelanjutan II Phase II Year 2014	10.75	May 19, 2018	idAA+	idAA+	50,218	25,887
PT Bank Maybank Indonesia Tbk Berkelanjutan II Phase II Year 2016	11.35	July 8, 2021	idAA	-	31,657	-
PT Bank Permata Tbk Phase II Year 2012	9.63	June 10, 2023	AA(idn)	-	9,733	-
PT Bank Permata Tbk Series II Year 2011	9.40	December 19, 2019	idAA+	idAA+	124,008	98,398
PT Bank Permata Tbk Berkelanjutan I Phase I Year 2012	11.00	June 28, 2018	idAA+	idAA+	56,421	53,972
PT Bank Permata Tbk Berkelanjutan II Phase I Year 2013	8.90	June 15, 2019	idAA+	-	4,961	-
PT Bank Permata Tbk Berkelanjutan II Phase II Year 2014	12.00	December 24, 2020	idAA+	-	5,425	-
PT Bank Bukopin Tbk Berkelanjutan I Phase I Year 2012	11.75	October 24, 2021	idAA	-	42,814	-
PT Bank CIMB Niaga Tbk Series I Year 2010	9.25	March 6, 2019	idA	-	989	-
PT Bank CIMB Niaga Tbk Series II Year 2010	11.30	July 8, 2017	idAA	idAA	8,084	19,001
PT Bank Muamalat Indonesia Tbk Mudharabah Berkelanjutan I Year 2012	10.85	December 23, 2020	idAA	idAA	118,924	15,816
PT Bank Muamalat Indonesia Tbk Mudharabah Berkelanjutan I Phase II Year 2013	11.17	June 29, 2022	idA-(sy)	-	877	-
PT Bank KEB Hana Indonesia Series I Year 2016	9.60	March 28, 2023	idA-(sy)	-	1,824	-
	9.95	June 30, 2026	idAA	-	8,987	-
					812,649	510,769

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.6. Subordinated Bonds (continued)

Issuer	Annual Interest Rate (%)	Maturity Date	Rating *)		Carrying Value	
			December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Available for sale (continued)						
<u>Related parties (Note 44)</u>						
<u>Rupiah (continued)</u>						
<u>Rupiah (continued)</u>						
PT Bank Mandiri (Persero) Tbk Series I Year 2009	11.85	December 11, 2016	-	idAA+	-	3,067
					812,649	513,836
Held to maturity						
<u>Third parties</u>						
<u>Rupiah</u>						
PT Bank OCBC NISP Tbk Series III	11.35	June 30, 2017	idAAA	idAAA	40,000	40,000
PT Bank Permata Tbk Phase II Year 2012	9.40	December 19, 2019	idAA+	idAA+	20,000	20,000
					60,000	60,000
<u>Related parties (Note 44)</u>						
<u>Rupiah</u>						
PT Bank Mandiri (Persero) Tbk Series I Year 2009	11.85	December 11, 2016	-	idAA+	-	84,906
					60,000	144,906
Total					918,529	658,742

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo),

d.7. Medium-Term Notes (MTN)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value	
				December 31, 2016	December 31, 2015
Fair value through profit or loss					
<u>Related parties (Note 44)</u>					
<u>Rupiah</u>					
PT Bank Syariah Mandiri Phase III Year 2011	59,000	8.77*)	December 19, 2021	-	56,198
				-	56,198
Available for sale					
<u>Third parties</u>					
<u>Rupiah</u>					
PT Bank Bukopin Tbk Phase I Year 2016	40,000	10.00*)	September 4, 2017	40,000	-
				40,000	-
<u>Related parties (Note 44)</u>					
<u>Rupiah</u>					
PT Perkebunan Nusantara II (Persero) Series VII Year 2015	175,000	11.50*)	November 30, 2016	-	174,965
PT Perkebunan Nusantara III (Persero)	150,000	10.00*)	December 21, 2018	155,074	150,000
				155,074	324,965
				195,074	324,965

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.7. Medium-Term Notes (MTN) (continued)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Carrying Value	
				December 31, 2016	December 31, 2015
Held to maturity					
<u>Third parties</u>					
<u>Rupiah</u>					
PT Bank Sumitomo Mitsui Indonesia I Year 2015	100,000	9.85 ^{*)}	February 3, 2018	100,000	100,000
PT Bank OCBC NISP Tbk Series I Year 2013	25,000	7.00 ^{*)}	April 18, 2016	-	25,000
PT Bank BJB Tbk Series I Year 2016	50,000	7.00 ^{*)}	January 8, 2018	50,000	-
				150,000	125,000
<u>Related parties (Note 44)</u>					
<u>Rupiah</u>					
PT Wijaya Karya (Persero) Tbk Series II Year 2014	99,200	9.80 ^{*)}	December 24, 2017	99,710	99,443
PT Sarana Multi Infrastruktur (Persero) Year 2015	50,000	9.50 ^{*)}	March 14, 2016	-	50,000
PT Perkebunan Nusantara II (Persero) Ijarah Year 2014	15,000	13.00 ^{*)}	November 28, 2016	-	15,000
				99,710	164,443
				249,710	289,443
Total				444,784	670,606

*) Interest received every 3 (three) months

d.8. Credit Linked Notes (CLN)

As of December 31, 2015, the balances of securities in the form of CLN are as follows:

Issuer	Effective Date	Maturity Date	Annual Interest Rate	December 31, 2015	
				Nominal Value (United States Dollar) (full amount)	Carrying Value
Held to maturity					
<u>Third parties</u>					
<u>United States Dollar</u>					
Credit Suisse International	October 20, 2011	December 20, 2016	LIBOR ^{*)}	50,000,000	704,370
Total					704,370

*) 6 (six) months USD LIBOR plus a given margin.

CLN represents a debt security where the coupon payments and principal repayment are linked to credit default event of the Republic of Indonesia (reference entity). BRI will receive all interest payments and full principal repayment if there is no credit default event. If credit default event occurs to the reference entity, the issuers will settle the CLN with bonds issued by the reference entity or cash at a certain amount. Credit default events that can occur to the reference entity

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7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.8. Credit Linked Notes (CLN) (continued)

includes among others (i) failure to pay any matured obligation, (ii) repudiation/moratorium and (iii) restructuring in which the payment terms are unfavorable to the creditors.

BRI has received CLN which have matured on their maturity dates.

The embedded credit default swap as of December 31, 2015 has a liability fair value amounting to USD580,763 (equivalent to Rp8,006), which was recognized as derivatives payable in the consolidated statement of financial position (Note 11). The net gain from the changes in fair value of the embedded credit default swap was recognized as income for the years ended December 31, 2015, amounting to USD413,455 (equivalent to Rp5,699).

e) BRI assessed allowance for impairment losses on securities individually based on whether objective evidence of impairment exists

Management believes that the allowance for impairment losses as of December 31, 2016 and 2015 is adequate.

f) The average annual interest rates:

	2016	2015
Rupiah	8.65%	8.51%
United States Dollar	5.08	5.13
European Euro	2.87	3.08
Singapore Dollar	2.12	2.25

g) BRI recognized unrealized loss - net on "Fair Value through Profit or Loss" securities amounting to RpNil and Rp10,945 for the years ended December 31, 2016 and 2015, respectively, which are recorded under "Unrealized loss from changes in fair value of securities" in the consolidated statement of profit or loss and other comprehensive income.

h) BRI recognized unrealized gain - net on "Fair Value through Profit or Loss" securities amounting to Rp31,025 and RpNil for the year ended December 31, 2016 and 2015, respectively, which are recorded under "Unrealized gain from changes in fair value of securities" in the consolidated statement of profit or loss and other comprehensive income.

i) BRI recognized net gain resulting from the sale of securities amounting to Rp447,580 and Rp86,485, for the years ended December 31, 2016 and 2015, respectively, which are recorded under "Gain on sale of securities and Government Recapitalization Bonds - net" in the consolidated statement of profit or loss and other comprehensive income.

j) As of December 31, 2016 and 2015, securities with nominal value of Rp7,935,345 and Rp14,562,910 were sold under agreement to repurchase (Note 24).

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8. EXPORT BILLS

a) By Type and Currency:

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Domestic Documentary				
Letters of Credit		6,112,978		3,945,153
Export Bills		649,730		343,119
		6,762,708		4,288,272
<u>Foreign Currencies</u>				
Domestic Documentary				
Letters of Credit				
United States Dollar		-	314,985	4,342
Export Bills				
Renminbi	823,503,667	1,596,930	1,028,573,239	2,183,502
United States Dollar	47,917,829	645,573	40,470,700	557,889
Japanese Yen	513,619,647	59,100	310,742,325	35,585
European Euro	2,540,997	36,021	3,845,144	57,895
Great Britain Pound Sterling	267,500	4,428	1,443,713	29,508
Singapore Dollar		-	46,772	456
		2,342,052		2,869,177
		9,104,760		7,157,449
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Domestic Documentary				
Letters of Credit		77,494		122,613
<u>Foreign Currencies</u>				
<u>United States Dollar</u>				
Export Bills	12,114,895	163,218	24,181	333
Domestic Documentary				
Letters of Credit		-	35,429	488
		240,712		123,434
Total		9,345,472		7,280,883

b) By Collectibility:

All export bills were classified as "Current" as of December 31, 2016 and 2015, respectively.

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8. EXPORT BILLS (continued)

c) By Period:

The classification of export bills based on their remaining period to maturity are as follows:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
≤ 1 month	2,308,225	1,595,957
> 1 month - 3 months	3,250,882	3,081,075
> 3 months - 1 year	3,545,653	2,480,417
	<u>9,104,760</u>	<u>7,157,449</u>
<u>Related parties (Note 44)</u>		
≤ 1 month	227,971	31,868
> 1 month - 3 months	7,810	73,775
> 3 months - 1 year	4,931	17,791
	<u>240,712</u>	<u>123,434</u>
Total	<u>9,345,472</u>	<u>7,280,883</u>

BRI assessed individually for allowance for impairment losses on export bills based on whether an objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of December 31, 2016 and 2015 because management believes that export bills are fully collectible.

9. GOVERNMENT RECAPITALIZATION BONDS

This account represents bonds issued by the Government related to BRI's recapitalization program and Government Recapitalization Bonds purchased from the secondary market.

In connection with the recapitalization program, BRI received bonds issued by the Government at a nominal amount of Rp29,149,000 in 2 (two) tranches, at nominal amounts of Rp20,404,300 on July 25, 2000 and Rp8,744,700 on October 31, 2000, all of which earn interest at a fixed rate (Note 1b). In accordance with the letter of the Minister of Finance of the Republic of Indonesia No. S-84/MK.01/ 2002 dated March 26, 2002 on "Conversion Implementation of Series FR Bonds into Series VR Bonds", on March 26, 2002 BRI partially redeemed fixed rate Government bonds with a variable interest rate Government bonds.

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9. GOVERNMENT RECAPITALIZATION BONDS (continued)

a) By Ownership Purpose and Remaining Period to Maturity:

	December 31, 2016	December 31, 2015
<u>Available for sale</u>		
≤ 1 month	718,434	715,958
<u>Held to maturity</u>		
≤ 1 year	-	500,000
> 1 year - 5 years	2,600,000	2,600,000
	2,600,000	3,100,000
Total	3,318,434	3,815,958

b) By Classification and Type:

Series	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2016	December 31, 2015
<u>Available for sale</u>				
VR0027	3 months SPN	July 25, 2018	449,325	447,178
VR0031	3 months SPN	July 25, 2020	269,109	268,780
			718,434	715,958
<u>Held to maturity</u>				
VR0023	3 months SPN	October 25, 2016	-	500,000
VR0026	3 months SPN	January 25, 2018	375,000	375,000
VR0027	3 months SPN	July 25, 2018	375,000	375,000
VR0028	3 months SPN	August 25, 2018	375,000	375,000
VR0029	3 months SPN	August 25, 2019	375,000	375,000
VR0031	3 months SPN	July 25, 2020	1,100,000	1,100,000
			2,600,000	3,100,000
Total			3,318,434	3,815,958

c) Other Significant Information:

The schedule of interest payment for Government Recapitalization bonds is every 3 (three) months.

The market values of Government Recapitalization Bonds classified under "Available for sale" ranged from 99.67% to 99.85% and from 99.37% to 99.55% of nominal amounts as of December 31, 2016 and 2015, respectively.

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10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL

Securities purchased under agreement to resell as of December 31, 2016 and 2015 consist of:

December 31, 2016					
	Annual Interest Rate (%)	Purchase Date	Resell Date	Nominal Amount	Resell Price-Net
<u>Third parties</u>					
<u>Rupiah</u>					
Bank Indonesia					
Government Bonds					
FR0066	5.60	December 30, 2016	March 31, 2017	924,996	925,140
PT Bank JTrust Indonesia Tbk					
Deposits Certificates of Bank Indonesia					
IDSD130117182C	8.50	December 28, 2016	January 11, 2017	89,749	89,812
				1,014,745	1,014,952
<u>Foreign currencies</u>					
PT Bank BNP Paribas Indonesia					
Government Bonds					
RI1023	6.15	December 19, 2016	January 26, 2017	58,835	58,955
RI0320	6.15	December 19, 2016	January 26, 2017	74,733	74,886
RI0237	6.15	December 19, 2016	January 26, 2017	111,868	112,097
RI0319	6.15	December 19, 2016	January 26, 2017	66,360	66,497
				311,796	312,435
				1,326,541	1,327,387
<u>Related party (Note 44)</u>					
<u>Rupiah</u>					
PT Bank Mandiri (Persero) Tbk					
Government Bonds					
FR0069	6.50	November 17, 2016	January 6, 2017	228,170	229,983
				228,170	229,983
Total				1,554,711	1,557,370
December 31, 2015					
	Annual Interest Rate (%)	Purchase Date	Resell Date	Nominal Amount	Resell Price-Net
<u>Third party</u>					
<u>Rupiah</u>					
PT BPD Jawa Barat dan Banten Tbk					
Deposits Certificates of Bank Indonesia					
IDSD03021691C	10.00	December 30, 2015	January 6, 2016	47,177	47,190
IDSD150116273S	10.00	December 30, 2015	January 6, 2016	236,755	236,821
IDSD190216273S	10.00	December 30, 2015	January 6, 2016	94,095	94,122
				378,027	378,133
<u>Related party (Note 44)</u>					
<u>Rupiah</u>					
PT Bank Mandiri (Persero) Tbk					
Certificates of Bank Indonesia					
IDBI200516273C	10.00	December 29, 2015	January 6, 2016	185,039	185,141
Deposits Certificates of Bank Indonesia					
IDSD020316182S	10.00	December 29, 2015	January 6, 2016	281,695	281,851
				466,734	466,992
Total				844,761	845,125

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11. DERIVATIVES RECEIVABLE AND PAYABLE

The summary of the derivatives transactions are as follows:

Transaction	December 31, 2016	
	Derivatives receivable	Derivatives payable
Foreign currency and interest rate swap	32,204	179,286
Interest rate swap	59,443	53,780
Foreign currency swap	-	112,160
Purchase and sale of foreign currency spot	10	-
Purchase and sale of foreign currency forward	-	1,991
Total	91,657	347,217

Transaction	December 31, 2015	
	Derivatives receivable	Derivatives payable
Credit linked notes (Note 7)	-	8,006
Foreign currency and interest rate swap	-	348,183
Interest rate swap	-	2,128
Foreign currency swap	-	82,819
Purchase and sale of foreign currency spot	-	412
Purchase and sale of foreign currency forward	-	4,205
	-	445,753

a. Cross currency and interest rate swap

As of December 31, 2016, BRI enters into cross currency interest rate swap contracts with several counterparties, whereby BRI agrees to exchange funds amounting to Renminbi 2,065,304,000, Rp541,400, USD53,167,500 and USD159,483,894 equivalent to USD315,000,000, USD40,000,000, EUR47,000,000 and Rp2,101,181, respectively on their effective contract dates. The parties in the cross currency swap contracts are liable to interest with respect to the funds received.

If the funds received are in USD, the beneficiary must pay interest with fixed rate or floating rate of six-month LIBOR plus a given margin. On the contrary, the beneficiary who receives Rupiah, Renminbi, or European Euro must pay interest with fixed rate.

b. Interest Rate Swap

As of December 31, 2016, BRI has outstanding interest rate swap contract with several counterparties, whereby BRI and the counterparties agreed to swap foreign currencies at a fixed rate or floating rate with contractual amount of USD373,125,000.

c. Purchase and sale of foreign currency spots and forward

As of December 31, 2016, BRI has outstanding foreign currency spot purchase and sale contract with notional amount of USD105,000,000 and USD121,000,000, respectively, and with contractual amount of Rp1,414,887 and Rp1,630,457, respectively.

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11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

c. Purchase and sale of foreign currency spots and forward (continued)

BRI also has outstanding foreign currency forward purchase contract with notional amount of USD117,700,000 and EUR60,000,000 with the contractual amount of Rp1,588,919 and Rp845,491, respectively, and foreign currency forward sale contract with notional amount of USD381,682,492 with the contractual amount of Rp5,124,359.

d. Foreign currency swap

As of December 31, 2016, BRI has outstanding foreign currency swap contracts with notional purchase amount of USD295,000,000 and EUR310,000,000 with the contractual purchase amount of Rp3,998,890 and Rp4,479,072, respectively, and notional sale amount of USD25,000,000 with the contractual sale amount of Rp333,740.

12. LOANS

a) By Currency and Type:

The details of loans by type are as follows:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
Kupedes	211,417,693	178,759,239
Working capital	123,647,784	110,017,704
Consumer	101,016,417	89,603,296
Investment	54,536,901	42,366,014
Program	10,547,008	7,064,037
Syndicated	1,136,189	1,313,700
	<u>502,301,992</u>	<u>429,123,990</u>
<u>Foreign currencies</u>		
Investment	27,477,766	22,527,984
Working capital	19,362,729	18,764,850
Syndicated	615,873	933,555
	<u>47,456,368</u>	<u>42,226,389</u>
	<u>549,758,360</u>	<u>471,350,379</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Working capital	37,739,884	42,605,612
Investment	27,960,891	18,354,627
Syndicated	17,116,441	16,019,141
Key employees	43,174	46,498
Consumer	14,871	18,563
	<u>82,875,261</u>	<u>77,044,441</u>

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12. LOANS (continued)

a) By Currency and Type (continued):

The details of loans by type are as follows (continued):

	December 31, 2016	December 31, 2015
<u>Related parties (Note 44) (continued)</u>		
<u>Foreign currencies</u>		
Working capital	5,573,961	10,157,905
Investment	4,286,304	4,810,165
Syndicated	977,089	1,117,648
	10,837,354	16,085,718
	93,712,615	93,130,159
Total	643,470,975	564,480,538
Less: Allowance for impairment losses	(22,184,296)	(17,162,183)
Net	621,286,679	547,318,355

The details of loans by currency are as follows:

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Rupiah</u>		585,177,253		506,168,431
<u>Foreign currencies</u>				
United States Dollar	4,265,605,843	57,468,374	4,194,486,839	57,821,002
European Euro	40,702,251	576,986	18,700,101	281,561
Singapore Dollar	21,521,459	200,406	18,661,338	182,115
Great Britain Pound Sterling	2,090,463	34,608	725,983	14,838
Japanese Yen	90,820,000	10,450	97,471,871	11,162
Swiss Franc	205,338	2,712	102,669	1,429
Australian Dollar	19,099	186		-
		58,293,722		58,312,107
Total		643,470,975		564,480,538
Less: Allowance for impairment losses		(22,184,296)		(17,162,183)
Net		621,286,679		547,318,355

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12. LOANS (continued)

b) By Economic Sector:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
Trading, hotels and restaurants	201,932,238	171,309,588
Agriculture	61,298,365	49,202,544
Manufacturing	23,131,242	16,719,172
Business services	21,669,972	18,622,984
Construction	13,352,157	11,260,702
Transportation, warehousing and communications	7,411,834	5,937,507
Social services	4,570,127	4,388,625
Mining	2,223,852	2,106,438
Electricity, gas and water	1,235,411	801,696
Others	165,476,794	148,774,734
	502,301,992	429,123,990
<u>Foreign currencies</u>		
Manufacturing	23,302,570	23,709,462
Agriculture	8,994,684	3,689,254
Electricity, gas and water	4,465,298	4,268,672
Mining	3,951,956	2,946,326
Trading, hotels and restaurants	1,742,852	2,798,057
Business services	1,681,920	1,468,551
Construction	1,669,253	1,919,381
Transportation, warehousing and communications	1,581,561	1,220,210
Others	66,274	206,476
	47,456,368	42,226,389
	549,758,360	471,350,379
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Electricity, gas and water	27,396,425	16,358,603
Trading, hotels and restaurants	15,784,788	19,599,529
Manufacturing	9,804,224	9,034,633
Transportation, warehousing and communications	8,699,909	8,396,044
Agriculture	7,673,124	6,487,849
Business services	6,315,017	7,169,936
Construction	6,272,142	3,537,595
Mining	466,620	695,063
Social services	418,524	5,717,561
Others	44,488	47,628
	82,875,261	77,044,441

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12. LOANS (continued)

b) By Economic Sector (continued):

	December 31, 2016	December 31, 2015
<u>Related parties (Note 44) (continued)</u>		
<u>Foreign currencies</u>		
Manufacturing	4,979,352	10,149,569
Social services	3,707,071	4,117,541
Mining	1,347,250	1,408,367
Transportation, warehousing and communications	524,255	271,020
Business services	176,577	96,495
Construction	77,020	39,580
Trading, hotels and restaurants	25,829	-
Agriculture	-	3,146
	<u>10,837,354</u>	<u>16,085,718</u>
	<u>93,712,615</u>	<u>93,130,159</u>
Total	643,470,975	564,480,538
Less: Allowance for impairment losses	(22,184,296)	(17,162,183)
Net	<u>621,286,679</u>	<u>547,318,355</u>

c) By Period:

The classification of loans based on the remaining period to maturity are as follows:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	13,537,435	13,966,093
> 1 month - 3 months	18,772,288	16,688,235
> 3 months - 1 year	97,065,113	80,979,512
> 1 year - 2 years	80,029,683	70,074,362
> 2 years - 5 years	142,332,825	122,274,147
> 5 years	150,564,648	125,141,641
	<u>502,301,992</u>	<u>429,123,990</u>
<u>Foreign currencies</u>		
≤ 1 month	2,441,291	2,887,982
> 1 month - 3 months	1,521,131	4,710,511
> 3 months - 1 year	5,505,601	6,130,904
> 1 year - 2 years	5,977,606	7,122,486
> 2 years - 5 years	12,608,850	8,627,405
> 5 years	19,401,889	12,747,101
	<u>47,456,368</u>	<u>42,226,389</u>
	<u>549,758,360</u>	<u>471,350,379</u>

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12. LOANS (continued)

c) By Period (continued):

The classification of loans based on the remaining period to maturity are as follows (continued):

	December 31, 2016	December 31, 2015
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 month	1,890,341	3,520,078
> 1 month - 3 months	19,986,637	4,513,341
> 3 months - 1 year	16,731,440	27,106,728
> 1 year - 2 years	2,638,472	6,875,664
> 2 years - 5 years	7,727,466	10,235,935
> 5 years	33,900,905	24,792,695
	<u>82,875,261</u>	<u>77,044,441</u>
<u>Foreign currencies</u>		
≤ 1 month	242,395	128,478
> 1 month - 3 months	1,347,250	1,378,500
> 3 months - 1 year	2,736,744	8,650,927
> 1 year - 2 years	-	634,565
> 2 years - 5 years	4,967,027	3,923,272
> 5 years	1,543,938	1,369,976
	<u>10,837,354</u>	<u>16,085,718</u>
	<u>93,712,615</u>	<u>93,130,159</u>
Total	643,470,975	564,480,538
Less: Allowance for impairment losses	(22,184,296)	(17,162,183)
Net	<u>621,286,679</u>	<u>547,318,355</u>

d) By Collectibility:

	December 31, 2016	December 31, 2015
Individual	28,871,177	19,596,126
Collective		
Current	587,285,896	516,307,931
Special mention	20,523,521	21,977,643
Substandard	1,056,103	1,160,311
Doubtful	1,128,476	1,224,930
Loss	4,605,802	4,213,597
	<u>614,599,798</u>	<u>544,884,412</u>
Total	643,470,975	564,480,538
Less: Allowance for impairment losses		
Individual	(7,510,899)	(4,104,272)
Collective	(14,673,397)	(13,057,911)
	<u>(22,184,296)</u>	<u>(17,162,183)</u>
Net	<u>621,286,679</u>	<u>547,318,355</u>

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12. LOANS (continued)

e) By Operating Segment:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
Retail	235,361,063	205,539,988
Micro	221,802,205	188,428,179
Corporate	45,138,724	35,155,823
	<u>502,301,992</u>	<u>429,123,990</u>
<u>Foreign currencies</u>		
Corporate	38,531,635	34,820,892
Retail	8,924,733	7,405,497
	<u>47,456,368</u>	<u>42,226,389</u>
	<u>549,758,360</u>	<u>471,350,379</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Corporate	82,280,121	70,204,154
Retail	595,140	6,840,287
	<u>82,875,261</u>	<u>77,044,441</u>
<u>Foreign currencies</u>		
Corporate	10,837,354	16,085,718
	<u>93,712,615</u>	<u>93,130,159</u>
Total	643,470,975	564,480,538
Less: Allowance for impairment losses	(22,184,296)	(17,162,183)
Net	<u>621,286,679</u>	<u>547,318,355</u>

f) Other Significant Information:

1) The average annual interest rates are as follows:

	2016	2015
<u>Contractual Rate</u>		
Rupiah	11.91%	12.47%
Foreign currencies	4.23	4.37
<u>Effective Interest Rate</u>		
Rupiah	14.59%	16.09%
Foreign currencies	4.38	4.46

2) The loans are generally collateralized by registered mortgages, by powers of attorneys to sell, demand deposits, saving deposits, time deposits or by other guarantees generally accepted by banks (Notes 20, 21, and 22).

3) Working capital and investment loans is given to debtors for working capital requirements and capital goods.

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12. LOANS (continued)

f) Other Significant Information (continued):

- 4) Consumption loans consist of loans to workers and retired workers, housing, motor vehicles and other consumption loans.
- 5) Program loans represent loan facilities channeled by BRI based on the guidelines from the Government in order to support the development in Indonesia especially the development of small scale industry, middle scale industry and cooperatives.
- 6) Kupedes loans represent loan facilities channeled by BRI through BRI's Units. The target of these loans is micro scale industry and fixed income employees that require additional funds, in accordance with the maximum limit amount stated in the Kupedes regulation. The targeted economic sectors are agriculture, manufacturing, trading and others.
- 7) Syndicated loans represent loans provided to debtors under syndication agreements with other banks. The total of BRI's syndicated loans amounted to Rp45,054,012 and Rp31,142,038 as of December 31, 2016 and 2015, respectively. BRI's participation as leader in the syndicated loans ranged from 24.50% to 63.65% and from 23.08% to 63.65%, while BRI's participation as member in the syndicated loans ranged from 2.97% to 59.97% and 2.97% to 51.79% as of December 31, 2016 and 2015, respectively.
- 8) Employee loans are loans given to employees with 5.5% annual interest rate that intended for the acquisition of vehicles, houses and other necessities with 4 (four) to 20 (twenty) years maturity. Loan principal and interest payments were collected through monthly payroll deductions. The difference between employee loan's interest rate and Base Lending Rate (BLR) is deferred and recorded as deferred expense for employee loans as part of other assets. The deferred expense for employee loans amounted to Rp565,480 and Rp569,257 as of December 31, 2016 and 2015, respectively (Note 18).
- 9) Loans granted by BRI to related parties, other than loans to key employees (Note 44) are as follows:

	December 31, 2016	December 31, 2015
PT Perusahaan Listrik Negara (Persero)	27,446,991	16,479,829
Perum BULOG	16,112,248	17,187,834
Ministry of Finance of the Republic of Indonesia	4,307,997	4,683,888
PT Kereta Api Indonesia (Persero)	3,864,676	3,678,155
PT Pegadaian (Persero)	3,835,110	3,864,154
PT Krakatau Steel (Persero) Tbk	2,377,804	2,123,803
PT Garuda Indonesia (Persero)	1,968,132	1,593,531
PT Dirgantara Indonesia	1,735,635	938,930
PT Waskita Beton Precast	1,670,095	229,628
PT Waskita Karya (Persero)	1,655,684	612,974
Others	28,695,069	41,690,935
Total	93,669,441	93,083,661

- 10) Loans that have been restructured by BRI (Parent Entity) amounted to Rp37,131,753 and Rp20,339,826 (unaudited) as of December 31, 2016 and 2015, respectively. Restructuring scheme generally consist of extension of the loan maturity date and rescheduling of overdue interest payment.

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12. LOANS (continued)

f) Other Significant Information (continued):

- 11) In BRI's report on Legal Lending Limit to Bank Indonesia as of December 31, 2016 and 2015, BRI has no debtor either related party or third party, in accordance with Bank Indonesia regulation, that does not comply with or exceed the Legal Lending Limit, respectively.
- 12) The details of non-performing collective loans (with collectibility of substandard, doubtful and loss) and total individual loans, as well as the allowance for impairment losses by economic sector are as follows:

	December 31, 2016	December 31, 2015
Trading, hotels and restaurants	9,589,255	9,128,103
Manufacturing	9,306,203	3,690,140
Agriculture	4,345,008	2,844,590
Construction	3,725,349	3,037,301
Mining	3,116,077	1,841,180
Transportation, warehousing and communications	1,653,314	1,642,456
Business services	1,629,211	1,700,017
Electricity, gas and water	723,688	776,168
Social services	135,594	112,727
Others	1,437,859	1,422,282
Total	35,661,558	26,194,964
Less: Allowance for impairment losses	(9,224,013)	(5,726,209)
Net	26,437,545	20,468,755

13) Ratios

- a. The ratios of non-performing loans (NPL) based on Bank Indonesia regulations are as follows:

(i) BRI (Parent Entity) and BRI Agro

	December 31, 2016	December 31, 2015
Total non-performing loans	13,117,282	11,380,718
Total loans	643,470,975	564,480,538
% Non-Performing Loans (NPL)	2.04%	2.02%

(ii) BRI (Parent Entity)

	December 31, 2016	December 31, 2015
Total non-performing loans	12,882,913	11,267,382
Total loans	635,291,221	558,436,016
% Non-Performing Loans (NPL)	2.03%	2.02%

- b. The ratio of BRI's small scale industry loans to total loans is 44.48% and 44.32% as of December 31, 2016 and 2015, respectively (unaudited).

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12. LOANS (continued)

f) Other Significant Information (continued):

Movements in the allowance for impairment losses on loans:

	December 31, 2016	December 31, 2015
Beginning balance	17,162,183	15,886,145
Provision for impairment losses during the year (Note 34)	13,454,979	8,685,146
Loans written-off during the year	(8,473,450)	(7,815,170)
Foreign currency translation	40,584	406,062
Ending balance	22,184,296	17,162,183

BRI's (Parent Entity) allowance for impairment losses balance includes the allowance for impairment losses for areas that are still categorized as a disaster prone areas or have experienced a disaster by the Government of the Republic of Indonesia amounted to Rp857,060 and Rp611,849, as of December 31, 2016 and 2015, respectively (Note 2e).

The minimum allowance for impairment losses of BRI's (Parent Entity) loans based on Bank Indonesia regulation (Note 2e) amounted to Rp15,652,514 and Rp13,892,885, as of December 31, 2016 and 2015, respectively.

Management believes that the allowance for impairment losses on loans is adequate.

13. SHARIA RECEIVABLES AND FINANCING

a) Sharia receivables and financing based on collectibility are as follows:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
Current	14,553,293	14,192,917
Special mention	1,870,297	1,561,399
Substandard	160,261	196,514
Doubtful	178,264	97,603
Loss	479,990	509,301
	<u>17,242,105</u>	<u>16,557,734</u>
<u>Related parties (Note 44)</u>		
Current	506,483	56,272
Special mention	355	-
	<u>506,838</u>	<u>56,272</u>
Total	17,748,943	16,614,006
Less: Allowance for impairment losses	(492,156)	(352,252)
Net	17,256,787	16,261,754

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13. SHARIA RECEIVABLES AND FINANCING (continued)

b) Sharia receivables and financing based on the remaining period to maturity are as follows:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
≤ 1 month	282,806	484,053
> 1 month - 3 months	449,395	679,010
> 3 months - 1 year	1,399,649	2,107,439
> 1 year - 2 years	1,265,385	2,187,363
> 2 years - 5 years	2,728,868	7,414,901
> 5 years	11,116,002	3,684,968
	<u>17,242,105</u>	<u>16,557,734</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 month	6	3,868
> 1 month - 3 months	3,400	778
> 3 months - 1 year	328,777	2,125
> 1 year - 2 years	1,936	238
> 2 years - 5 years	41,675	42,896
> 5 years	131,044	6,367
	<u>506,838</u>	<u>56,272</u>
Total	17,748,943	16,614,006
Less: Allowance for impairment losses	(492,156)	(352,252)
Net	<u>17,256,787</u>	<u>16,261,754</u>

Sharia receivables and financing consist of *murabahah* receivables, *istishna* receivables, *qardh* borrowing, *Mudharabah* and *musyarakah* financing.

Unrecognized *murabahah* receivables income as of December 31, 2016 and 2015 amounted to Rp4,322,067 and Rp4,067,750, respectively.

Movements in the allowance for impairment losses on sharia receivables and financing:

	December 31, 2016	December 31, 2015
Beginning balance	352,252	276,650
Provision for impairment losses during the year (Note 34)	244,267	206,159
Recovery from loans written-off	14,892	11,667
Loans written-off during the year	(119,255)	(142,224)
Ending balance	<u>492,156</u>	<u>352,252</u>

Management believes that the allowance for impairment losses on sharia receivables and financing is adequate.

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13. SHARIA RECEIVABLES AND FINANCING (continued)

As of December 31, 2016 and 2015, the Non-Performing Financing (NPF) of sharia receivables and financing amounted to Rp818,515 (4.61%) and Rp803,418 (4.84%), respectively.

The type of collateral submitted by the debtors for the sharia receivables and financing are land and buildings, Proof of Motor Vehicle Ownership and other properties.

As of December 31, 2016 and 2015, there are no sharia receivables and financing that were transferred or used as collateral for debts.

14. FINANCE LEASE RECEIVABLES

Finance lease receivables at December 31, 2016 consist of:

	December 31, 2016
<u>Third parties</u>	
<u>Rupiah</u>	
Finance lease receivables - gross	2,465,843
Guaranteed residual values	1,750,061
Unearned finance lease income	(266,044)
Security deposits	(1,749,560)
Total	2,200,300
Less allowance for impairment losses	(130,000)
Net	2,070,300

Finance lease receivables - gross, due in period:

	December 31, 2016
<u>Third parties</u>	
<u>Rupiah</u>	
≤ 1 year	264,036
> 1 year - 2 years	660,090
> 2 years - 5 years	1,276,174
Total	2,200,300
Less allowance for impairment losses	(130,000)
Net	2,070,300

The movement of allowance for impairment loss :

	December 31, 2016
Beginning balance	128,000
Provision for impairment losses ^{*)}	16,669
Exchange rate differences	(23)
Finance lease receivables written-off during the year	(14,646)
Ending balance	130,000

^{*)} Provision for allowance for impairment losses for the period after the acquisition date, September 30, 2016, amounted to Rp995 (Note 34)

Management believes that the allowance for impairment losses as of December 31, 2016 is adequate.

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15. ACCEPTANCES RECEIVABLE AND PAYABLE

The details of acceptances receivable from customers are as follows:

a) By Type and Currency:

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Import Letters of Credit and Domestic Document Letters of Credit		3,192,249		2,333,810
<u>Foreign currencies</u>				
Import Letters of Credit and Domestic Document Letters of Credit				
United States Dollar	147,121,912	1,982,100	150,457,533	2,074,057
European Euro	1,406,631	19,940	2,877,637	43,328
Japanese Yen	30,124,000	3,466		-
Singapore Dollar	19,600	183		-
Great Britain Pound Sterling		-	34,168	698
		2,005,689		2,118,083
		5,197,938		4,451,893
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Import Letters of Credit and Domestic Document Letters of Credit		363,963		155,629
<u>Foreign currencies</u>				
Import Letters of Credit and Domestic Document Letters of Credit				
United States Dollar	7,433,691	100,150	31,420,787	433,136
European Euro	2,153,788	30,532	7,902,259	118,982
Great Britain Pound Sterling		-	109,760	2,243
Australian Dollar		-	79,580	802
Japanese Yen		-	6,860,000	786
		130,682		555,949
		494,645		711,578
Total		5,692,583		5,163,471

b) By Collectibility:

All acceptances receivable were classified as "Current" as of December 31, 2016 and 2015.

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15. ACCEPTANCES RECEIVABLE AND PAYABLE (continued)

The details of acceptances receivable from customers are as follows (continued):

c) By Period:

The classification of acceptances receivable based on the remaining period until maturity are as follows:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
≤ 1 month	955,776	529,581
> 1 month - 3 months	1,935,035	1,702,172
> 3 months - 1 year	2,307,127	2,220,140
	<u>5,197,938</u>	<u>4,451,893</u>
<u>Related parties (Note 44)</u>		
≤ 1 month	89,867	128,487
> 1 month - 3 months	171,292	343,632
> 3 months - 1 year	233,486	239,459
	<u>494,645</u>	<u>711,578</u>
Total	<u>5,692,583</u>	<u>5,163,471</u>

BRI assessed acceptance receivables individually for impairment based on whether an objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of December 31, 2016 and 2015, because management believes that acceptances receivable are fully collectible.

16. INVESTMENT IN ASSOCIATED ENTITIES

The details of investment in associated entities are as follows:

Company Name	Type of Business	December 31, 2016	
		Percentage of Ownership (%)	Carrying Value
<u>Cost Method</u>			
PT Kustodian Sentral Efek Indonesia	Central securities depository institution	3.00	900
PT Sarana Bersama			
Pembiayaan Indonesia	Investment	8.00	536
PT Jakarta Kyoei Medical Center	Golf membership	1.68	220
PT Pemeringkat Efek Indonesia	Credit rating agency	0.21	210
PT Menara Proteksi Indonesia	Golf membership	2.00	200
BPR Toelongredjo Dasa Nusantara	Banking	1.50	77
BPR Tjoekir Dasa Nusantara	Banking	3.00	77
BPR Toelangan Dasa Nusantara	Banking	1.50	66
PT Merapi Gelanggang Wisata	Golf membership	0.50	50
BPR Cinta Manis Agroloka	Banking	1.75	35
PT Sukapraja Estetika Padang Golf	Golf membership	0.50	25
BPR Bungamayang Agroloka	Banking	2.25	23
PT Aplikanusa Lintasarta	Non-Banking	0.03	20
Total			<u>2,439</u>

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16. INVESTMENT IN ASSOCIATED ENTITIES (continued)

The details of investment in associated entities are as follows (continued):

Company Name	Type of Business	Percentage of Ownership (%)	December 31, 2015		
			Cost	Accumulated Equity in Net Earnings of Associated Company	Carrying Value
Equity Method					
(Investments in associated entity)					
PT BTMU-BRI Finance (Related party - Note 44)	Financing	45.00	24,750	238,141	262,891
Cost Method					
PT Kelola Jasa Artha PT Bringin Gigantara (Related party - Note 44)	Remittance	14.22			2,560
	Procurement of goods, services and information technology	5.14			1,240
PT Kustodian Sentral Efek Indonesia	Central securities depository institution	3.00			900
PT Sarana Bersama Pembiayaan Indonesia	Investment	8.00			536
PT Jakarta Kyoei Medical Center	Golf membership	1.68			220
PT Pemeringkat Efek Indonesia	Credit rating agency	0.21			210
PT Menara Proteksi Indonesia	Golf membership	2.00			200
BPR Toelongredjo Dasa Nusantara	Banking	3.00			77
BPR Tjoekir Dasa Nusantara	Banking	3.00			77
BPR Toelangan Dasa Nusantara	Banking	1.50			66
PT Merapi Gelanggang Wisata	Golf membership	0.64			50
BPR Cinta Manis Agroloka	Banking	1.75			35
PT Sukapraja Golf	Golf membership	0.24			25
BPR Bungamayang Agroloka	Banking	2.25			23
PT Aplikanusa Lintasarta	Non-Banking	0.03			20
					6,239
Total					269,130

BRI assessed investment in associated entities individually for impairment based on whether an objective evidence of impairment exists.

As of December 31, 2016 and 2015, all investments were classified as "Current".

In 2016, BRI received cash dividends from PT Sarana Bersama Pembiayaan Indonesia and PT Pemeringkat Efek Indonesia of Rp170 and Rp11, respectively, whereas in 2015, BRI received cash dividends from PT Sarana Bersama Pembiayaan Indonesia and PT Pemeringkat Efek Indonesia of Rp391 and Rp3, respectively.

In 2016, BRI Agro (subsidiary) received cash dividend from BPR Cinta Manis Agroloka, BPR Bungamayang Agroloka and PT Aplikanusa Lintasarta of Rp7, Rp21 and Rp26, respectively, whereas in 2015, BRI Agro received cash dividend from BPR Toelongredjo Dasa Nusantara, BPR Tjoekir Dasa Nusantara, BPR Cinta Manis Agroloka, BPR Bungamayang Agroloka and PT Aplikanusa Lintasarta of Rp16, Rp19, Rp27, Rp15 and Rp12, respectively.

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16. INVESTMENT IN ASSOCIATED ENTITIES (continued)

Effective on March 30, 2016, the Company sold its whole ownership of PT Kelola Jasa Artha and PT Bringin Gigantara as stipulated in the Purchase-Sale and Transfer of Shares Act No. 29 and No.30, respectively, by H. Yulizar Azhar, S.H, M.Kn dated March 30, 2016.

Management believes that no allowance for impairment losses is necessary as of December 31, 2016 and 2015, because investments in associated entities are fully collectible.

17. PREMISES AND EQUIPMENT

Premises and equipment consist of:

Description	December 31, 2016			Ending Balance
	Beginning Balance	Additions ^{*)}	Deductions	
<u>Carrying Value</u>				
Landrights	1,107,163	14,709,604	17,271	15,799,496
Buildings	2,900,001	455,660	194,748	3,160,913
Motor vehicles	1,943,674	243,909	35,560	2,152,023
Computers and machineries	5,065,582	1,422,607	83,975	6,404,214
Furniture and fixtures	1,354,292	143,069	27,455	1,469,906
Museum assets	184	-	-	184
Satellites in development	2,316,572	959,041	-	3,275,613
	<u>14,687,468</u>	<u>17,933,890</u>	<u>359,009</u>	<u>32,262,349</u>
<u>Accumulated Depreciation</u>				
Buildings	1,220,467	141,655	2,564	1,359,558
Motor vehicles	1,123,409	330,604	35,339	1,418,674
Computers and machineries	3,276,548	636,290	78,407	3,834,431
Furniture and fixtures	1,027,764	134,265	27,402	1,134,627
	<u>6,648,188</u>	<u>1,242,814</u>	<u>143,712</u>	<u>7,747,290</u>
Net book value	8,039,280			24,515,059

*) Included in additions of premises and equipment is gain on revaluation of landrights amounted to Rp14,261,442 (after deducted by decreasing the carrying amount as the result of revaluation amounted to Rp54,085) and the beginning balance of Subsidiary (BRI Finance) acquired (Acquisition Cost amounted to Rp19,376, Accumulated Depreciation amounted to Rp16,901 and Depreciation Expense for the year amounted to Rp1,589).

Description	December 31, 2015			Ending Balance
	Beginning Balance	Additions ^{**)}	Deductions	
<u>Carrying Value</u>				
Landrights	625,460	482,222	519	1,107,163
Buildings	2,482,655	540,585	123,239	2,900,001
Motor vehicles	1,839,082	146,285	41,693	1,943,674
Computers and machineries	4,599,811	578,344	112,573	5,065,582
Furniture and fixtures	1,204,214	184,588	34,510	1,354,292
Museum assets	184	-	-	184
Satellites in development	831,895	1,484,677	-	2,316,572
	<u>11,583,301</u>	<u>3,416,701</u>	<u>312,534</u>	<u>14,687,468</u>

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17. PREMISES AND EQUIPMENT (continued)

Premises and equipment consist of (continued):

Description	December 31, 2015			Ending Balance
	Beginning Balance	Additions**)	Deductions	
<u>Accumulated Depreciation</u>				
Buildings	1,088,252	137,481	5,266	1,220,467
Motor vehicles	862,216	302,267	41,074	1,123,409
Computers and machineries	2,815,996	562,412	101,860	3,276,548
Furniture and fixtures	899,367	162,330	33,933	1,027,764
	5,665,831	1,164,490	182,133	6,648,188
Net book value	5,917,470			8,039,280

**) Included in additions of premises and equipment is the beginning balance of Subsidiary (BRI Life) acquired (Acquisition Cost amounted to Rp131,303, Accumulated Depreciation amounted to Rp57,949 and Depreciation Expense for the year amounted to Rp12,319).

Depreciation expense of premises and equipment charged to the consolidated statement of profit or loss and other comprehensive income amounted to Rp1,224,809 and Rp1,094,222 for the years ended December 31, 2016 and 2015, respectively (Note 36).

BRI insured its premises and equipment (excluding landrights) from losses due to risks of fire, theft, vandalism, force majeure, and others to PT Asuransi Bringin Sejahtera Artamakmur (related party - Note 44), PT Asuransi Jasa Tania and Asuransi Sampo Japan Nipponkoa Indonesia, with coverage amount of Rp10,530,478 and Rp10,358,054 for the years ended December 31, 2016 and 2015, respectively.

Taxable value of buildings owned by BRI as of December 31, 2016 amounted to Rp2,038,098 whereas taxable value of landrights and buildings owned by BRI as of December 31, 2015 amounted to Rp3,711,881 and Rp1,821,383, respectively. Other than landrights and buildings there are no significant difference between the fair value of the assets and their carrying value.

The gross carrying value of fixed assets that have been fully depreciated but still used by BRI as of December 31, 2016 and 2015 are Rp3,666,122 and Rp3,699,755, respectively.

As of December 31, 2016 and 2015, there are no fixed assets owned by BRI which are pledged as collateral.

As of December 31, 2016, the manufacture of satellites (BRIsat) has been completed and has been successfully launched on June 19, 2016 from Kourou, French Guiana. BRIsat has reached the intended orbit and has been tested (in orbit test). Since August 3, 2016, "BRIsat operational handover" from SSL (as BRIsat manufacturer) has been progressing. Currently, Final Acceptance for the ground device (gRCS) has been conducted to ensure that these devices can be used optimally by BRI. According to the contract, the satellite's performance will continue to be monitored by SSL and BRI until the last milestone (satellite performance) is completed by mid 2017. The percentage of carrying amounts to the contract value is $\pm 96\%$.

As of December 31, 2015, the satellite project (BRIsat) has reached the finishing stage of tower (alignment) followed by a Series of tests including vibration test, dynamic test, Compact Antenna

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17. PREMISES AND EQUIPMENT (continued)

Test Range (CATR) and the final performance test. For ground systems, the Bank has installed satellite antenna controller/Telemetry, Tracking and Command System (TT&C) and 2 antennas geolocation, while 2 (two) pieces of communication antennas are still in the process of installation. The percentage of carrying amounts to the contract value is $\pm 74\%$.

On April 1, 2016, BRI performed revaluation for accounting and taxation purposes over landrights, as follows:

- Accounting purposes: BRI changed its accounting policy of landrights from cost model to revaluation model.
- Taxation purposes: the increase in carrying value of landrights amounted to Rp14,315,527 has been approved by Directorate General of Taxation in accordance with the decree of the Directorate General of Taxation No. KEP-479/WPJ.19/2016 dated July 29, 2016.

The increase in the carrying amount arising from the revaluation is recorded as "Revaluation surplus arising from fixed assets", and is presented in other comprehensive income amounted to Rp13,824,692 (net of final tax of Rp490,835). A decrease in the carrying amount arising from revaluation amounted to Rp54,085 is recognized in profit or loss for the year. The fair value of landrights included in the fair value hierarchy as level 2.

Valuation, performed in accordance to Indonesian Valuations Standards, is determined based on reference to current market transactions and done on arm's length terms. The valuation methods used are market data approach, cost approach and income approach.

Valuation of landrights is performed by external independent appraiser KJPP Abdullah, Fitriantoro dan Rekan, KJPP Aditya, Iskandar dan Rekan, KJPP Aksa, Nelson dan Rekan, KJPP Immanuel, Johnny dan Rekan, KJPP Iwan Bachron dan Rekan, KJPP Nana, Rahayu dan Rekan, KJPP Pung's Zulkarnain dan Rekan, KJPP Satria, Iskandar, Setiawan dan Rekan and KJPP Toha, Okky, Heru dan Rekan, on various valuation dates.

As of December 31, 2016, if the landrights are valued using the cost model, the carrying value amounted to Rp1,538,053.

Management believes that there is no impairment in value of premises and equipment and the amount of insurance coverage is adequate to cover the risk of loss that may arise on the assets as of December 31, 2016 and 2015.

18. OTHER ASSETS

Other assets consist of:

	December 31, 2016	December 31, 2015
<u>Rupiah</u>		
Claims related to ATM and credit card transactions	1,726,840	1,234,963
Interest receivables		
Securities	1,266,196	1,090,330
Government Recapitalization Bonds	40,219	42,629
Placements with Bank Indonesia and other banks	80,864	32,121
Others	76,757	34,160
Premises and equipment that have not been distributed	1,169,654	739,784
Office, warehouse, and classroom rent	845,247	808,517
Notes receivable	685,212	554,202
Prepaid expenses	632,266	343,769

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18. OTHER ASSETS (continued)

Other assets consist of (continued):

	December 31, 2016	December 31, 2015
<u>Rupiah (continued)</u>		
Internal advance	611,471	647,590
Claims to government related to Generation II KUR disbursement	595,562	256,073
Deferred expense for employees loan (Note 12f)	565,480	569,257
Foreclosed collaterals	344,770	84,191
Claims to Bulog	328,559	297,915
Office supplies	296,038	216,629
Ijarah assets	286,181	46,260
Reinsurance assets	232,332	214,731
Accrued revenue based on sharia principle	170,519	138,908
Investment property	112,251	90,185
Penalty charges of principal and interest loan	68,009	65,284
Estimated tax bill (Note 38b)	63,170	10,275
Premium receivables	46,511	77,490
Prepaid tax (Note 38b)	-	2,573,213
Others	2,183,779	2,014,948
	12,427,887	12,183,424
<u>Foreign currencies</u>		
Interest receivables		
Securities	685,426	538,731
Others	94,526	29,344
Risk Participation claims	580,778	331,556
Notes receivable	181,110	49,689
Claims related to ATM and credit card transactions	44,762	50,250
Others	476,222	314,864
	2,062,824	1,314,434
Total	14,490,711	13,497,858

19. LIABILITIES DUE IMMEDIATELY

Liabilities due immediately consist of:

	December 31, 2016	December 31, 2015
<u>Rupiah</u>		
Advance payment deposits	1,492,074	1,234,916
ATM and credit card deposits	457,982	668,091
Tax payment deposits	379,554	347,630
Insurance deposits	152,213	153,826
Deposits for channeling loans	51,265	48,383
Deposits for clearing	26,807	39,217
Advance from money transfer	35,703	31,984
Others	2,607,824	2,443,224
	5,203,422	4,967,271

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19. LIABILITIES DUE IMMEDIATELY (continued)

Liabilities due immediately consist of (continued):

	December 31, 2016	December 31, 2015
<u>Foreign currencies</u>		
Advance payment deposits	56,120	41,315
ATM and credit card deposits	52,597	39,658
Tax payment deposits	11,485	7,796
Others	86,689	82,522
	<u>206,891</u>	<u>171,291</u>
Total	<u>5,410,313</u>	<u>5,138,562</u>

20. DEMAND DEPOSITS

Demand deposits consist of:

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>		79,314,862		61,717,414
<u>Foreign currencies</u>				
United States Dollar	1,153,376,172	15,538,860	1,216,184,776	16,765,107
European Euro	113,890,839	1,614,490	41,826,352	629,766
Australian Dollar	21,415,159	208,222	20,169,312	203,382
Renminbi	56,984,608	110,504	51,796,341	109,956
Great Britain Pound Sterling	3,764,194	62,316	5,039,068	102,994
Singapore Dollar	2,777,138	25,861	18,717,717	182,665
Japanese Yen	223,500,953	25,717	76,869,131	8,803
Saudi Arabian Riyal	2,306,560	8,285	1,119,939	4,113
Hong Kong Dollar	528,967	919	1,675,381	2,980
Swiss Franc		-	271	4
		<u>17,595,174</u>		<u>18,009,770</u>
		<u>96,910,036</u>		<u>79,727,184</u>
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>		29,618,921		21,203,843
<u>Foreign currencies</u>				
United States Dollar	1,081,759,223	14,574,001	898,751,531	12,389,290
European Euro	22,240,029	315,269	7,186,639	108,207
Japanese Yen	6,890,431	793	7,154,051	819
		<u>14,890,063</u>		<u>12,498,316</u>
		<u>44,508,984</u>		<u>33,702,159</u>
Total		<u>141,419,020</u>		<u>113,429,343</u>

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20. DEMAND DEPOSITS (continued)

The average annual interest rates are as follows:

	2016	2015
Rupiah	1.66%	1.65%
Foreign currencies	0.25	0.29

Demand deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp127,809 and Rp120,705 as of December 31, 2016 and 2015, respectively.

21. SAVING DEPOSITS

Saving deposits consist of:

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Simpedes		183,909,412		165,530,043
Britama		108,269,980		96,956,008
Others		4,260,239		4,090,969
		296,439,631		266,577,020
<u>Foreign currencies</u>				
<u>Britama</u>				
United States Dollar	94,648,979	1,275,158	80,276,219	1,106,608
European Euro	15,504,444	219,787	12,479,606	187,901
Singapore Dollar	5,506,164	51,273	2,559,184	24,975
Australian Dollar	807,929	7,856	1,031,765	10,404
Renminbi	672,164	1,304	981,980	2,085
Japanese Yen	10,923,961	1,257		-
Hong Kong Dollar	12,547	22	6,606	12
United Arab Emirates Dirham	365	1	1,622	6
Great Britain Pound Sterling	66	1		-
Saudi Arabian Riyal	328	1		-
		1,556,660		1,331,991
<u>Others</u>				
United States Dollar	195,196	2,630	150,957	2,081
		1,559,290		1,334,072
		297,998,921		267,911,092
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Britama		96,035		127,516
Simpedes		2,680		2,778
Others		6,476		6,371
		105,191		136,665
<u>Foreign currencies</u>				
<u>Britama</u>				
United States Dollar	466,872	6,290	803,385	11,075
Singapore Dollar	242	3	2,525	25

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21. SAVING DEPOSITS (continued)

Saving deposits consist of (continued):

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Related parties (Note 44)</u>				
<u>(continued)</u>				
<u>Foreign currencies (continued)</u>				
<u>Britama (continued)</u>				
Renminbi	607	1	672	1
European Euro		-	182	3
		6,294		11,104
<u>Others</u>				
United States Dollar		-	261	4
		6,294		11,108
		111,485		147,773
Total		298,110,406		268,058,865

The average annual interest rates are as follows:

	2016	2015
Rupiah	2.40%	1.98%
Foreign currencies	0.21	0.22

Saving deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp84,937 and Rp74,685 as of December 31, 2016 and 2015, respectively.

22. TIME DEPOSITS

Time deposits consist of:

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>		159,195,095		163,056,718
<u>Foreign currencies</u>				
United States Dollar	3,126,352,845	42,119,789	2,715,956,477	37,439,460
European Euro	803,857,776	11,395,299	3,154,957	47,503
Singapore Dollar	17,812,319	165,867	5,615,345	54,800
Renminbi	50,220,204	97,387	2,633,854,416	5,591,265
Australian Dollar	4,553,424	44,273	153,953	1,552
Saudi Arabian Riyal	5,258,518	18,888		-
Great Britain Pound Sterling	118,604	1,963	49,595	1,014
Japanese Yen	388,000	45	26,420,238	3,026
		53,843,511		43,138,620
		213,038,606		206,195,338
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>		60,898,562		48,232,867

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22. TIME DEPOSITS (continued)

Time deposits consist of (continued):

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Related parties (Note 44)</u> <u>(continued)</u>				
<u>Foreign currencies</u>				
United States Dollar	1,376,645,507	18,546,856	968,826,493	13,355,273
Singapore Dollar	43,793,922	407,806		-
European Euro	9,703,047	137,548	6,703,045	100,926
		19,092,210		13,456,199
		79,990,772		61,689,066
Total		293,029,378		267,884,404

Time deposits based on their contractual periods are as follows:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
Deposits on call	9,577,885	7,266,427
Deposits		
1 month	66,562,883	70,675,227
3 months	59,117,884	59,448,961
6 months	17,829,486	15,438,264
12 months	5,647,297	9,449,541
More than 12 months	459,660	778,298
	159,195,095	163,056,718
<u>Foreign currencies</u>		
Deposits on call	3,823,613	2,940,286
Deposits		
1 month	6,845,138	12,706,465
3 months	5,329,468	5,829,525
6 months	26,618,525	13,768,744
12 months	10,607,111	7,128,749
More than 12 months	619,656	764,851
	53,843,511	43,138,620
	213,038,606	206,195,338

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22. TIME DEPOSITS (continued)

Time deposits based on their contractual periods are as follows (continued):

	December 31, 2016	December 31, 2015
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Deposits on call	7,975,541	10,759,045
Deposits		
1 month	29,547,145	11,822,241
3 months	12,669,883	678,865
6 months	2,456,474	78,996
12 months	5,289,119	561,520
More than 12 months	2,960,400	24,332,200
	<u>60,898,562</u>	<u>48,232,867</u>
<u>Foreign currencies</u>		
Deposits on call	1,377,187	3,569,145
Deposits		
1 month	9,196,247	5,708,586
3 months	3,306,531	3,352,159
6 months	5,030,168	787,537
12 months	182,077	9,472
More than 12 months	-	29,300
	<u>19,092,210</u>	<u>13,456,199</u>
	<u>79,990,772</u>	<u>61,689,066</u>
Total	<u>293,029,378</u>	<u>267,884,404</u>

The average annual interest rates are as follows:

	2016	2015
Rupiah	7.89%	8.48%
Foreign currencies	1.50	1.46

Time deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp257,410 and Rp208,250 as of December 31, 2016 and 2015, respectively.

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23. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

Deposits from other banks and financial institutions consist of:

	December 31, 2016		December 31, 2015	
	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent	Notional Amount Foreign Currency/ (Full Amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Deposits on call		810,000		4,385,000
Inter-bank call money		536,729		1,120,000
Demand deposits		152,260		132,663
Time deposits		84,630		559,076
Saving deposits		6,497		5,704
		1,590,116		6,202,443
<u>United States Dollar</u>				
Demand deposits	6,387,630	86,057	2,246,898	30,973
Time deposits	4,000,000	53,890		-
Inter-bank call money		-	314,000,000	4,328,490
		139,947		4,359,463
		1,730,063		10,561,906
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Deposits on call		80,000		-
Inter-bank call money		20,000		10,000
Demand deposits		689		412
		100,689		10,412
<u>United States Dollar</u>				
Inter-bank call money	29,600,000	398,786	43,000,000	592,755
		499,475		603,167
Total		2,229,538		11,165,073

The average annual interest rates are as follows:

	Rupiah		United States Dollar	
	2016	2015	2016	2015
Demand deposits	1.21%	1.14%	0.05%	0.00%
Saving deposits	1.46	1.25	-	-
Deposits on call	5.97	6.84	-	-
Time deposits	6.47	7.07	0.44	0.49
Inter-bank call money	4.74	5.47	0.46	0.22

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23. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

The classification of deposits from other banks and financial institutions based on their remaining period to maturity are as follows:

	December 31, 2016			Total
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	
<u>Third parties</u>				
<u>Rupiah</u>				
Deposits on call	810,000	-	-	810,000
Inter-bank call money	536,729	-	-	536,729
Demand deposits	152,260	-	-	152,260
Time deposits	41,250	42,057	1,323	84,630
Saving deposits	6,497	-	-	6,497
	1,546,736	42,057	1,323	1,590,116
<u>United States Dollar</u>				
Demand deposits	86,057	-	-	86,057
Time deposits	53,890	-	-	53,890
	139,947	-	-	139,947
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Deposits on call	80,000	-	-	80,000
Inter-bank call money	20,000	-	-	20,000
Demand deposits	689	-	-	689
	100,689	-	-	100,689
<u>United States Dollar</u>				
Inter-bank call money	398,786	-	-	398,786
Total	2,186,158	42,057	1,323	2,229,538

	December 31, 2015			Total
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	
<u>Third parties</u>				
<u>Rupiah</u>				
Deposits on call	4,385,000	-	-	4,385,000
Inter-bank call money	1,120,000	-	-	1,120,000
Time deposits	477,876	68,200	13,000	559,076
Demand deposits	132,663	-	-	132,663
Saving deposits	5,704	-	-	5,704
	6,121,243	68,200	13,000	6,202,443
<u>United States Dollar</u>				
Inter-bank call money	4,328,490	-	-	4,328,490
Demand deposits	30,973	-	-	30,973
	4,359,463	-	-	4,359,463

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23. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

The classification of deposits from other banks and financial institutions based on their remaining period to maturity are as follows (continued):

	December 31, 2015			Total
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Inter-bank call money	10,000	-	-	10,000
Demand deposits	412	-	-	412
	10,412	-	-	10,412
<u>United States Dollar</u>				
Inter-bank call money	592,755	-	-	592,755
Total	11,083,873	68,200	13,000	11,165,073

24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE

Securities sold under agreement to repurchase consist of:

	December 31, 2016				
	Sold Date	Repurchase Date	Nominal Amount	Amount Sold	Repurchase Amount-Net
<u>Third Parties</u>					
<u>Rupiah</u>					
Other Bank					
Government bonds					
FR0069	May 18, 2015	April 15, 2019	571,000	500,047	500,047
FR0069	May 21, 2015	April 15, 2019	568,000	499,714	499,714
FR0069	September 9, 2016	April 15, 2019	540,000	498,000	498,000
FR0060	September 15, 2016	April 15, 2017	615,000	574,000	574,000
ORI011	September 14, 2016	October 15, 2017	718,000	670,000	670,000
FR0066	September 13, 2016	May 15, 2018	539,000	489,000	489,000
FR0053	September 9, 2016	July 15, 2021	416,000	390,000	390,000
FR0053	September 6, 2016	July 15, 2021	450,000	437,025	437,025
FR0034	September 6, 2016	June 15, 2021	300,000	344,315	344,315
FR0048	September 6, 2016	September 15, 2018	100,000	98,570	98,570
			4,817,000	4,500,671	4,500,671
<u>United States Dollar</u>					
Other Bank					
Government Bonds					
FR0028	March 16, 2015	July 15, 2017	670,000	538,900	538,900
FR0028	March 26, 2015	July 15, 2017	166,000	134,725	134,725
FR0053, FR0061	February 26, 2015	February 24, 2017	802,345	673,625	673,625
			1,638,345	1,347,250	1,347,250
			6,455,345	5,847,921	5,847,921
<u>Related Parties (Note 44)</u>					
<u>Rupiah</u>					
Non Bank					
Government Bonds					
FR0069	June 29, 2015	April 15, 2019	480,000	466,545	471,361
FR0069	March 20, 2015	April 15, 2019	1,000,000	972,093	983,116
			1,480,000	1,438,638	1,454,477
Total			7,935,345	7,286,559	7,302,398

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24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consist of (continued):

		December 31, 2015				
		Sold Date	Repurchase Date	Nominal Amount	Amount Sold	Repurchase Amount-Net
<u>Third parties</u>						
<u>Rupiah</u>						
Other Bank						
Deposits Certificates of Bank Indonesia						
	IDSD020316182S	December 2, 2015	January 4, 2016	250,000	221,308	222,761
	IDSD020316182S	December 10, 2015	January 11, 2016	250,000	221,419	222,483
				500,000	442,727	445,244
Government Bonds						
	FR0069	May 18, 2015	April 15, 2019	571,000	500,047	500,047
	FR0069	May 21, 2015	April 15, 2019	568,000	499,714	499,714
				1,139,000	999,761	999,761
				1,639,000	1,442,488	1,445,005
<u>United States Dollar</u>						
Other Bank						
Government Bonds						
	FR0030	December 29, 2014	May 15, 2016	840,000	665,816	665,816
	ORI010	February 17, 2015	October 15, 2016	874,000	689,250	689,250
	FR0028	March 16, 2015	July 15, 2017	670,000	551,400	551,400
	FR0028	March 26, 2015	July 15, 2017	166,000	137,850	137,850
	RI0017	December 7, 2015	February 5, 2016	1,516,350	1,064,478	1,064,478
	RI0320	December 7, 2015	February 5, 2016	1,654,200	1,187,054	1,187,054
	RI0521	December 15, 2015	February 3, 2016	1,378,500	860,019	860,019
	RI0422	December 15, 2015	February 3, 2016	992,520	575,265	575,265
	FR0060, FR0066, FR0069, ORI011	December 30, 2014	December 30, 2016	2,549,995	2,067,750	2,067,750
	FR0053, FR0061	February 26, 2015	February 24, 2017	802,345	689,250	689,250
				11,443,910	8,488,132	8,488,132
				13,082,910	9,930,620	9,933,137
<u>Related parties (Notes 44)</u>						
<u>Rupiah</u>						
Non Bank						
Government Bonds						
	FR0069	June 29, 2015	April 15, 2019	480,000	466,545	468,095
	FR0069	March 20, 2015	April 15, 2019	1,000,000	972,093	976,726
				1,480,000	1,438,638	1,444,821
Total				14,562,910	11,369,258	11,377,958

25. MARKETABLE SECURITIES ISSUED

BRI issued marketable securities with details as follows:

	December 31, 2016	December 31, 2015
<u>Rupiah</u>		
BRI Shelf Registration Bonds I		
Phase I Year 2015		
Net of unamortized issuance cost		
amounted to Rp3,358 and Rp5,321 as of		
December 31, 2016 and 2015, respectively		
	2,321,811	2,994,679

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25. MARKETABLE SECURITIES ISSUED (continued)

BRI issued marketable securities with details as follows (continued):

	December 31, 2016	December 31, 2015
<u>Rupiah (continued)</u>		
BRI Shelf Registration Bonds I (continued)		
Phase II Year 2016		
Net of unamortized issuance cost amounted to Rp2,430 as of December 31, 2016	4,647,570	-
Phase III Year 2016		
Net of unamortized issuance cost amounted to Rp2,508 as of December 31, 2016	4,281,750	-
BRI Shelf Registration Bonds II		
Phase I Year 2016		
Net of unamortized issuance cost amounted to Rp5,466 as of December 31, 2016	4,544,019	-
Medium-Term Notes (MTN)		
Phase I Year 2014		
Net of unamortized issuance cost amounting to Rp191 and Rp331 as of December 31, 2016 and 2015, respectively	359,809	419,669
Phase I Year 2016		
Net of unamortized issuance cost amounting to Rp992 as of December 31, 2016	1,924,008	-
Negotiable Certificate of Deposits (NCD)		
NCD II Phase I Year 2015		
Net of discounts and unamortized issuance cost amounting to Rp1,225 as of December 31, 2015	-	253,824
	18,078,967	3,668,172
<u>United States Dollar</u>		
BRI Bonds		
Net of discounts and unamortized issuance cost amounting to Rp21,055 and Rp38,242 as of December 31, 2016 and 2015, respectively	6,721,814	6,852,931
Total	24,800,781	10,521,103

The amortization issuance cost of securities issued for the year ended December 31, 2016 and 2015 amounted to Rp22,526 and Rp111,790 respectively.

Other basic information related to marketable securities issued are as follows:

a) BRI Shelf Registration Bonds I

On June 25, 2015, BRI issued BRI Shelf Registration Bonds I Phase I Year 2015 at face value Rp3,000,000 in 3 (three) Series, as follows:

- Series A: Principal value amounting to Rp655,000 with a fixed interest rate of 8.40% per annum, for a period of 370 (three hundred and seventy) days that will mature on July 7, 2016.
- Series B: Principal value amounting to Rp925,000 with a fixed interest rate of 9.20% per annum, for a period of 3 (three) years that will mature on July 3, 2018.
- Series C: Principal value amounting to Rp1,420,000 with a fixed interest rate of 9.50% per annum, for a period of 5 (five) years that will mature on July 3, 2020.

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25. MARKETABLE SECURITIES ISSUED (continued)

Other basic information related to marketable securities issued are as follows (continued):

a) BRI Shelf Registration Bonds I (continued)

The interest of BRI Shelf Registration Bonds I Phase I Year 2015 is paid every 3 (three) months, starting from October 3, 2015. On the issue date, Pefindo gave these Shelf Registration Bonds a AAA(idn) rating.

On January 19, 2016, BRI issued BRI Shelf Registration Bonds I Phase II Year 2016 at face value Rp4,650,000 in 3 (three) Series, as follows:

- Series A: Principal value amounting to Rp808,000 with a fixed interest rate of 8.50% per annum, for a period of 370 (three hundred and seventy) days that will mature on February 8, 2017.
- Series B: Principal value amounting to Rp1,018,500 with a fixed interest rate of 9.25% per annum, for a period of 3 (three) years that will mature on February 4, 2019.
- Series C: Principal value amounting to Rp2,823,500 with a fixed interest rate of 9.60% per annum, for a period of 5 (five) years that will mature on February 4, 2021.

The interest of BRI Shelf Registration Bonds I Phase II Year 2016 is paid every 3 (three) months, starting from May 4, 2016. On the issue date, Pefindo gave these Shelf Registration Bonds a AAA(idn) rating.

On May 4, 2016, BRI issued BRI Shelf Registration Bonds I Phase III Year 2016 at face value Rp4,350,000 in 3 (three) Series, as follows:

- Series A: Principal value amounting to Rp1,212,000 with a fixed interest rate of 7.50% per annum, for a period of 370 (three hundred and seventy) days that will mature on May 30, 2017.
- Series B: Principal value amounting to Rp2,437,000 with a fixed interest rate of 8.20% per annum, for a period of 3 (three) years that will mature on May 25, 2019.
- Series C: Principal value amounting to Rp701,000 with a fixed interest rate of 8.70% per annum, for a period of 5 (five) years that will mature on May 25, 2021.

The interest of BRI Shelf Registration Bonds I Phase III Year 2016 is paid every 3 (three) months, starting from August 25, 2016. On the issue date, Pefindo gave these Shelf Registration Bonds a AAA(idn) rating.

On December 31, 2016 and 2015, BRI Shelf Registration Bonds I obtained a idAAA rating from Pefindo.

The net proceeds from the issue of Shelf Registration Bonds will be used for credit granting.

One important covenant stated in the agreement of Shelf Registration Bonds is that BRI shall not, without the written approval from the supervisory agent, reduce authorised, issued and paid-up capital, nor perform merger, separation, consolidation and takeovers of company.

Management claims that all requirements/restrictions required under the trustee agreement have been complied with.

BRI has settled its Shelf Registration Bonds I Phase I Series A with total nominal value Rp655,000 on maturity.

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25. MARKETABLE SECURITIES ISSUED (continued)

Other basic information related to marketable securities issued are as follows (continued):

b) BRI Shelf Registration Bonds II

On December 2, 2016, BRI issued Shelf Registration Bonds II Phase 1 Year 2016 at face value Rp4,600,000 in 5 (five) Series, as follows:

- Series A: Principal value amounting to Rp616,000 with a fixed interest rate of 7.25% per annum, for a period of 370 (three hundred and seventy) days that will mature on December 6, 2017.
- Series B: Principal value amounting to Rp964,000 with a fixed interest rate of 8.00% per annum, for a period of 3 (three) years that will mature on December 1, 2019.
- Series C: Principal value amounting to Rp193,000 with a fixed interest rate of 8.20% per annum, for a period of 5 (five) years that will mature on December 1, 2021.
- Series D: Principal value amounting to Rp477,000 with a fixed interest rate of 8.65% per annum, for a period of 7 (seven) years that will mature on December 1, 2023.
- Series E: Principal value amounting to Rp2,350,000 with a fixed interest rate of 8.90% per annum, for a period of 10 (ten) years that will mature on December 1, 2026.

The interest of BRI Shelf Registration Bonds II Phase I Year 2016 is paid every 3 (three) months, starting from March 1, 2017. On the issue date, Pefindo gave these Shelf Registration Bonds a AAA(idn) rating.

On December 31, 2016, BRI Shelf Registration Bonds II obtained a AAA(idn) rating from Pefindo.

The net proceeds from the issue of Shelf Registration Bonds will be used for credit granting.

One important covenant stated in the agreement of Shelf Registration Bonds is that BRI shall not, without the written approval from the supervisory agent, reduce authorised, issued and paid-up capital, nor perform merger, separation, consolidation and takeovers of company.

Management claims that all requirements/restrictions required under the trustee agreement have been complied with.

c) Medium-Term Notes (MTN)

MTN Year 2014

On October 10, 2014, BRI issued MTN Phase I Year 2014 with MTN principal value amounting to Rp720,000 within 3 (three) Series as follows:

- Series A: MTN principal value amounting to Rp300,000 with a fixed interest rate of 8.75% per annum, for a period of 370 (three hundred and seventy) days that will mature on October 15, 2015.
- Series B: MTN principal value amounting to Rp60,000 with a fixed interest rate of 9.25% per annum, for a period of 24 (twenty four) months that will mature on October 10, 2016.
- Series C: MTN principal value amounting to Rp360,000 with a fixed interest rate of 9.50% per annum, for a period of 36 (thirty six) months that will mature on October 10, 2017.

The interest of MTN Phase I Year 2016 is paid every 3 (three) months, starting from January 10, 2015. On the issue date, Fitch gave this MTN AAA(idn) and F1+(idn) rating.

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25. MARKETABLE SECURITIES ISSUED (continued)

Other basic information related to marketable securities issued are as follows (continued):

c) Medium-Term Notes (MTN) (continued)

MTN Year 2014 (continued)

On December 24, 2014, BRI's MTN Phase II Year 2014 was issued at face value Rp520,000 with a fixed interest rate of 8.90% per annum for a period of 370 (three hundred and seventy) days. This MTN had a maturity date on December 29, 2015. The interest of MTN Phase II was paid every 3 (three) months starting from March 24, 2015. On the issue date, Fitch gave this MTN AAA(idn) and F1+(idn) rating.

As of December 31, 2016 and 2015, BRI MTN Phase I obtained AAA(idn) rating from Pefindo.

The net proceeds from the issue of MTN will be used for credit granting.

One important covenant stated in the agreement of MTN is that BRI shall not, without the written approval from the supervisory agent, reduce authorised, issued and paid-up capital, nor perform merger, separation, consolidation and takeovers of company.

Management claims that all requirements/restrictions required under the trustee agreement have been complied with.

BRI has settled its Phase I Series A and B MTN with total nominal value Rp360,000 and Rp520,000 respectively on maturity.

MTN Year 2016

On September 16, 2016, BRI's MTN Phase I Year 2016 was issued at face value Rp1,925,000 with a fixed interest rate of 7.40% per annum for a period of 370 (three hundred and seventy) days. This MTN had a maturity date on September 21, 2017. The interest of MTN Phase II was paid every 3 (three) months starting from December 16, 2016. On the issue date, Pefindo gave this MTN AAA(idn) rating.

As of December 31, 2016, BRI's MTN Phase I Year 2016 obtained AAA(idn) rating from Pefindo.

The net proceeds from the issue of MTN will be used for credit granting.

One important covenant stated in the agreement of MTN is that BRI shall not, without the written approval from the supervisory agent, reduce authorised, issued and paid-up capital, nor perform merger, separation, consolidation and takeovers of company.

Management claims that all requirements/restrictions required under the trustee agreement have been complied with.

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25. MARKETABLE SECURITIES ISSUED (continued)

Other basic information related to marketable securities issued are as follows (continued):

d) Negotiable Certificate of Deposits (NCD)

On December 2, 2014, BRI issued NCD I Year 2014 at face value Rp955,000 in 2 (two) Series, as follows:

- Series A: NCD principal value amounting to Rp165,000 with a fixed interest rate of 8% per annum, for a period of 3 (three) months that matured on on March 2, 2015. NCD issued at 98.04%.
- Series B: NCD principal value amounting to Rp790,000 with a fixed interest rate of 8.6% per annum, for a period of 6 (six) months that matured on on June 2, 2015. NCD issued at 95.83%.

On April 22, 2015, BRI issued NCD II Phase I Year 2015 at face value Rp1,880,000 in 3 (three) Series, as follows:

- Series A: NCD principal value amounting to Rp595,000 with a fixed interest rate of 7.1% per annum, for a period of 3 (three) months period that will mature on on July 22, 2015. The NCD was issued at 98.24%.
- Series B: NCD principal value amounting to Rp1,020,000 with a fixed interest rate of 8% per annum, for a period of 6 (six) months period that will mature on on October 22, 2015. The NCD was issued at 96.09%.
- Series C: NCD principal value amounting to Rp265,000 with a fixed interest rate of 8.1% per annum, for a period of 9 (nine) months period that will mature on on January 22, 2016. The NCD was issued at 94.17%.

BRI have settled all its NCD with total nominal value of Rp2,835,000 on maturity.

e) BRI Bonds

On March 28, 2013, BRI issued and listed the BRI Bonds Year 2013 at nominal value USD500,000,000 (full amount) in Singapore Exchange Securities Trading Limited (SGX-ST) for a period of 5 (five) years, and which will mature on March 28, 2018 with a fixed interest rate of 2.95% per annum. The bonds were issued at 99.20% which were equivalent to USD495,980,000 (full amount). The interest is paid every 6 (six) months commencing on September 28, 2013. On the issue date, the bonds were rated Baa3 and BBB- by Moody's and Fitch, respectively.

The net proceeds from the issue of BRI bonds was used to strengthen BRI's general funding structure.

As of December 31, 2016 and 2015, BRI bonds Year 2013 were rated BBB- and Baa3 by Fitch and Moody's, respectively.

Management claims that all requirements/restrictions required under the trustee agreement have been complied with.

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26. FUND BORROWINGS

Fund borrowings consist of:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
Bank Indonesia		
Liquidity loans	15,890	15,890
Others	12,307	12,332
	<u>28,197</u>	<u>28,222</u>
<u>Foreign currencies</u>		
Borrowings from China Development Bank Corporation net of unamortized transaction cost	13,047,548	13,600,809
Syndicate Loan - Club Loan net of unamortized transaction cost	7,300,061	7,427,624
Syndicate Loan - Club Deal net of unamortized transaction cost	3,725,183	3,791,592
Bilateral Loan	417,508	1,378,500
Others	10,389,673	9,153,611
	<u>34,879,973</u>	<u>35,352,136</u>
	<u>34,908,170</u>	<u>35,380,358</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
Borrowings from PT Sarana Multigriya Finansial (Persero)	100,000	100,000
Total	<u>35,008,170</u>	<u>35,480,358</u>

The classification of fund borrowings based on their remaining periods until maturity are as follows:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
> 1 month - 3 months	515	85
> 3 months - 1 year	7,573	6,680
> 1 year - 5 years	7,802	9,125
> 5 years	12,307	12,332
	<u>28,197</u>	<u>28,222</u>
<u>Foreign currencies</u>		
≤ 1 month	320,647	3,629,831
> 1 month - 3 months	6,201,529	6,896,284
> 3 months - 1 year	7,996,715	5,996
> 1 year - 5 years	7,313,534	11,220,004
> 5 years	13,047,548	13,600,021
	<u>34,879,973</u>	<u>35,352,136</u>
	<u>34,908,170</u>	<u>35,380,358</u>

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26, FUND BORROWINGS (continued)

The classification of fund borrowings based on their remaining periods until maturity are as follows (continued):

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
<u>Related parties (Note 44)</u>		
<u>Rupiah</u>		
> 3 months - 1 year	100,000	-
> 1 year - 5 years	-	100,000
	<u>100,000</u>	<u>100,000</u>
Total	<u>35,008,170</u>	<u>35,480,358</u>

Other significant information related to fund borrowings are as follows:

a) Borrowings from Bank Indonesia

Liquidity Loans

This account represents credit facilities obtained from Bank Indonesia that are channelled back to BRI's debtors for the following purposes: Investment Loans, Primary Cooperatives Loans for Sugar Cane Farmers, BULOG and Village Cooperative Units Loans, Permanent Working Capital Loans, Fertilisers and others.

The classification of liquidity loans from Bank Indonesia based on their remaining periods to maturity as of December 31, 2016 and 2015 are as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
> 1 month - 3 months	515	85
> 3 months - 1 year	7,573	6,680
> 1 year - 5 years	7,802	9,125
Total	<u>15,890</u>	<u>15,890</u>

The average annual interest rates on these loans are 0.02% for the year ended December 31, 2016 and 2015, respectively.

b) Borrowings from PT Sarana Multigriya Finansial (Persero)

Borrowings from PT Sarana Multigriya Finansial (Persero) represents *Mudharabah* financing facility which BRIS (subsidiary) obtained on December 14, 2012, for mortgage loan. The financing facility period is 5 (five) years and will mature on December 14, 2017 with the agreed *nisbah* portion for PT Sarana Multigriya Finansial (Persero) and BRIS amounting to 63.46% and 36.54%, respectively.

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26. FUND BORROWINGS (continued)

Other significant information related to fund borrowings are as follows (continued):

c) Syndicated Loan - Club Deal

On September 12, 2014, BRI obtained syndicated loan in the form of Club Deal amounting to USD370,000,000 (full amount), which is facilitated by BNP Paribas (agent) and divided into:

- a. Facility A, amounting to USD320,000,000 (full amount), with interest rate at LIBOR plus certain margin annually. The Participating banks in this loan are:
- The Hongkong and Shanghai Banking Corporation Limited amounting to USD60,000,000
 - Wells Fargo Bank, National Association amounting to USD60,000,000
 - Australia and New Zealand Banking Group Limited amounting to USD50,000,000
 - BNP Paribas amounting to USD50,000,000
 - DBS Bank Ltd. amounting to USD50,000,000
 - United Overseas Bank Limited amounting to USD50,000,000

- b. Facility B, amounting to USD50,000,000 (full amount), with interest rate at LIBOR plus certain margin annually. This facility is only financed by Commerzbank Aktiengesellschaft.

This syndicated loan was obtained to meet BRI's liquidity needs. The interest is payable every 3 (three) months starting from 3rd (third) month since the signing date of the syndicated loan agreement.

The syndicated loan has a period of 36 (thirty six) months and will mature on September 12, 2017. BRI does not give any collateral for this loan.

BRI has made a partial payment for Facility A and Facility B of USD80,000,000 (full amount) and USD12,500,000 (full amount) on September 30, 2015, respectively.

The financial covenants in the syndicated loans agreement, among others, are maintaining financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%.
- Maximum Non-Performing Loan (NPL) ratio of 5%.

As of December 31, 2016 and 2015, BRI has met the important covenants as required in this agreement.

d) Syndicated Loan - Club Loan

BRI obtained a syndicated loan facility in the form of Club Loan amounting to USD550,000,000 (full amount) according to Facility Agreement dated September 30, 2015. This loan is facilitated by The Hongkong and Shanghai Banking Corporation Limited as agent which consist of:

- a. Facility A amounting to USD325,000,000 (full amount) for 42 months from the date of agreement (including grace period) and will mature on March 30, 2019. The participating banks in this loan are:
- Bank of America N.A. amounting to USD50,000,000
 - Citibank, N.A., Singapore branch amounting to USD30,000,000
 - Citibank, N.A., Jakarta branch amounting to USD20,000,000
 - The Hongkong and Shanghai Banking Corporation Limited amounting to USD50,000,000
 - Sumitomo Mitsui Banking Corporation amounting to USD50,000,000
 - Westpac Banking Corporation amounting to USD25,000,000
 - Australia and New Zealand Banking Group Limited amounting to USD20,000,000

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26. FUND BORROWINGS (continued)

Other significant information related to fund borrowings are as follows (continued):

d) Syndicated Loan - Club Loan (continued)

- a. Facility A amounting to USD325,000,000 (full amount) for 42 months from the date of agreement (including grace period) and will mature on March 30, 2019. The participating banks in this loan are (continued):
 - BNP Paribas amounting to USD20,000,000
 - CTBC Bank Co., Ltd. amounting to USD20,000,000
 - DBS Bank Ltd. amounting to USD20,000,000
 - United Overseas Bank Limited amounting to USD20,000,000

- b. Facility B amounting to USD155,000,000 (full amount) for 48 months from the date of the agreement (including grace period) and will mature on September 30, 2019. The participating banks in this loan are:
 - Oversea-Chinese Banking Corporation Limited amounting to USD50,000,000
 - BNP Paribas amounting to USD30,000,000
 - Australia and New Zealand Banking Group Limited amounting to USD20,000,000
 - DBS Bank Ltd. amounting to USD20,000,000
 - United Overseas Bank Limited amounting to USD20,000,000
 - Westpac Banking Corporation amounting to USD15,000,000

- c. Facility C amounting to USD70,000,000 (full amount) for 60 months from the date of the agreement (including grace period) and will mature on September 30, 2020. The participating banks in this loan are:
 - CTBC Bank Co., Ltd. amounting to USD30,000,000
 - Australia and New Zealand Banking Group Limited amounting to USD10,000,000
 - DBS Bank Ltd. amounting to USD10,000,000
 - United Overseas Bank Limited amounting to USD10,000,000
 - Westpac Banking Corporation amounting to USD10,000,000

This syndicated loan is used to strengthen the long-term financing structure and maturity profile. The loan principal will be paid on maturity date while the loan interest at LIBOR 3 (three) months plus certain margin per annum will be paid every 3 (three) months. BRI does not give any collateral for this loan.

The financial covenants in the syndicated loans agreement, among others, are maintaining financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%.
- Maximum Non-Performing Loan (NPL) ratio of 5%.

As of December 31, 2016 and 2015, BRI has met the important covenants as required in this agreement.

e) Borrowings from China Development Bank Corporation

On September 16, 2015, BRI signed a loan facility agreement from China Development Bank Corporation to finance long-term infrastructure projects and industries in Indonesia and cross-border transactions between Indonesia and the People's Republic of China.

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26. FUND BORROWINGS (continued)

Other significant information related to fund borrowings are as follows (continued):

e) Borrowings from China Development Bank Corporation (continued)

This loan consists of 2 (two) facilities, which are:

- Tranche A facility amounting to USD700,000,000 (full amount) for which the drawdown was made on October 30, 2015 and November 6, 2015 amounting to USD223,953,383 (full amount) and USD476,046,617 (full amount), respectively.
- Tranche B Facility amounting to RMB1,906,080,000 (equivalent to USD300,000,000) (full amount) for which the first drawdown was made on October 30, 2015 amounting to RMB609,818,661 (full amount) and the second drawdown was made on November 6, 2015 amounting to RMB1,296,261,339 (full amount).

This long term facility has a tenor of 10 (ten) years and will mature on September 16, 2025 with an interest rate of LIBOR 6 (six) months plus a given margin per annum for Tranche A and SHIBOR 6 (six) months plus a given margin per annum for Tranche B which are paid every 6 (six) months.

Principal installments are paid every 6 (six) months, together with interest payments. For Tranche A facility, the first principal installments will be paid on April 29, 2016 by USD11,197,669.15 (full amount) up to April 30, 2018 and henceforth amounting to USD42,934,110.28 (full amount) from October 30, 2018 to maturity date. As for Tranche B facility, principal installments amounting to RMB127,072,000 (full amount) will be paid starting on October 30, 2018 to maturity date. BRI does not provide any guarantee for this loan.

The financial covenants in this loan agreement, among others, are maintaining financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%
- Minimum Tier 1 ratio of 6%
- Minimum Core Tier 1 ratio of 5%
- Minimum Statutory Reserve in IDR ratio (GWM Rupiah) of 6.5%
- Maximum Non-Performing Loan (NPL) ratio of 5%
- Minimum Return On Assets (ROA) ratio of 0.6%

As of December 31, 2016 and 2015, BRI has met the important covenants as required in this agreement.

f) Bilateral Loan

Borrowings from The Bank of Tokyo-Mitsubishi UFJ

On February 24, 2015, which was amended on December 15, 2015, BRI and The Bank of Tokyo-Mitsubishi UFJ signed a loan facility agreement to meet its liquidity needs. This facility agreement is worth USD100,000,000 maximum (full amount) and is valid until February 24, 2016. The loan was disbursed to BRI on December 17, 2015 amounting to USD100,000,000 (full amount) with interest of ICE LIBOR plus a given margin per annum for a 1 (one) month period until January 19, 2016 and has been repaid on its maturity date.

On June 19, 2015, BRI Finance (subsidiary) and The Bank of Tokyo Mitsubishi UFJ, Ltd. signed a loan facility agreement amounting to USD1,000,000 (full amount) to finance its Cross Currency Swap. This loan bears interest on LIBOR 6 (six) months plus a given margin per annum payable every 6 (six) month and will mature on June 19, 2018.

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26. FUND BORROWINGS (continued)

Other significant information related to fund borrowings are as follows (continued):

f) Bilateral Loan (continued)

Borrowings from Emirates NBD Bank

On April 7, 2016, BRI (Singapore Branch) and Emirates NBD Bank signed a loan facility agreement amounting to USD10,000,000 (full amount) to meet its liquidity needs. This loan bears interest on one-month LIBOR plus a given margin per annum payable monthly, and will mature on March 30, 2017.

Borrowings from United Overseas Bank

On December 12, 2016, BRI (Singapore Branch) and United Overseas Bank signed a loan facility agreement amounting to USD20,000,000 (full amount) to meet its liquidity needs. This loan bears interest on three-month LIBOR plus a given margin per annum payable every 3 (three) months and will mature on March 13, 2017.

g) Other Borrowings

	December 31, 2016		December 31, 2015	
	Notional amount Foreign currencies/ (Full amount)	Rupiah Equivalent	Notional amount Foreign currencies/ (Full amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Bank Indonesia		12,307		12,332
<u>Foreign currencies</u>				
<u>United States Dollar</u>				
Bank of Montreal	210,000,000	2,829,225	9,568,555	131,903
Standard Chartered Bank	100,000,000	1,347,250	129,232,129	1,781,465
The Bank of New York Mellon	90,000,000	1,212,525	120,000,000	1,654,200
Oversea-Chinese Banking Corporation Limited	76,004,562	1,023,971	167,887,243	2,314,325
Citibank, N.A.	75,000,000	1,010,437		-
Commerzbank, A.G.	60,000,000	808,350		-
The Hongkong and Shanghai Banking Corporation, Ltd.	50,000,000	673,625		-
Bank of America N.A.	36,875,880	496,810	17,000,000	234,345
National Bank of Abu Dhabi	25,000,000	336,813		-
The Bank of Tokyo-Mitsubishi UFJ	21,900,810	295,059		-
BNP Paribas	19,982,976	269,221		-
Wells Fargo Bank, N.A.		-	100,000,000	1,378,500
CTBC Bank		-	86,412,402	1,191,195
DBS Bank		-	33,000,000	454,905
		10,303,286		9,140,838
<u>European Euro</u>				
CTBC Bank	3,104,913	44,015		-
Commerzbank, A.G.	2,989,067	42,372	848,298	12,773
		86,387		12,773
		10,389,673		9,153,611
Total		10,401,980		9,165,943

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26. FUND BORROWINGS (continued)

Other significant information related to fund borrowings are as follows (continued):

g) Other Borrowings (continued)

Other borrowings facilities in foreign currencies represent short-term borrowings obtained from several foreign banks with terms from 1 (one) month up to 1 (one) year and bear interest rate at LIBOR or EURIBOR plus a certain margin, including refinancing borrowing facilities which are collateralized by letters of credit issued by BRI.

27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

a) The details of estimated losses on commitments and contingencies which bear credit risk are as follows:

<u>Rupiah</u>	December 31, 2016	December 31, 2015
Guarantees issued	895	1,242
	895	1,242

b) Movements in estimated losses on commitments and contingencies:

<u>Rupiah</u>	December 31, 2016	December 31, 2015
Beginning balance	1,242	398
Provision during the year	(347)	844
Ending balance	895	1,242

BRI assessed commitment and contingency transactions which bear credit risks individually based on whether an objective evidence of impairment exists, except for the commitment and contingency transactions owned by BRIS (Subsidiary) (based on sharia principles) in which assessment was performed using a collectability guidance of Bank Indonesia.

The minimum estimated losses on commitments and contingencies based on Bank Indonesia regulation amounted to Rp895 and Rp1,242 as of December 31, 2016 and 2015, respectively. Management believes that the amount is adequate.

c) The collectibility of Bank Guarantee issued and the irrevocable L/C in Administrative Accounts is categorized as "Current" (Notes 2a0 and 43):

	December 31, 2016		December 31, 2015	
	Notional amount Foreign currencies/ (Full amount)	Rupiah Equivalent	Notional amount Foreign currencies/ (Full amount)	Rupiah Equivalent
<u>Third parties</u>				
<u>Rupiah</u>				
Guarantees Issued		4,342,053		3,394,062
Irrevocable L/C		514,596		528,682
		4,856,649		3,922,744

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27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

- c) The collectibility of Bank Guarantee issued and the irrevocable L/C in Administrative Accounts is categorized as "Current" (Notes 2ao and 43) (continued):

	December 31, 2016		December 31, 2015	
	Notional amount Foreign currencies/ (Full amount)	Rupiah Equivalent	Notional amount Foreign currencies/ (Full amount)	Rupiah Equivalent
<u>Third parties (continued)</u>				
<u>Foreign currencies</u>				
Guarantees Issued				
United States Dollar	440,361,405	5,932,769	478,357,551	6,594,159
European Euro	16,835,180	238,652	30,217,436	454,974
Australian Dollar	676,419	6,577	74,360	750
Saudi Arabian Riyal	1,000,000	3,592	1,000,000	3,673
Malaysian Ringgit		-	8,500,000	27,291
Norwegian Kroner		-	7,917,112	12,394
Singapore Dollar		-	100,870	984
Japanese Yen		-	823,250	94
		6,181,590		7,094,319
Irrevocable L/C				
United States Dollar	107,112,073	1,443,067	159,431,513	2,197,764
European Euro	7,789,354	110,420	37,814,936	569,367
Great Britain Pound Sterling	342,912	5,677	3,563,041	72,825
Japanese Yen	45,373,091	5,221	765,354,641	87,645
Renminbi	2,646,926	5,133		-
Singapore Dollar	313,839	2,922	763	7
Swiss Franc		-	731,930	10,188
		1,572,440		2,937,796
		7,754,030		10,032,115
<u>Related parties (Note 44)</u>				
<u>Rupiah</u>				
Guarantees Issued		7,637,064		4,516,082
Irrevocable L/C		571,900		1,201,588
		8,208,964		5,717,670
<u>Foreign currencies</u>				
Guarantees Issued				
United States Dollar	394,079,942	5,309,242	495,950,823	6,836,682
European Euro	71,004,683	1,006,546	121,392,263	1,827,763
Malaysian Ringgit	8,500,000	25,527		-
Canadian Dollar	1,240,000	12,383		-
Japanese Yen	74,828,897	8,610		-
		6,362,308		8,664,445
Irrevocable L/C				
United States Dollar	334,073,051	4,500,799	666,173,805	9,183,206
European Euro	63,038,569	893,620	85,336,659	1,284,886
Japanese Yen	3,406,896,610	392,015	334,063,050	38,255
Great Britain Pound Sterling	5,307,740	87,870	2,672,979	54,633
Renminbi	2,798,000	5,426	6,522,470	13,846
Singapore Dollar	266,951	2,486	262,260	2,559
Australian Dollar		-	16,000,000	161,340
		5,882,216		10,738,725
		12,244,524		19,403,170
Total		33,064,167		39,075,699

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28. LIABILITIES FOR EMPLOYEE BENEFITS

Liabilities for employee benefits consist of:

	December 31, 2016	December 31, 2015
Bonuses and incentives	5,889,022	4,950,758
Provision for grand leaves (Note 42e)	1,349,754	1,156,541
Provision for work separation scheme (Note 42d)	1,261,219	1,113,099
Provision for gratuity for services (Note 42e)	951,208	843,340
Total	9,451,203	8,063,738

29. OTHER LIABILITIES

Other liabilities consist of:

	December 31, 2016	December 31, 2015
<u>Third parties</u>		
<u>Rupiah</u>		
Liability for future policy benefits	3,764,582	3,134,158
Interests payable	1,025,594	966,245
Provision for tax investigation	939,700	-
Provision for timely-payment of interests (Note 2z)	758,697	752,377
Provision for litigation liabilities (Note 45b)	613,720	410,878
Investment contract liabilities	401,903	87,564
Accrued expenses	163,437	32,022
Unearned premiums	98,374	75,258
Unearned income	92,768	129,772
Estimates liability claims	91,135	100,344
Guarantee deposits	14,343	15,692
Debt reinsurance	9,761	34,595
Others	1,612,029	1,167,497
	9,586,043	6,906,402
<u>Foreign Currencies</u>		
Interest payable	249,908	230,752
Unearned income	148,591	58,185
Others	126,911	197,427
	525,410	486,364
Total	10,111,453	7,392,766

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30. SUBORDINATED LOANS

BRI obtained subordinated loans in Rupiah with details as follows:

	December 31, 2016	December 31, 2015
<u>Rupiah</u>		
Subordinated <i>Sukuk Mudharabah I</i>	973,039	-
Two-step loan	35,471	56,468
	1,008,510	56,468

a. Subordinated Sukuk Mudharabah I

On November 17, 2016, BRIS (subsidiary) issued Rp1,000,000 Subordinated Sukuk Mudharabah I Year 2016 which is issued at 100.00% of its nominal value using profit sharing method. The amount of Sukuk holder's nisbah is 80.2013% which is calculated from liquid gross revenue, which is indicated to be 11.8452%. Profit sharing will be paid every 3 (three) months and will be due on November 16, 2023. Subordinated Sukuk Mudharabah I was rank A+(idn) by Fitch on publication date.

The receipt from the issuance of the Subordinated Sukuk Mudharabah I is used to strengthen the capital structure to support business development activities through financing.

The Subordinated Sukuk Mudharabah I is not guaranteed by special collateral nor guaranteed by the Republic of Indonesia or other third parties and is not included in the bank guarantee program implemented by the Deposit Insurance Agency (Lembaga Penjamin Simpanan/LPS) or other insurance corporation.

As of December 31, 2016, the Subordinated Sukuk Mudharabah I was rated A+(idn) by Fitch.

Acting as trustee for the Subordinated Sukuk Mudharabah I is PT Bank Negara Indonesia (Persero) Tbk.

BRIS (subsidiary) is required to have written approval from the trustee before conducting the following:

- Issuing another Sukuk or MTN with higher ranking and have priority in payment over Subordinated Sukuk Mudharabah.
- Changing its main business.
- Reducing of authorized, issued and paid capital stock
- Conducting merger, consolidation, acquisition with other parties which caused dissolution of BRIS, or would have negative impact on business continuity
- Selling or transferring fixed assets of BRIS to other parties, either all or most (over 50%) of BRIS's fixed assets based on the audited financial statement.
- Conducting transactions with affiliated parties, unless either the transaction is performed under favorable terms for BRIS or at least equal to the requirements obtained by BRIS from independent third parties in prevalent transactions.
- Providing financing or investment in shares to other parties

Management believes that all requirements/ restrictions set forth in the trustee agreement have been met.

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30. SUBORDINATED LOANS (continued)

b. Two-step loan

The two-step loans in Rupiah represent the loans from the Government which were funded by the Asian Development Bank (ADB), International Bank for Reconstruction and Development (IBRD), International Fund for Agricultural Development (IFAD), United States Agency for International Development (USAID) and Islamic Development Bank (IDB). The interest rates of these loans vary based on the respective agreements with terms ranging from 15 (fifteen) up to 40 (forty) years. The average annual interest rates for subordinated loans were 4.27% and 4.33%, for the years ended December 31, 2016 and 2015, respectively. These loans will mature on various dates up to 2027.

The classification of subordinated loans based on their remaining period until maturity are as follows:

	December 31, 2016	December 31, 2015
<u>Rupiah</u>		
> 1 year - 5 years	30,935	51,466
> 5 years	977,575	5,002
Total	1,008,510	56,468

31. EQUITY

a. Capital stock

The details of authorized, issued and fully paid capital stock of BRI as of December 31, 2016 and 2015 are as follows:

	December 31, 2016			
	Number of Shares	Nominal Value Per Share (Full Rupiah)	Total Share Value (Full Rupiah)	Percentage of Ownership
Authorized Capital Stock				
Series A Dwiwarna Share	1	250	250	0.00%
Series B Common Shares	59,999,999,999	250	14,999,999,999,750	100.00
Total	60,000,000,000		15,000,000,000,000	100.00%
Issued and Fully Paid Capital Stock				
Series A Dwiwarna Share Republic of Indonesia	1	250	250	0.00%
Series B Common Shares Republic of Indonesia	13,999,999,999	250	3,499,999,999,750	56.75
Directors:				
- Randi Anto	661,000	250	165,250,000	0.00
- Susy Liestiowaty	580,000	250	145,000,000	0.00
- Sis Apik Wijayanto	140,000	250	35,000,000	0.00
- Mohammad Irfan	34,000	250	8,500,000	0.00
- Donsuwan Simatupang	28,500	250	7,125,000	0.00
Public	10,446,000,500	250	2,611,500,125,000	42.35
	24,447,444,000		6,111,861,000,000	
Treasury stocks (Note 1d)	221,718,000		55,429,500,000	0.90
Total	24,669,162,000		6,167,290,500,000	100.00%

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31. EQUITY (continued)

a. Capital stock (continued)

The details of authorized, issued and fully paid capital stock of BRI as of December 31, 2016 and 2015 are as follows (continued):

	December 31, 2015			
	Number of Shares	Nominal Value Per Share (Full Rupiah)	Total Share Value (Full Rupiah)	Percentage of Ownership
Authorized Capital Stock				
Series A Dwiwarna Share	1	250	250	0.00%
Series B Common Shares	59,999,999,999	250	14,999,999,999,750	100.00
Total	60,000,000,000		15,000,000,000,000	100.00%
Issued and Fully Paid Capital Stock				
Series A Dwiwarna Share				
Republic of Indonesia	1	250	250	0.00%
Series B Common Shares				
Republic of Indonesia	13,999,999,999	250	3,499,999,999,750	56,75
Directors:				
- Randi Anto	661,000	250	165,250,000	0.00
- Susy Liestiowaty	580,000	250	145,000,000	0.00
- Mohammad Irfan	34,000	250	8,500,000	0.00
- Donsuwan Simatupang	29,500	250	7,375,000	0.00
Public	10,457,738,900	250	2,614,434,725,000	42.40
	24,459,043,400		6,114,760,850,000	
Treasury stocks (Note 1d)	210,118,600		52,529,650,000	0,85
Total	24,669,162,000		6,167,290,500,000	100,00%

Series A Dwiwarna share is the share that gives the shareholder preferential rights to approve the appointment or dismissal of Commissioners and Directors, changes in Articles of Association, approve on BRI's merger, dissolution, acquisition and separation, submission of request for bankruptcy and liquidation of BRI.

Series B shares are common shares that can be owned by the public.

b. Additional Paid-in Capital

The details of additional paid in capital as of December 31, 2016 and 2015 are as follows:

Additional capital by the Government related to the recapitalization program	1,092,144
Previous balance of paid up capital by the Government	5
Additional paid-in capital from IPO	589,762
Exercise of stock options	
Year 2004	49,514
Year 2005	184,859
Year 2006	619,376
Year 2007	140,960
Year 2008	29,013
Year 2009	14,367
Year 2010	43,062
Stock Option MSOP Stage-I which already expired	504
Stock Option MSOP Stage-II which already expired	1,845
Stock Option MSOP Stage-III which already expired	8,447
Total	2,773,858

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31. EQUITY (continued)

b. Additional Paid-in Capital (continued)

In line with the realization of the Recapitalization Program for Commercial Banks as set forth in Government Regulation No. 52 Year 1999 on the "Increase in Investment by the Republic of Indonesia in State-Owned Banks", the Government determined that the recapitalization requirement amount of BRI to achieve Capital Adequacy Ratio (CAR) of 4% was Rp29,063,531. Up to June 30, 2003, the authorized and issued capital stock of BRI has not yet been increased by additional capital from the above recapitalization program, therefore, the paid up capital from the Government of Rp29,063,531 was recorded temporarily under "Additional Paid-in Capital" together with the previous balance of paid up capital of Rp5 from the Government.

Based on the Decision Letter of the Ministry of Finance No. 427/KMK.02/2003 dated September 30, 2003, the final recapitalization requirement of BRI amounted to Rp29,063,531. The amount of Rp3,272,000 was converted to paid up capital and the remaining balance of Rp25,791,531 was recorded as additional paid-in capital. Moreover, with the implementation of the quasi-reorganization by BRI, the accumulated losses before quasi-reorganization as of June 30, 2003 amounting to Rp24,699,387 was eliminated against additional paid-in capital, resulting in additional paid-in capital amounting to Rp1,092,149 as of June 30, 2003.

On November 10, 2003, BRI conducted an IPO by issuing 1,764,705,000 new Series B common shares with a par value of Rp500 (full amount) per share at the offering price of Rp875 (full amount) per share, resulting in additional paid-in capital as follows:

Total new Series B Common shares issued to the public under the IPO (shares) (Note 1c)	1,764,705,000
Premium per share (full Rupiah)	375
Total premium on shares before discount	661,764
Less:	
- 3% discount given to BRI customers	(2,961)
- Cost of IPO	(69,041)
Additional paid-in capital from IPO	589,762

In accordance with the Special Annual Shareholders' Meetings on October 3, 2003, as disclosed in the Deed No. 6 Notary Imas Fatimah, S.H., the shareholders approved the issuance of stock options which is to be implemented within 3 (three) phases. Stock options are granted to Directors and employees who hold certain levels and positions and who have fulfilled the stipulated vesting requirements (Management Stock Option Plan (MSOP)).

The compensation cost of the MSOP is recognized as stock options which is part of equity.

BRI employees started to exercise their stock options for MSOP I on November 10, 2004, MSOP II on November 10, 2005 and MSOP III on November 15, 2006. MSOP I, II and III stock options that have been exercised from 2004 to 2010 amounted to 569,876,000 shares where there were 4,728,500 shares in 2010, 4,553,000 shares in 2009, 7,499,000 shares in 2008, 31,379,000 shares in 2007, 250,721,000 shares in 2006, 185,610,000 shares in 2005 and 85,385,500 shares in 2004. The additional paid-in capital arising from the exercise of stock options amounted to Rp43,062 in 2010, Rp14,367 in 2009, Rp29,013 in 2008, Rp140,960 in 2007, Rp619,376 in 2006, Rp184,859 in 2005 and Rp49,514 in 2004.

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31. EQUITY (continued)

c. Differences Arising from Translation of Foreign Currency Financial Statements

This account represents the exchange rate differences resulting from the translation into Indonesian Rupiah of the financial statements of BRI branch/representative offices located abroad (Cayman Islands, New York, Hong Kong and Singapore) and its subsidiaries whose functional currencies are in United States Dollar, Hong Kong Dollar and Singapore Dollar (Note 2aj). Assets and liabilities as well as commitments and contingencies denominated in foreign currencies were translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian time) as of the date of the statements of financial position. The consolidated statements of profit or loss and other comprehensive income for the year ended as of such date is derived from the accumulation of the monthly consolidated statements of profit or loss and other comprehensive income balances which are translated into Rupiah by using the average mid-rate of currency exchange for respective month.

d. Distribution of Net Income

Based on the Annual General Shareholders' Meetings of BRI held on March 23, 2016 and March 19, 2015, the Shareholders agreed to distribute dividend from net income for the years ended December 31, 2015 and 2014 as follows:

	Income for the year 2015	Income for the year 2014
Dividends	7,619,322	7,272,493
General and specific reserves	-	2,666,581

e. Reclassification of Appropriated Retained Earnings

In order to maintain its capital structure, BRI has reclassified Rp15,093,056 of its appropriated retained earnings into unappropriated retained earnings. This is in conjunction with the change in the Regulation of Indonesia Financial Services Authority (POJK) No.34/POJK.03/2016 dated September 26, 2016 regarding "the changes to POJK No.11/POJK.03/2016 on Minimum Capital Adequacy Requirement for Banks".

32. INTEREST AND SHARIA INCOME

Interest income are derived from:

	Year Ended December 31,	
	2016	2015
<u>Rupiah</u>		
Loans		
Micro	41,739,049	36,999,127
Retail	29,804,038	28,363,105
Corporate	8,428,432	7,105,161
Securities		
Fair value through profit or loss		
Deposits Certificates of Bank Indonesia	58,206	1,577
Government bonds	18,472	68,086
Certificates of Bank Indonesia	12,635	6,422
Bonds	11,983	-
Medium-Term Notes	-	475

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32. INTEREST AND SHARIA INCOME (continued)

Interest income are derived from (continued):

	Year Ended December 31,	
	2016	2015
<u>Rupiah (continued)</u>		
Securities (continued)		
Available for sale		
Government bonds	2,153,086	1,250,033
Certificates of Bank Indonesia	424,375	303,168
Deposits Certificates of Bank Indonesia	384,725	488,527
Bonds	134,390	54,007
Medium-Term Notes	26,617	3,389
Held to maturity		
Government bonds	2,558,389	1,623,263
Bonds	235,228	309,751
Certificates of Bank Indonesia	87,678	248,907
Negotiable Certificate Deposit	34,660	46,915
Medium-Term Notes	18,008	26,329
Deposits Certificates of Bank Indonesia	11,425	281,374
Government Recapitalization Bonds		
Held to maturity	173,129	214,143
Available for sale	28,112	28,368
Placements with Bank Indonesia and other banks		
Deposit Facility/Term Deposit	460,282	795,961
Inter-bank call money	155,010	185,158
Others	183,915	23,902
Current accounts with Bank Indonesia	158,570	247,729
Others	893,919	668,451
	88,194,333	79,343,328
<u>Foreign currencies</u>		
Loans		
Corporate	1,347,607	1,178,306
Retail	531,801	460,642
Securities		
Fair value through profit or loss		
Government bonds	724	12,171
Available for sale		
Government bonds	629,431	373,394
Certificates of Bank Indonesia	40,105	511
Bonds	26,162	176,402
Held to maturity		
Government bonds	647,443	577,846
Promissory Notes	57,082	88,904
Bonds	23,347	75,654
Certificates of Bank Indonesia	7,992	227
Credit Link Notes	7,628	27,675

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32. INTEREST AND SHARIA INCOME (continued)

Interest income are derived from (continued):

	Year Ended December 31,	
	2016	2015
<u>Foreign currencies (continued)</u>		
Placements with Bank Indonesia and other banks		
Deposit Facility/Term Deposit	62,019	14,831
Inter-bank call money	45,424	93,176
Others	75,637	61,664
Others	454,577	523,014
	3,956,979	3,664,417
	92,151,312	83,007,745
Sharia income are derived from:		
Murabahah	1,533,339	1,463,233
Musarakah	526,506	513,496
Others	576,832	449,563
Total Sharia income	2,636,677	2,426,292
Total	94,787,989	85,434,037

33. INTEREST AND SHARIA EXPENSE

This account represents interest expense incurred on:

	Year Ended December 31,	
	2016	2015
<u>Rupiah</u>		
Time deposits	16,429,029	17,975,185
Saving deposits	2,880,441	2,895,613
Demand deposits	1,572,976	1,171,074
Securities issued	1,015,247	354,260
Deposits from other banks and financial institutions	496,936	762,522
Securities sold under agreement to repurchase	356,224	188,084
Subordinated loans	2,286	3,225
Others	1,085,208	936,762
	23,838,347	24,286,725

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33. INTEREST AND SHARIA EXPENSE (continued)

This account represents interest expense incurred on (continued):

	Year Ended December 31,	
	2016	2015
<u>Foreign currencies</u>		
Fund borrowings	1,091,202	335,113
Time deposits	685,944	954,448
Deposits from other banks and financial institutions	141,315	149,439
Securities issued	114,238	204,219
Demand deposits	88,276	89,536
Securities sold under agreement to repurchase	22,006	51,480
Saving deposits	5,717	1,918
Others	189,428	68,222
	2,338,126	1,854,375
	26,176,473	26,141,100
Sharia expense consists of:		
Deposits <i>Mudharabah</i>	990,710	985,287
Others	44,792	27,883
Total Sharia expense	1,035,502	1,013,170
Total	27,211,975	27,154,270

34. PROVISION FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS - NET

This account represents provision for impairment losses on financial assets as follows:

	Year Ended December 31,	
	2016	2015
Loans (Note 12f)	13,454,979	8,685,146
Sharia receivables and financing (Note 13)	244,267	206,159
Finance lease receivables (Note 14)	995	-
	13,700,241	8,891,305
	13,700,241	8,891,305

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35. SALARIES AND EMPLOYEE BENEFITS

The details of this account are as follows:

	Year Ended December 31,	
	2016	2015
Salaries, wages and allowances	9,195,127	8,735,335
Bonuses, incentives and <i>tantiem</i>	5,904,569	4,987,921
Training and development	593,654	629,634
Jamsostek contribution	525,477	433,374
Defined benefit pension (Note 42a)	513,384	543,325
Medical allowances	368,137	302,379
Grand leaves (Note 42e)	316,665	273,666
Defined contribution pension (Note 42c)	231,801	198,975
Work separation scheme (Note 42d)	181,513	213,364
Gratuity for services (Note 42e)	152,480	76,718
Others	502,207	204,467
Total	18,485,014	16,599,158

For the years ended December 31, 2016 and 2015, salaries and allowances of the Board of Directors amounted to Rp65,526 and Rp42,300, respectively, and of the Board of Commissioners amounted to Rp26,702 and Rp20,920, respectively (Note 44). Bonuses, incentives and *tantiem* of BRI's Boards of Directors, Commissioners and key employees amounted to Rp396,453 and Rp398,315 for the year ended December 31, 2016 and 2015, respectively (Note 44).

36. GENERAL AND ADMINISTRATIVE EXPENSES

The details of this account are as follows:

	Year Ended December 31,	
	2016	2015
Outsourcing service	2,918,089	2,413,167
Rent	1,758,312	1,845,272
Depreciation of premises and equipment (Note 17)	1,224,809	1,094,222
Repairs and maintenance	961,923	841,916
Electricity and water	577,645	574,885
Transportation	459,785	397,123
Printing and postage	306,174	271,153
Office supplies	298,711	283,300
Communications	180,413	161,319
Professional fees	133,901	55,216
Computer installations	45,602	65,348
Research and product development	21,367	14,744
Others	3,089,014	2,362,882
Total	11,975,745	10,380,547

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37. NON OPERATING INCOME - NET

The details of this account are as follows:

	Year Ended December 31,	
	2016	2015
Gain on sale of premises and equipment	7,934	21,628
Rental income	9,833	15,040
Cash distribution from the liquidation of BRI Finance Ltd. Hong Kong	1,656	4,111
Others - net	(10,195)	493,889
Total	9,228	534,668

38. TAXATION

a) Taxes Payable

As of December 31, 2016 and 2015, the details of taxes payable are as follows:

	December 31, 2016	December 31, 2015
<u>BRI (Parent Entity)</u>		
Income tax		
Article 25	-	278,130
Article 29	881,207	1,093,551
	881,207	1,371,681
<u>Subsidiaries</u>		
Income tax and other tax		
Article 21	10,230	7,936
Article 22	116	-
Article 23	1,145	10,355
Article 25	6,162	10,979
Article 26	157	-
Article 29	15,790	64,798
Article 4 (2)	23,604	29,541
Value-added tax	3,990	1,972
	61,194	125,581
Total	942,401	1,497,262

b) Tax Expense

	Year Ended December 31,	
	2016	2015
<u>Parent Entity</u>		
Current tax expense of:		
Current year	8,165,498	7,008,173
Prior year tax examination	466,188	-
Deferred income tax (benefit) expense	(943,499)	(885)
	7,688,187	7,007,288

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38. TAXATION (continued)

b) Tax Expense (continued)

	Year Ended December 31,	
	2016	2015
<u>Subsidiaries</u>		
Current tax expense of:		
Current year	128,975	94,780
Deferred income tax (benefit) expense	(71,383)	(18,838)
	57,592	75,942
Total	7,745,779	7,083,230

The reconciliation between income before tax expense as presented in the consolidated statement of profit or loss and other comprehensive income and estimated taxable income are as follows:

	Year Ended December 31,	
	2016	2015
Income before tax expense in accordance with the consolidated statement of profit or loss and other comprehensive income	33,973,770	32,494,018
Income of Subsidiaries	(532,127)	(282,580)
Income before tax expense - BRI (Parent Entity)	33,441,643	32,211,438
Temporary Differences:		
Reversal of allowance for impairment losses on loans	3,154,390	(411,956)
Provision for employee expenses	651,210	573,996
Unrealized loss on FVTPL securities and Government Recapitalization Bonds	(6,879)	8,940
Depreciation of premises and equipment	(24,727)	(167,440)
	3,773,994	3,540
Permanent Differences:		
Public relations	298,147	185,157
Representations and donations	159,361	126,886
Sports and religious activities	46,622	40,843
Income subjected to final tax	(7,302)	(12,003)
Income of Subsidiaries	(18,564)	(13,262)
Others	3,133,588	2,498,264
	3,611,852	2,825,885
Estimated taxable income	40,827,489	35,040,863

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38. TAXATION (continued)

b) Tax Expense (continued)

The reconciliation between income before tax expense as presented in the consolidated statement of profit or loss and other comprehensive income and estimated taxable income are as follows (continued):

	Year Ended December 31,	
	2016	2015
<u>Parent Entity</u>		
Corporate income tax expense - current	(8,165,498)	(7,008,173)
Income tax installment payments during the year	7,263,072	5,914,622
Foreign tax credit	21,219	-
Corporate income tax payable - Article 29	<u>(881,207)</u>	<u>(1,093,551)</u>
<u>Subsidiary - BRIS</u>		
Corporate income tax expense - current	(87,417)	(66,739)
Income tax installment payments during the year	74,335	39,662
Corporate income tax (payable) refund - Article 29	<u>(13,082)</u>	<u>(27,077)</u>
<u>Subsidiary - BRI Agro</u>		
Corporate income tax expense - current	(36,945)	(28,041)
Income tax installment payments during the year	34,237	26,630
Corporate income tax payable - Article 29	<u>(2,708)</u>	<u>(1,411)</u>
<u>Subsidiary – BRI Life^{*)}</u>		
Corporate income tax payable - Article 29 (Note 18)	<u>63,113</u>	<u>(36,310)</u>
<u>Entitas Anak-BRI Finance^{**)}</u>		
Corporate income tax payable - Article 29 (Note 18)	<u>57</u>	

^{*)} Acquisition was done as of December, 29 2015 (Note 1f)

^{**)} Transfer of shares was done as of September 30, 2016 (Note 1f)

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38. TAXATION (continued)

b) Tax Expense (continued)

The reconciliation of income tax expense by multiplying income before tax expense to the applicable tax rate is as follows:

	Year Ended December 31,	
	2016	2015
Income before tax expense in accordance with the consolidated statement of profit or loss and other comprehensive income	33,973,770	32,494,018
Income of Subsidiaries	(532,127)	(282,580)
Income before tax expense - BRI (Parent Entity)	33,441,643	32,211,438
Tax expense with a tax rate of 20%	6,688,329	6,442,288
Tax effect on permanent differences	722,370	565,177
Effect of different rate used in deferred tax calculation	(188,700)	(177)
Correction of income tax assessment on previous year	466,188	-
Tax expense - Parent Entity	7,688,187	7,007,288
Tax expense - Subsidiaries	57,592	75,942
	7,745,779	7,083,230

Estimated taxable income in 2015 are consistent with Annual Tax Return (SPT) for corporate income tax reported by BRI to Tax Office (KPP). As of January 20, 2017, BRI has not yet reported the 2016 Annual Tax Return to the Tax Office. However, the reporting basis for its 2016 Annual Tax Return will be in accordance with the above estimated taxable income for 2016.

Assessment for fiscal year 2010

The General Directorate of Tax based on Tax Assessment Letter No. 00003/206/10/093/12 dated November 28, 2012, affirmed the under payment of Income Tax amounting to Rp1,484,041 which was already approved by BRI amounting to Rp34,529. Management believes that the treatment of the tax under payment not approved by BRI is already in accordance with the existing tax regulations.

On February 27, 2013, BRI has contested the Under Payment of Tax Assessment Letter of Income Tax No. 00003/206/10/093/12 dated November 28, 2012. To qualify for the requirement of objection, BRI has paid deposit amounting to Rp1,449,512 to the State Treasury on February 28, 2013. According to a decree of the General Directorate of Tax No. KEP-229/WPJ.19/2014 dated February 18, 2014, the request was rejected, then on May 12, 2014, BRI filed an appeal to the Tax Court and currently is still in the process on the tax court.

Based on the trial fact that has taken place on November 17, 2014 and December 8, 2014, where BRI has a better chance to resolve the tax dispute at the appeals level, BRI management believes that the provision made for possible losses of the appeal process until the appeal decision amounted to Rp724,756, which was already charged in 2013 amounting to Rp483,171 and in 2014 amounting to Rp241,585, the remaining provision amounting to Rp724,756 was still recorded in the other asset account - prepaid tax (Note 18).

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38. TAXATION (continued)

b) Tax Expense (continued)

Assessment for fiscal year 2010 (continued)

Based on Tax Court Decision No. PUT-63381/PP/M,XVA/15/2015 pronounced by the judges in the open session for public dated August 24, 2015, the Tax Court has granted the BRI's appeal for the decision of the The Directorate General of Taxes No. KEP - 229/WPJ.19/2014 dated February 18, 2014 on an objection to the Under Payment of Tax Assessment Letter of Income Tax No. 00003/206/10/093/12 dated November 28, 2012.

Based on the decision of the The Directorate General of Taxes No. KEP-00003.PPH/WPJ.19/KP.0403/2016 dated 8 January 2016 and the Overpayment of Tax Assessment Letter of Income Tax No. 80006/093-0006-2016 as of January 8, 2016, BRI has received the repayment of the Over Payment of income tax amounting Rp1,448,499 after the adjustment in BRI's tax payable amounting Rp1,013, as of February, 24 2016.

Tax for revaluation of fixed assets

BRI through the letter No. 830-DIR/AMK/11/2015 on November 30, 2015 has submitted an application to the head of Regional Office of Directorate General of Taxes (DGT) Large Taxpayer Tax Office regarding "Application for Revaluation of fixed assets for tax purposes in 2015 by tax payers that have not revalued fixed assets".

Based on Ministry of Finance Decree No. 91/PMK,010/2015 dated October 15, 2015 as amended by Ministry of Finance Decree No. 233/PMK.03/2015 dated December 21, 2015, the application filed until December 31, 2015, will receive special treatment in the form of reduction in the income tax rates to 3% final tax. In conjunction with this, BRI has estimated the fixed assets fair value such as land and building, and for the increase in fixed assets fair value compared to the book value, BRI has made tax payment amounting to Rp245,357 on December 2, 2015, even though the revaluation is still not approved by the Directorate General of Taxes. The tax payment was recorded under other assets account - prepaid tax (Note 18). As of April 1, 2016, BRI revaluated the carrying value of land upwards by Rp14,315,527 of which this amount is taxed at Rp490,835. The Directorate General of Taxes through its Decision Letter No. KEP-479/WPJ.19/2016 dated July 29, 2016 has given its approval over this matter.

Assessment for fiscal year 2011

The Directorate General of Taxes through its Decision Letter No. 00025/207/11/093/16 dated June 2, 2016, has stated that the Under Payment Value Added Tax for goods and services amounting to Rp3,284 and its fine amounting to Rp443, have been billed through Letter of Income Tax No. 00025/107/11/093/16 dated June 2, 2016 has been approved by BRI.

The Directorate General of Taxes through its Decision Letter No. 00003/201/11/093/16 dated May 30, 2016, has stated that the Underpayment of income tax in article 21 amounting to Rp49,656 has been approved by BRI.

The Directorate General of Taxes through its Decision Letter No. 00005/203/11/093/16 dated June 1, 2016, has stated that the Underpayment of income tax in article 23 amounting to Rp8,015 has been approved by BRI.

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38. TAXATION (continued)

b) Tax Expense (continued)

Assessment for fiscal year 2011 (continued)

The Directorate General of Taxes through its Decision Letter No. 00005/206/11/093/16 dated May 30, 2016, has stated that the Underpayment of income tax amounting to Rp466.188 has been approved by BRI.

Income Tax Collection Letter for fiscal year 2014

The Directorate General of Taxes based on Tax Collection Letter No.90002/106/14/093/15 dated December 29, 2015, affirmed the under payment of Income Tax for fiscal year 2014 amounting to Rp1,603,100 and administration sanction amounting to Rp256,496, in conjunction with the correction of Bank Indonesia minimum balance of allowance for impairment losses.

Management believes that the Tax Collection Letter is not correct and BRI treatment is already in accordance with the applicable regulation.

On January 13, 2016, BRI has submitted a letter for the cancellation of the Tax Collection Letter. To meet the requirement for the Tax Collection Letter cancellation, on December 30, 2015, BRI has paid deposit amounting to Rp1,603,100 and recorded it under other assets - prepaid tax (Note 18).

Based on The Directorate General of Taxes through its Decision Letter No. KEP-90001/NKEB/WPJ.19/2016 dated February 1, 2016, "Related to the Cancellation of the Tax Collection Letter", all BRI petitions have been approved.

On February 4, 2016, BRI has requested a petition related to the Cancellation of the Tax Collection amounting to Rp1,603,100 to be compensated to the installment payment of income tax article 25 during the fiscal period January and February 2016 amounting to Rp800,000 and Rp803,100, respectively.

Based on the cancellation letter of tax collection No. KEP-00019.PPH/WPJ.19/KP.0403/2016 dated February 15, 2016 and the instruction letter of Over Payment Tax No. 80095/093-0095-2016 dated February 15, 2016, The Directorate General of Taxes has approved the petition for compensation by BRI.

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38. TAXATION (continued)

c) Deferred Tax Assets

The computation of deferred tax benefit (expense) of BRI is as follows:

	Year Ended December 31,	
	2016	2015
<u>Parent Entity</u>		
Reversal for allowance for possible losses on earning assets	788,598	(102,989)
Reversal of provision for employee expense	162,803	143,499
Unrealized loss on FVTPL securities and Government Recapitalization Bonds	(1,720)	2,235
Depreciation of premises and equipment	(6,182)	(41,860)
	943,499	885
Subsidiaries	71,383	18,838
Total	1,014,882	19,723

The tax effects of significant temporary differences between commercial and tax reporting (recorded under "Deferred Tax Assets" account) are as follows:

	December 31, 2016	December 31, 2015
<u>Parent Entity</u>		
Allowance for possible losses on earning assets	1,616,787	828,189
Provision for employee expense	1,109,857	947,054
Depreciation on premises and equipment	(145,271)	(139,089)
Remeasurement on defined benefit program	(218,213)	(177,470)
Unrealized loss on FVTPL securities and Government Recapitalization Bonds	-	1,720
Unrealized (gain) loss on available for sale securities and Government Recapitalization Bonds	(34,630)	346,376
	2,328,530	1,806,780
Subsidiaries	192,400	176,994
Total	2,520,930	1,983,774

Under article 17 (2) of Law No. 7 year 1983 regarding "Income Tax" which was revised for the fourth time by Law No. 36 year 2008, the corporate tax rate is 25%.

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38. TAXATION (continued)

In addition, based on the above Law No. 36 year 2008 dated September 23, 2008, the Government Regulation No. 81 year 2007 dated December 28, 2007 on "Reduction of the Income Tax Rate on Resident Corporate Tax Payers in the Form of Public Companies" and the Ministry of Finance Regulation No. 238/PMK.03/2008 dated December 30, 2008 on "The Guidelines on the Implementation and Supervision on the Rate Reduction for Domestic Corporate Tax Payers in the Form of Public Companies" stipulates that resident public companies in Indonesia can obtain the reduced income tax rate at 5% lower than the highest existing income tax rate, provided they meet the prescribed criteria, public companies whose shares are owned by the public at a minimum of 40% or more of the total paid-up shares are traded in the Indonesia Stock Exchange and such shares are owned by at least 300 (three hundred) parties and each party owning only less than 5% of the total paid-up shares. These requirements should be fulfilled by the public companies for a minimum period of 6 (six) months in 1 (one) tax year.

Based on Letter No. DE/I/2016-0109 dated January 5, 2017 and the monthly report of shares ownerships (form No. X.H.I-2 dated January 5, 2017 from the Securities Administration Agency (Biro Administrasi Efek), Datindo Entrycom on the ownership of BRI's shares during 2016), all of the above mentioned required criteria to obtain the tax rate reduction on BRI's consolidated financial statements for the year ended December 31, 2016 were fulfilled by BRI.

39. RISK MANAGEMENT

BRI's success in developing into a strong and healthy bank that grows sustainably could be attributed to its implementation of integrated and systematic risk management process, by managing credit risk, liquidity risk, operational risk, market risk, strategic risk, compliance risk, reputational risk and legal risk.

The principles of having an integrated and systematic risk management are embedded into a number of policies and procedures, among others, the Risk Management General Policy (KUMR) which serves as the highest guiding policy for the implementation of risk management procedures in all BRI business operations, starting from general policies, strategies, organisation, risk management in information system, process and the implementation of risk management to internal control system. The implementation of risk management differs according to the type of risks involved and is governed by policies which can be derived from other policies.

Board of Commissioners (BOC) and Board of Directors (BOD) are responsible for effective risk management at BRI and have an important role in supporting and overseeing the implementation of risk management in all business units.

BOD's implementation of risk management policies is subjected to evaluation by the BOC to ensure that there is in place effective stewardship and management of company's risks and business activities. BOC were assisted by the Risk Management Oversight Committee (KPMR) in its supervision and evaluation.

BOD sets the strategy, direction and implementation of risk management policy. Moreover, BOD has the responsibility to ensure that all material risks and their impacts have been addressed and that corrective measures have been taken to remedy the problems and irregularities found in business activities. BOD appoints Director of Compliance and Risk Management to implement the process of monitoring and controlling the risks bankwide.

BOD is assisted by Risk Management Committee (RMC), the highest committee in BRI's risk management structure. RMC provides recommendations to President Director on policy formulation, measures required to enhance policy implementation, evaluate the progress and conditions of risk profiles as well as to advise on corrective actions.

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39. RISK MANAGEMENT (continued)

In order to address issues that arise from specific types of risk and which require immediate actions and decisions, Sub-RMC is established out of RMC. Sub-RMC which is a special committee that is made up of CMRC (Credit Risk Management Committee), MRMC (Market Risk Management Committee), and ORMC (Operational Risk Management Committee) specialises in issues relating to credit, market, operational and other risks.

Credit Risk Management

Credit risk is a type of risk that occurs when debtors and/or other party default or fail to settle their obligations with BRI. BRI identifies and measures the level of risks of each debtor using internal risk rating. BRI monitors credit quality for early identification of credit impairment. Credit risk management follows closely the policy of risk management in an integrated and comprehensive manner. BRI's credit risk management framework includes, among others, governance, the acceptable level for risk exposure, the limit on geographical boundaries and the level of concentration of each industry. The risk of credit rating is updated periodically to estimate potential loss that is a result of credit expansion and use it as a benchmark to determine the next set corrective actions required.

Credit risk management is implemented not only to comply with the current prevailing regulation but it serves as a device which management utilises to manage and maintain risk and return at an optimum level, the level considered as the best practice of banking industry. The implementation of credit risk management is expected to boost BRI business activities without having to compromise its prudent principle.

Business units have taken into account and calculated the credit risk for all the credits issued, from their period of disbursement to repayment. The quality of these credits are monitored periodically to prevent the occurrence of Non-Performing Loan (NPL).

The implementation of Early Warning System (EWS) which monitors debtor's business conditions and developments of the condition of the debtor's business allows for effective credit risk management. This minimizes the risk of loss and optimise the use of capital to earn maximum income.

BRI credit risk management is implemented with the purpose of minimising possible financial losses due to credit default and/or default on other financial contracts, be it individually or collectively as credit portfolios. Credit risk management is also part of BRI efforts to meet regulatory requirements.

1. Analysis of the maximum exposure to credit risks after considering the value of collaterals and other mitigations of credit risks.

The carrying value of BRI's financial assets, other than loans and receivables and securities purchased under agreement to resell depicts the maximum amount of exposure to credit risk.

The tables below show the net maximum exposure to credit risk for securities purchased under the agreement to resell as of December 31, 2016 and 2015:

	December 31, 2016		
	Maximum Exposure	Collateral	Net Exposure
Securities purchased under agreement to resell	1,557,370	1,576,958	-

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

1. Analysis of the maximum exposure to credit risks after considering the value of collaterals and other mitigations of credit risks (continued).

The tables below show the net maximum exposure to credit risk for securities purchased under agreement to resell as of December 31, 2016 and 2015 (continued):

	December 31, 2015		
	Maximum Exposure	Collateral	Net Exposure
Securities purchased under agreement to resell	845,125	889,580	-

BRI uses collaterals to minimise the credit risks of credits issued. BRI credits or loans can be classified into 2 (two) major categories:

1. Secured loans
2. Unsecured loans

For secured loans, the types and value of collaterals are determined according to the credit scheme. Types of collaterals are:

- a. Physical collateral, such as lands and buildings, certificate of vehicles ownership, and properties.
- b. Financial collateral, such as deposits (time deposit, savings, demand deposit), securities, and gold.
- c. Others, such as guarantees, government guarantees, and guarantee institutions.

In the event of default, however, BRI uses collaterals as the last resort to fulfill counterparty's credit obligations.

Unsecured loans are comprised of fully unsecured loans such as credit cards and partially secured loans such as loans for fixed income employees, loans for retirees, and other consumer loans. The repayment of partially secured loans is generally made through automatic payroll deduction.

Thus, although partially secured loans are considered to be unsecured loans, their risk level is lower than their carrying value whereas the risk level of fully unsecured loan is equal to their carrying value.

Employee recruitment decision letter and certificate of retirement are used as part of credit risk mitigation techniques for partially secured loans.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis

a. Geographical sectors

Tables below detail the credit risk exposure of consolidated BRI's financial assets at carrying value, categorised according to their geographical regions as of December 31, 2016 and 2015 respectively.

Geographical sectors based on BRI business operational locations which also illustrate the business potentials of each region:

	December 31, 2016							Total
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	
Assets								
Current accounts with Bank Indonesia	55,635,946	-	-	-	-	-	-	55,635,946
Current accounts with other banks	10,250,878	6,593	1,066	294	262	46,494	717,128	11,022,715
Placements with Bank Indonesia and other banks	77,131,960	-	-	-	-	-	1,010,794	78,142,754
Securities								
Fair value through profit or loss	490,742	-	-	-	-	-	184,224	674,966
Available for sale	67,812,522	-	-	-	-	-	1,679,744	69,492,266
Held to maturity	61,286,147	-	-	-	-	-	29,945	61,316,092
Export bills	7,450,580	198,567	147,953	960,666	581,374	6,332	-	9,345,472
Government Recapitalisation Bonds								
Available for sale	718,434	-	-	-	-	-	-	718,434
Held to maturity	2,600,000	-	-	-	-	-	-	2,600,000
Securities purchased under agreement to resell								
	1,557,370	-	-	-	-	-	-	1,557,370
Derivative receivables	91,657	-	-	-	-	-	-	91,657
Loan								
Micro	17,333,003	21,577,469	35,655,855	28,925,252	47,381,058	70,929,568	-	221,802,205
Retail	57,407,811	18,067,842	27,185,046	31,453,445	44,719,314	66,046,776	702	244,880,936
Corporate	128,551,904	10,038,287	2,291,428	5,344,063	13,911,017	8,772,798	7,878,337	176,787,834
Sharia receivables and financing	5,562,328	3,096,990	1,967,988	1,838,606	2,558,727	2,724,304	-	17,748,943
Finance lease receivables	1,107,160	415,637	-	314,227	273,494	89,782	-	2,200,300
Acceptances receivable	4,939,982	114,705	78,217	557,509	632	1,538	-	5,692,583
Investment in associated entities*)	2,439	-	-	-	-	-	-	2,439
Other assets**)	5,078,337	28,897	29,707	33,947	186,766	92,089	657,656	6,107,399
Total	505,009,200	53,544,987	67,357,260	69,428,009	109,612,644	148,709,681	12,158,530	965,820,311
Less: Allowance for impairment losses								(22,807,210)
Net								943,013,101
Administrative Accounts								
Irrevocable L/C	6,313,266	1,303,388	57,293	381,770	463,165	22,270	-	8,541,152
Gurantees issued	20,227,433	2,244,394	341,443	573,537	737,002	395,993	3,213	24,523,015
Total	26,540,699	3,547,782	398,736	955,307	1,200,167	418,263	3,213	33,064,167

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and accrued income based on Sharia principles.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

a. Geographical sectors (continued)

Geographical sectors based on BRI business operational locations which also illustrate the business potentials of each region (continued):

	December 31, 2015							
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	Total
Assets								
Current accounts with Bank Indonesia	61,717,798	-	-	-	-	-	-	61,717,798
Current accounts with other banks	8,311,660	6,507	3,337	1,104	1,131	43,456	368,897	8,736,092
Placements with Bank Indonesia and other banks	48,764,753	-	-	-	-	-	1,069,911	49,834,664
Securities								
Fair value through profit or loss	638,328	-	-	-	-	-	291,006	929,334
Available for sale	58,764,603	-	-	-	-	-	1,937,447	60,702,050
Held to maturity	63,218,554	-	-	-	-	-	41,355	63,259,909
Export Bills	4,553,463	726,798	369,997	1,239,721	387,116	3,788	-	7,280,883
Government Recapitalization Bonds								
Available for sale	715,958	-	-	-	-	-	-	715,958
Held to maturity	3,100,000	-	-	-	-	-	-	3,100,000
Securities purchased under agreement to resell	845,125	-	-	-	-	-	-	845,125
Loans								
Micro	14,834,329	18,461,601	29,988,844	24,647,834	41,276,863	59,218,708	-	188,428,179
Retail	52,987,418	16,249,131	24,722,002	27,774,033	40,507,100	57,545,227	861	219,785,772
Corporate	111,801,014	9,025,716	1,662,743	6,531,739	10,920,315	8,854,664	7,470,396	156,266,587
Sharia receivables and financing	3,558,411	4,590,896	1,801,029	1,702,237	2,435,850	2,525,583	-	16,614,006
Acceptances receivable	3,355,606	623,999	655,771	518,845	9,250	-	-	5,163,471
Investment in associated entities*)	6,239	-	-	-	-	-	-	6,239
Other assets**)	3,425,493	45,942	25,802	31,610	57,600	33,261	377,129	3,996,837
Total	440,598,752	49,730,590	59,229,525	62,447,123	95,595,225	128,224,687	11,557,002	847,382,904
Less: Allowance for impairment losses								(17,515,193)
Net								829,867,711
Administrative Accounts								
Irrevocable L/C	10,797,908	2,688,596	5,925	862,936	991,919	59,507	-	15,406,791
Guarantees issued	18,768,455	3,157,426	238,991	619,702	498,579	375,631	10,124	23,668,908
Total	29,566,363	5,846,022	244,916	1,482,638	1,490,498	435,138	10,124	39,075,699

*) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and accrued income based on Sharia principles.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sectors

The following tables detail credit exposure at carrying value, categorised according to industrial sectors as of December 31, 2016 and 2015:

	December 31, 2016							Total
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Services	Others	
Assets								
Current accounts with Bank Indonesia	55,635,946	-	-	-	-	-	-	55,635,946
Current accounts with other banks	-	11,022,715	-	-	-	-	-	11,022,715
Placements with Bank Indonesia and other banks	72,792,534	5,350,220	-	-	-	-	-	78,142,754
Securities								
Fair value through profit or loss	84,746	329,944	-	-	-	18,029	242,247	674,966
Available for sale	60,612,578	4,627,494	-	2,293,191	-	1,633,416	325,587	69,492,266
Held to maturity	54,759,343	4,094,065	-	1,446,121	-	746,500	270,063	61,316,092
Export bills	239,769	-	-	2,926,515	133,525	22,823	6,022,840	9,345,472
Government Recapitalization Bonds								
Available for sale	718,434	-	-	-	-	-	-	718,434
Held to maturity	2,600,000	-	-	-	-	-	-	2,600,000
Securities purchased under agreement to resell	925,140	632,230	-	-	-	-	-	1,557,370
Derivatives receivable	-	91,657	-	-	-	-	-	91,657
Loan								
Micro	-	-	32,354,043	6,532,381	101,384,386	11,236,469	70,294,926	221,802,205
Retail	348,026	1,270,563	7,871,328	17,369,845	95,507,483	8,212,692	114,300,999	244,880,936
Corporate	600,926	4,650,036	37,365,653	36,710,500	22,379,114	5,050,563	70,031,042	176,787,834
Sharia receivables and financing	-	1,455,136	398,661	2,443,509	4,812,794	757,641	7,881,202	17,748,943
Finance lease receivables	-	4,607	2,362	1,105,236	-	866,959	221,136	2,200,300
Acceptances receivables	428,155	89,740	-	301,789	5,127	632	4,867,140	5,692,583
Investment in associated entities*)	-	1,034	-	-	-	975	430	2,439
Other Assets**)	1,501,389	393,192	-	-	-	2,548,857	1,663,961	6,107,399
Total	251,246,986	34,012,633	77,992,047	71,129,087	224,222,429	31,095,556	276,121,573	965,820,311
Less: Allowance for impairment losses								(22,807,210)
Net								943,013,101
Administrative Accounts								
Irrevocable L/C	5,505,442	-	377	226,337	20,707	-	2,788,289	8,541,152
Guarantees issued	12,990,267	737	443,271	907,353	195,202	92,565	9,893,620	24,523,015
Total	18,495,709	737	443,648	1,133,690	215,909	92,565	12,681,909	33,064,167

*) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and accrued income based on Sharia principles.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sector (continued)

The following tables detail credit exposure at carrying value, categorised according to industrial sectors as of December 31, 2016 and 2015 (continued):

	December 31, 2015							
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Services	Others	Total
Assets								
Current accounts with Bank Indonesia	61,717,798	-	-	-	-	-	-	61,717,798
Current accounts with other banks	-	8,736,092	-	-	-	-	-	8,736,092
Placements with Bank Indonesia and other banks	38,038,959	11,795,705	-	-	-	-	-	49,834,664
Securities								
Fair value through profit or loss	565,699	188,937	-	9,444	-	-	165,254	929,334
Available for sale	56,518,415	2,030,702	-	1,619,463	-	516,325	17,145	60,702,050
Held to maturity	57,886,878	3,988,423	10,000	997,558	-	377,050	-	63,259,909
Export bills	116,686	-	-	1,797,849	94,790	48,583	5,222,975	7,280,883
Government Recapitalization Bonds								
Available for sale	715,958	-	-	-	-	-	-	715,958
Held to maturity	3,100,000	-	-	-	-	-	-	3,100,000
Securities purchased under agreement to resell	-	845,125	-	-	-	-	-	845,125
Loans								
Micro	-	-	27,236,588	5,066,709	82,528,608	9,127,647	64,468,627	188,428,179
Retail	223,847	7,528,847	6,348,634	13,092,616	84,235,167	7,475,127	100,881,534	219,785,772
Corporate	566,348	4,736,620	25,550,319	35,538,946	31,631,533	4,750,270	53,492,551	156,266,587
Sharia receivables and financing	-	1,514,472	406,476	2,215,274	3,851,048	776,526	7,850,210	16,614,006
Acceptances receivable	689,791	24,800	-	147,837	2,287	-	4,298,756	5,163,471
Investment in associated entities*)	-	1,034	-	-	-	4,775	430	6,239
Other Assets**)	1,498,276	539,016	-	-	-	825,084	1,134,461	3,996,837
Total	221,638,655	41,929,773	59,552,017	60,485,696	202,343,433	23,901,387	237,531,943	847,382,904
Less: Allowance for impairment losses								(17,515,193)
Net								829,867,711
Administrative Accounts								
Irrevocable L/C	8,821,206	-	5,896	320,474	4,984	-	6,254,231	15,406,791
Guarantees issued	13,007,541	6,985	496,504	1,787,858	237,736	113,515	8,018,769	23,668,908
Total	21,828,747	6,985	502,400	2,108,332	242,720	113,515	14,273,000	39,075,699

*) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and accrued income based on Sharia principles.

3. Impairment of financial assets as of December 31, 2016 and 2015

a. Current accounts with other banks

As of December 31, 2016 and 2015, this financial asset is neither individually nor collectively impaired.

b. Placements with Bank Indonesia and other banks

As of December 31, 2016 and 2015, this financial asset is neither individually nor collectively impaired.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2016 and 2015 (continued)

c. Securities

As of December 31, 2016 and 2015, all securities are classified as 'Current', except for Bonds I Year 2003 issued by PT Great River International which is classified as 'Loss'. The bond is owned by BRI Life (subsidiary) with a nominal value of Rp 758, and has already matured on October 13, 2008.

d. Finance lease receivables

On December 31, 2016, the details of finance lease receivables are as follows:

	31 December 2016
Impaired	210,571
Past due but not impaired	228,394
Neither past due nor impaired	1,761,335
	2,200,300
Less: Allowance for impairment loss	(130,000)
Total	2,070,300

e. Loans, sharia receivables and financing

As of December 31, 2016 and 2015, these financial assets are individually and collectively impaired, with the following details:

	December 31, 2016					
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired		Total
	High Grade	Standard Grade				
<u>Rupiah</u>						
Trading, hotels and restaurant	194,421,942	6,713,103	12,197,071	9,197,709	222,529,825	
Agriculture	62,778,609	948,799	2,061,115	4,321,466	70,109,989	
Manufacturing	29,205,165	345,519	1,130,893	4,697,397	35,378,974	
Business services	27,111,516	649,859	1,129,198	1,307,191	30,197,764	
Electricity, gas and water	28,677,845	10,184	23,344	32,519	28,743,892	
Construction	17,552,083	204,414	242,271	2,473,659	20,472,427	
Transportation, warehousing and communications	14,927,759	217,035	649,998	1,270,357	17,065,149	
Social services	8,712,795	150,190	550,859	273,676	9,687,520	
Mining	1,397,823	38,171	41,345	1,297,754	2,775,093	
Others	159,567,402	705,909	4,186,671	1,505,581	165,965,563	
	544,352,939	9,983,183	22,212,765	26,377,309	602,926,196	

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2016 and 2015 (continued)

e. Loans, sharia receivables and financing (continued)

As of December 31, 2016 and 2015, these financial assets are individually and collectively impaired, with the following details (continued):

	December 31, 2016				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Foreign Currencies</u>					
Manufacturing	23,536,391	-	-	4,771,362	28,307,753
Agriculture	8,789,899	-	177,628	27,155	8,994,682
Mining	3,474,378	-	3,434	1,821,394	5,299,206
Electricity, gas and water	3,773,707	-	-	691,591	4,465,298
Social services	3,707,071	-	-	-	3,707,071
Transportation, warehousing and communications	1,681,948	-	-	423,869	2,105,817
Business services	1,406,898	1,347	-	450,252	1,858,497
Construction	484,670	-	-	1,261,603	1,746,273
Trading, hotels and restaurant	1,080,091	6,877	346	655,538	1,742,852
Others	66,273	-	-	-	66,273
	<u>48,001,326</u>	<u>8,224</u>	<u>181,408</u>	<u>10,102,764</u>	<u>58,293,722</u>
Total	<u>592,354,265</u>	<u>9,991,407</u>	<u>22,394,173</u>	<u>36,480,073</u>	<u>661,219,918</u>
Less: Allowance for impairment losses					(22,676,452)
Net					<u>638,543,466</u>
	December 31, 2015				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Rupiah</u>					
Trading, hotels and restaurant	170,016,954	4,314,374	11,886,035	8,542,802	194,760,165
Agriculture	50,399,746	552,168	2,325,041	2,819,914	56,096,869
Manufacturing	23,364,714	315,780	934,009	3,354,577	27,969,080
Business services	23,171,307	2,168,438	1,568,890	1,175,284	28,083,919
Electricity, gas and water	17,146,799	4,807	23,946	43,016	17,218,568
Construction	13,307,573	91,289	412,523	1,660,517	15,471,902
Transportation, warehousing and communications	13,069,289	272,180	583,984	1,293,624	15,219,077
Social services	10,409,020	52,621	329,458	130,773	10,921,872
Mining	1,485,521	40,966	54,310	1,331,294	2,912,091
Others	146,759,624	257,856	5,358,181	1,753,233	154,128,894
	<u>469,130,547</u>	<u>8,070,479</u>	<u>23,476,377</u>	<u>22,105,034</u>	<u>522,782,437</u>

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2016 and 2015 (continued)

e. Loans, sharia receivables and financing (continued)

As of December 31, 2016 and 2015, these financial assets are individually and collectively impaired, with the following details (continued):

	December 31, 2015				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Foreign Currencies</u>					
Manufacturing	27,506,318	475,141	57,448	475,441	28,514,348
Mining	3,839,173	-	3,064	512,456	4,354,693
Electricity, gas and water	3,535,243	-	-	733,429	4,268,672
Social services	4,117,541	-	-	-	4,117,541
Trading, hotels and restaurant	7,267,894	92,667	252	781,927	8,142,740
Agriculture	3,650,553	-	-	41,847	3,692,400
Transportation, warehousing and communications	1,068,175	-	1,415	421,640	1,491,230
Business services	1,015,047	1,378	486	548,135	1,565,046
Construction	580,488	-	-	1,378,473	1,958,961
Others	206,476	-	-	-	206,476
	<u>52,786,908</u>	<u>569,186</u>	<u>62,665</u>	<u>4,893,348</u>	<u>58,312,107</u>
Total	<u>521,917,455</u>	<u>8,639,665</u>	<u>23,539,042</u>	<u>26,998,382</u>	<u>581,094,544</u>
Less: Allowance for impairment losses					(17,514,435)
Net					<u>563,580,109</u>

f. Export bills

As of December 31, 2016 and 2015, this financial asset is neither individually nor collectively impaired.

g. Acceptances receivable

As of December 31, 2016 and 2015, this financial asset is neither individually nor collectively impaired.

h. Other Assets

As of December 31, 2016 and 2015, this financial asset is neither individually nor collectively impaired.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2016 and 2015 (continued)

i. Administrative accounts

As of December 31, 2016 and 2015, the administrative accounts are impaired with the following details:

	December 31, 2016	December 31, 2015
<u>Rupiah</u>		
Guarantees issued	11,979,117	7,910,144
Irrevocable L/C	1,086,496	1,730,270
	<u>13,065,613</u>	<u>9,640,414</u>
<u>Foreign Currencies</u>		
Irrevocable L/C	7,454,656	13,676,521
Guarantees issued	12,543,898	15,758,764
	<u>19,998,554</u>	<u>29,435,285</u>
	33,064,167	39,075,699
Less: Allowance for impairment losses	(895)	(1,242)
Net	<u>33,063,272</u>	<u>39,074,457</u>

4. Quality of financial assets

The following tables show the quality of financial assets by class for all financial assets with credit risk, amounts presented at gross.

	December 31, 2016				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets					
Current accounts with Bank Indonesia	55,635,946	-	-	-	55,635,946
Current accounts with other banks	10,998,749	23,966	-	-	11,022,715
Placements with Bank Indonesia and other banks	78,142,754	-	-	-	78,142,754
Securities					
Fair value through profit or loss	674,966	-	-	-	674,966
Available for sale	67,705,869	1,786,397	-	-	69,492,266
Held to maturity	60,551,842	764,250	-	-	61,316,092
Export bills	9,345,472	-	-	-	9,345,472
Government Recapitalization Bonds					
Available for sale	718,434	-	-	-	718,434
Held to maturity	2,600,000	-	-	-	2,600,000
Securities purchased under agreement to resell	1,557,370	-	-	-	1,557,370
Derivatives Receivable	91,657	-	-	-	91,657

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

The following tables show the quality of financial assets by class for all financial assets with credit risk, amounts presented at gross (continued).

	December 31, 2016				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets (continued)					
Loans					
Micro	206,999,682	2,496,361	9,958,341	2,347,821	221,802,205
Retail	218,691,266	6,880,476	10,484,935	8,824,259	244,880,936
Corporate	152,218,111	-	80,245	24,489,478	176,787,834
Sharia receivables and financing	14,445,206	614,570	1,870,652	818,515	17,748,943
Finance lease receivables	1,761,334	-	221,851	217,115	2,200,300
Acceptances receivable	5,692,583	-	-	-	5,692,583
Investment in associated entities*)	2,439	-	-	-	2,439
Other Assets**)	6,106,882	517	-	-	6,107,399
Total	893,940,562	12,566,537	22,616,024	36,697,188	965,820,311
	December 31, 2015				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets					
Current accounts with Bank Indonesia	61,717,798	-	-	-	61,717,798
Current accounts with other banks	8,736,092	-	-	-	8,736,092
Placements with Bank Indonesia and other banks	49,834,664	-	-	-	49,834,664
Securities					
Fair value through profit or loss	929,334	-	-	-	929,334
Available for sale	58,961,827	1,740,223	-	-	60,702,050
Held to maturity	62,488,275	771,634	-	-	63,259,909
Export bills	7,280,883	-	-	-	7,280,883
Government Recapitalization Bonds					
Available for sale	715,958	-	-	-	715,958
Held to maturity	3,100,000	-	-	-	3,100,000
Securities purchased under agreement to resell	845,125	-	-	-	845,125
Loans					
Micro	173,223,644	1,418,419	11,377,609	2,408,507	188,428,179
Retail	197,424,678	4,157,337	10,543,131	7,660,626	219,785,772
Corporate	137,410,864	2,672,989	56,903	16,125,831	156,266,587
Sharia receivables and financing	13,858,269	390,920	1,561,399	803,418	16,614,006
Acceptances receivable	5,163,471	-	-	-	5,163,471
Investment in associated entities*)	6,239	-	-	-	6,239
Other Assets**)	3,996,564	273	-	-	3,996,837
Total	785,693,685	11,151,795	23,539,042	26,998,382	847,382,904

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and unearned income based on Sharia principles.

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

Credit quality is defined as follows:

1. High Grade
 - a) Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements in government institutions and transactions with banks listed in the stock exchange.
 - b) Loans and Sharia receivables/financing, are third party receivables that are neither past due nor impaired, and have never been restructured.
 - c) Export bills and acceptances receivable, are third party receivables that are not past due, and have strong financial capacity to repay all obligations in a timely manner.
 - d) Securities and Government bonds are government securities, investment grade securities and bonds with a rating of at least idA- (Pefindo), A- (Fitch), A- (Standard & Poor's), or A3 (Moody's).
 - e) Investment in associated entities, are investments in entities listed in stock exchange which have an overall good performance level.

2. Standard Grade
 - a) Current accounts with Bank Indonesia, current accounts with other banks, placements with Bank Indonesia and other banks are current accounts or placements with banks not listed in stock exchange.
 - b) Loans and Sharia receivables/financing, are third party receivables that are neither past due nor impaired, have been restructured and have undergone collective impairment.
 - c) Export bills and acceptances receivable, are third party receivables that have not matured and have adequate financial capacity to repay all obligations in a timely manner.
 - d) Securities and Government bonds are government securities, investment grade securities and bonds with a rating between idBBB+ and idBBB- (Pefindo), BBB+ and BBB- (Fitch), BBB+ and BBB- (Standard & Poor's) or Baa1 and Baa3 (Moody's).
 - e) Investment in associated entities, are investment in entities not listed in stock exchange which have an overall good performance level.

5. According to PSAK No. 60, financial assets are past due when debtors fail to meet their obligations in a timely manner. The following tables show the aging analysis of loans, Sharia receivables and financing and finance lease receivables which are past due but not impaired.

	December 31, 2016			
	≤ 30 days	> 30 – 60 days	> 60 – 90 days	Total
Loans				
Micro	4,548,784	2,399,345	3,010,212	9,958,341
Retail	5,463,764	2,229,201	2,791,970	10,484,935
Corporate	80,245	-	-	80,245
Sharia receivables and financing	1,471,901	176,717	222,034	1,870,652
Finance lease receivables	179,860	18,679	23,312	221,851
Total	11,744,554	4,823,942	6,047,528	22,616,024

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39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

5. According to PSAK No. 60, financial assets are past due when debtors fail to meet their obligations in a timely manner. The following tables show the aging analysis of loans, Sharia receivables and financing and finance lease receivables which are past due but not impaired (continued).

	December 31, 2015			Total
	≤ 30 days	> 30 – 60 days	> 60 – 90 days	
Loans				
Micro	5,438,875	2,767,293	3,171,441	11,377,609
Retail	5,879,252	2,413,958	2,249,921	10,543,131
Corporate	56,903	-	-	56,903
Sharia receivables and financing	1,265,187	194,117	102,095	1,561,399
Total	12,640,217	5,375,368	5,523,457	23,539,042

Liquidity Risk Management

BRI manages liquidity risks in order to meet every financial liability that has been agreed upon in a timely manner and to maintain adequate and optimal liquidity level. BRI liquidity risk management is implemented according to POJK No. 18/POJK.03/2016 dated March 22, 2016, regarding the implementation of risk management for commercial banks that encompasses active supervision by Board of Commissioners and Board of Directors, the adequacy of identification process, measurement, supervision and monitoring using information system of liquidity risk management, the adequacy of policies and procedures for limits and liquidity, as well as integrated internal control system.

In order to support liquidity management, BRI put in place Policy and Guidelines for the Implementation of Liquidity Risk Management (PPPMRL) which encompasses liquidity management, development of financing strategy, early warning system, measurement and determination of liquidity risks limit, contingency plans, information system of liquidity risks, and guidelines on the management of short-term and long-term liquidity risks.

The purpose of this policy is to ensure that BRI has sufficient daily operating capital in normal or crisis conditions in a timely manner from various available sources to ensure the availability of high quality liquid assets.

BRI also stimulates stress testing on a quarterly basis which is submitted to the Board of Commissioners and Directors through Risk Management Committee (RMC). The purpose of stress testing is to measure the resistance or ability to meet liquidity and capital adequacy during crisis (stress). Moreover, stress test is also used as reference for developing or improving emergency funding plan (contingency plan) and liquidity risk limit.

Analysis of Financial Asset and Liability According to Contractual Maturity

Potential liquidity risks which BRI will encounter in the future are measured using Liquidity Gap Analysis which projects the excess or shortage of liquidity based on the maturity of assets and liabilities, after taking into account the business expansion needs. This information is also considered when planning and managing liquidity, including business expansion needs. With the implementation of effective liquidity risk management, it is expected that liquidity risks can be minimised while simultaneously enhance the overall banking system.

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39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Contractual Maturity (continued)

The tables below present information about the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2016 and 2015:

Description	December 31, 2016					
	Total	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Assets						
Cash	25,212,024	-	-	-	-	25,212,024
Current Account with Bank Indonesia	55,635,946	55,635,946	-	-	-	-
Current accounts with other banks	11,022,715	11,022,715	-	-	-	-
Placements with Bank Indonesia and other banks	78,142,754	78,012,754	130,000	-	-	-
Securities	131,483,324	71,577,341	4,964,651	8,877,602	46,063,730	-
Allowance for Impairment losses	(758)	-	-	-	-	(758)
Export bills	9,345,472	2,536,196	3,258,692	3,550,584	-	-
Government Recapitalization Bonds	3,318,434	718,434	-	-	2,600,000	-
Securities purchased under agreement to resell	1,557,370	632,230	925,140	-	-	-
Derivatives receivable	91,657	32,214	-	489	58,954	-
Loans						
Micro	221,802,205	1,942,248	4,449,159	30,293,610	185,117,188	-
Retail	244,880,936	10,175,734	13,037,992	63,386,726	158,280,484	-
Corporate	176,787,834	5,993,480	24,140,155	28,358,562	118,295,637	-
Allowance for Impairment losses	(22,184,296)	-	-	-	-	(22,184,296)
Sharia receivables and financing	17,748,943	708,381	1,376,290	2,165,428	13,498,844	-
Allowance for Impairment losses	(492,156)	-	-	-	-	(492,156)
Finance Lease Receivables	2,200,300	-	-	264,036	1,936,264	-
Allowance for Impairment losses	(130,000)	-	-	-	-	(130,000)
Acceptances receivable	5,692,583	1,045,643	2,106,327	2,540,613	-	-
Investment in associated entities*)	2,439	-	-	-	-	2,439
Other Assets**)	6,107,399	2,570,452	1,779,854	954,795	478	801,820
	968,225,125	242,603,768	56,168,260	140,392,445	525,851,579	3,209,073
Liabilities						
Liabilities due immediately	5,410,313	5,410,313	-	-	-	-
Deposits from customers						
Demand deposits	141,419,020	141,419,020	-	-	-	-
Wadiah demand deposits	1,127,843	1,127,843	-	-	-	-
Saving deposits	298,110,406	298,110,406	-	-	-	-
Wadiah saving deposits	4,176,761	4,176,761	-	-	-	-
Mudharabah saving deposits	983,121	983,121	-	-	-	-
Time deposits	293,029,378	239,316,485	37,907,214	13,639,996	2,165,683	-
Mudharabah time deposits	15,679,845	13,791,599	1,670,222	214,638	3,386	-
Deposits from other Banks and financial Institutions	2,229,538	2,186,158	42,057	1,323	-	-
Securities sold under agreement to repurchase	7,302,398	-	673,625	1,917,625	4,711,148	-

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39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Contractual Maturity (continued)

The tables below present information about the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2016 and 2015 (continued):

December 31, 2016						
Description	Total	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Liabilities (continued)						
Derivatives payable	347,217	-	114,152	-	233,065	-
Acceptance payable	5,692,583	1,045,643	2,106,327	2,540,613	-	-
Marketable securities issued	24,800,781	-	807,927	4,110,712	19,882,142	-
Fund borrowings	35,008,170	320,647	6,202,044	8,104,288	20,381,191	-
Subordinated loans	1,008,510	-	-	-	1,008,510	-
Other liabilities (***)	1,851,087	1,053,489	73,376	241,664	-	482,558
	838,176,971	708,941,485	49,596,944	30,770,859	48,385,125	482,558
Maturity gap	130,048,154	(466,337,717)	6,571,316	109,621,586	477,466,454	2,726,515
December 31, 2015						
Description	Total	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Assets						
Cash	28,771,635	-	-	-	-	28,771,635
Current Account with Bank Indonesia	61,717,798	61,717,798	-	-	-	-
Current accounts with other banks	8,736,092	8,736,092	-	-	-	-
Placements with Bank Indonesia and other banks	49,834,664	49,447,664	287,000	100,000	-	-
Securities	124,891,293	62,218,149	4,241,486	9,944,442	48,487,216	-
Allowance for impairment losses	(758)	-	-	-	-	(758)
Export bills Government	7,280,883	1,627,825	3,154,850	2,498,208	-	-
Recapitalization Bonds	3,815,958	715,958	-	500,000	2,600,000	-
Securities purchased under agreement to resell	845,125	845,125	-	-	-	-
Loans						
Micro	188,428,179	1,746,206	3,523,167	25,379,918	157,778,888	-
Retail	219,785,772	10,447,025	14,669,266	55,370,616	139,298,865	-
Corporate	156,266,587	8,309,400	9,098,154	42,117,537	96,741,496	-
Allowance for impairment losses	(17,162,183)	-	-	-	-	(17,162,183)
Sharia receivables and financing	16,614,006	487,921	679,788	2,109,564	13,336,733	-
Allowance for impairment losses	(352,252)	-	-	-	-	(352,252)
Acceptances receivable	5,163,471	658,068	2,045,804	2,459,599	-	-
Investment in associated entities*)	6,239	-	-	-	-	6,239
Other Assets**)	3,996,837	783,684	740,011	1,489,303	612,473	371,366
	858,639,346	207,740,915	38,439,526	141,969,187	458,855,671	11,634,047

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39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Contractual Maturity (continued)

The tables below present information about the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2016 and 2015 (continued):

Description	December 31, 2015					
	Total	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year	Others without maturity
Liabilities						
Liabilities due immediately	5,138,562	5,138,562	-	-	-	-
Deposits from customers						
Demand deposits	113,429,343	113,429,343	-	-	-	-
<i>Wadiah</i> demand deposits	937,745	937,745	-	-	-	-
Saving deposits	268,058,865	268,058,865	-	-	-	-
<i>Wadiah</i> saving deposits	3,715,929	3,715,929	-	-	-	-
<i>Mudharabah</i> saving deposits	696,198	696,198	-	-	-	-
Time deposits	267,884,404	216,166,772	20,129,028	27,615,154	3,973,450	-
<i>Mudharabah</i> time deposits	14,272,895	10,338,321	3,683,236	249,345	1,993	-
Deposits from other Banks and financial Institutions	11,165,073	11,083,873	68,200	13,000	-	-
Securities sold under agreement to repurchase	11,377,958	445,244	3,686,816	3,422,816	3,823,082	-
Derivatives payable	445,753	27	-	429,710	16,016	-
Acceptance payable	5,163,471	658,068	2,045,804	2,459,599	-	-
Marketable securities issued	10,521,103	253,824	-	714,218	9,553,061	-
Fund borrowings	35,480,358	3,629,831	6,896,369	12,676	24,941,482	-
Subordinated loans	56,468	-	-	-	56,468	-
Other liabilities (***)	1,441,604	1,001,798	56,774	144,865	-	238,167
	749,785,729	635,554,400	36,566,227	35,061,383	42,365,552	238,167
Maturity gap	108,853,617	(427,813,485)	1,873,299	106,907,804	416,490,119	11,395,880

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and unearned income based on Sharia principle.

***) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance liabilities, reinsurance and classified as available for sale, *tabarru'* fund and temporary *syirkah* funds.

Market Risk Management

Market risk arises when market interest rates and exchange rates move against the positions which BRI held in the statements of financial position or in administrative accounts. These positions are those which exist in trading book and banking book.

BRI has implemented treasury and market risk application system (GUAVA), an integrated system used by the front, middle, and back office functions. Middle Office uses Value-at-Risk (VaR), an internal model that is integrated into daily transaction processing, to measure market risks. Other than monitoring the risks to which instruments are exposed, Middle Office also monitors market risks and

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

transaction limits such as limits on the nominal value transacted by dealers, cut loss limit, stop loss limit and VaR limit. Monitoring is executed daily so as to accelerate the provision of updated information, allowing timely decision-making for instruments, especially those which are classified as trading.

1. Value-at-Risk (VaR): Purpose and Limitation of the Method

BRI uses internal model approach to measure VaR potential loss due to changes in market price of trading portfolio based on historical data. VaR potential loss that arise from market risks is measured using the assumptions that the change in risk factors follow normal distribution. BRI uses VaR to measure exchange rate risk for positions both in trading and banking book and interest rate risks for position in trading book.

2. Value-at-Risk (VaR) Assumptions

VaR potential loss is estimated value that is measured using 99% confidence level and market risk position that is unchanged within 1 (one) day holding period. This is an indicator that the potential loss which might exceed VaR value in normal market condition, in average, may occur once every one hundred days. The method used in VaR is Delta Gamma.

The following tables present information on VaR value starting from January 1, 2016 until December 31, 2016 and January 1, 2015 until December 31, 2015.

	2016	
	Exchange Rate*)	Interest Rate
Daily Average	58,421.11	851.78
Highest	134,093.77	4,153.38
Lowest	20,170.30	7.00
	2015	
	Exchange Rate*)	Interest Rate
Daily Average	56,509.63	10,715.84
Highest	122,211.37	34,463.22
Lowest	15,379.05	92.01

*) Including trading and banking book.

3. Back Testing

The purpose of back testing is to ensure that the result of internal model measurement for interest rate risk and exchange rate risk is valid. When performing back testing, BRI compares estimations from daily VaR with realised change of rates.

Based on back testing procedures for exchange rate risk and interest rate risk, actual loss throughout the year is already consistent with VaR forecast model.

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book

a. Interest Rate Risk

Interest-rate derivatives which are subjected to the fluctuations in interest rates have potential impacts on future cash flow.

Management has the responsibility to take into account the bank's risk appetite and its target for financial performance when determining, maintaining, and controlling interest rate. The setting of interest rate is reviewed at least once in a month during Asset and Liability Committee (ALCO) forum.

The following table presents the average annual interest rates for financial asset and liability position as of December 31, 2016 and 2015:

	2016		2015	
	Rupiah (%)	Foreign Currencies (%)	Rupiah (%)	Foreign Currencies (%)
Assets				
Placements with Bank Indonesia and other banks	5.41	0.53	6.56	0.10
Securities	8.65	3.36	8.51	3.49
Loans	11.91	4.23	12.47	4.37
Government Recapitalization Bonds	6.63	-	6.28	-
Finance lease receivables	13.43	5.93	-	-
Liabilities				
Deposits from customers				
Demand deposits	1.66	0.25	1.65	0.29
Saving deposits	2.40	0.21	1.98	0.22
Time deposits	7.89	1.50	8.48	1.46
Deposits from other banks and financial institutions	3.97	0.32	4.35	0.36
Fund borrowings	4.64	3.40	4.64	3.13
Subordinated loans	4.27	-	4.33	-
Marketable securities issued	8.56	2.95	8.99	2.95

The following table presents the sensitivity of BRI's consolidated statement of profit or loss and other comprehensive income towards possible changes in the interest rate of banking book, ceteris paribus.

2016	
Changes in Percentage	Impact on Statement of Profit or Loss and Other Comprehensive Income
+/-1 %	+/- 1,122,980
2015	
Changes in Percentage	Impact on Statement of Profit or Loss and Other Comprehensive Income
+/-1 %	+/- 1,301,019

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

a. Interest Rate Risk (continued)

Sensitivity rate is used to analyse probable changes in interest rates which affect the gain and/or loss of the banking book portfolio. In the above sensitivity analysis, interest rate is assumed to move by one basis point (1%).

The tables below summarise the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited):

December 31, 2016

Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Assets						
Cash	-	-	-	-	25,212,024	25,212,024
Current accounts with Bank Indonesia	55,635,946	-	-	-	-	55,635,946
Current accounts with other banks	11,022,715	-	-	-	-	11,022,715
Placements with Bank Indonesia and other banks	78,142,754	-	-	-	-	78,142,754
Securities						
Fair Value through profit or loss	-	-	-	674,966	-	674,966
Available for sale	-	-	-	69,492,266	-	69,492,266
Held to maturity	-	-	-	61,316,092	-	61,316,092
Export bills	9,345,472	-	-	-	-	9,345,472
Government						
Recapitalization Bonds						
Available for sale	718,434	-	-	-	-	718,434
Held to maturity	2,600,000	-	-	-	-	2,600,000
Securities purchased under agreement to resell	-	-	-	1,557,370	-	1,557,370
Derivatives receivable	-	-	-	-	91,657	91,657
Loans						
Micro	6,391,407	39,348,602	-	176,062,196	-	221,802,205
Retail	23,213,726	120,684,576	23,750,225	77,232,409	-	244,880,936
Corporate	30,133,635	146,654,199	-	-	-	176,787,834
Sharia receivables and financing	-	-	-	-	17,748,943	17,748,943
Finance lease receivables	31,206	155,746	935,350	1,077,998	-	2,200,300
Acceptances receivable	-	-	-	-	5,692,583	5,692,583
Investment in associated entities*)	-	-	-	-	2,439	2,439
Other Assets**)	-	-	-	-	6,107,399	6,107,399
	217,235,295	306,843,123	24,685,575	387,413,297	54,855,045	991,032,335

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarise the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited) (continued):

December 31, 2016						
Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Liabilities						
Liabilities due immediately	-	-	-	-	5,410,313	5,410,313
Deposits from customers						
Demand deposits	97,490,396	-	-	43,928,624	-	141,419,020
<i>Wadiah</i> demand deposits	-	-	-	-	1,127,843	1,127,843
Saving deposits	155,940,955	-	-	142,169,451	-	298,110,406
<i>Wadiah</i> saving deposits	-	-	-	-	4,176,761	4,176,761
<i>Mudharabah</i> saving deposits	-	-	-	-	983,121	983,121
Time deposits	215,329,405	51,934,654	25,765,319	-	-	293,029,378
<i>Mudharabah</i> time deposits	-	-	-	-	15,679,845	15,679,845
Deposits from other Banks and financial Institution	2,186,158	42,057	1,323	-	-	2,229,538
Securities sold under agreement to repurchase	673,625	673,625	-	5,955,148	-	7,302,398
Derivatives payable	-	-	-	-	347,217	347,217
Acceptances payable	-	-	-	-	5,692,583	5,692,583
Marketable securities issued	-	-	-	24,800,781	-	24,800,781
Fund borrowings	320,132	14,297,326	20,274,822	15,890	100,000	35,008,170
Subordinated loans	-	-	-	35,471	973,039	1,008,510
Other Liabilities****)	-	-	-	-	1,851,087	1,851,087
	471,940,671	66,947,662	46,041,464	216,905,365	36,341,809	838,176,971
Interest rate repricing Gap between financial assets and liabilities	(254,705,376)	239,895,461	(21,355,889)	170,507,932	18,513,236	152,855,364

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarise the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited) (continued):

December 31, 2015						
Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Assets						
Cash	-	-	-	-	28,771,635	28,771,635
Current accounts with Bank Indonesia	61,717,798	-	-	-	-	61,717,798
Current accounts with other banks	8,736,092	-	-	-	-	8,736,092
Placements with Bank Indonesia and other banks	49,834,664	-	-	-	-	49,834,664
Securities						
Fair Value through profit or loss	-	-	-	929,334	-	929,334
Available for sale	-	-	-	60,702,050	-	60,702,050
Held to maturity	704,371	-	-	62,555,538	-	63,259,909
Export bills	7,280,883	-	-	-	-	7,280,883
Government						
Recapitalization Bonds						
Available for sale	715,958	-	-	-	-	715,958
Held to maturity	3,100,000	-	-	-	-	3,100,000
Securities purchased under agreement to resell	-	-	-	845,125	-	845,125
Loans						
Micro	5,269,374	32,775,604	-	150,383,201	-	188,428,179
Retail	25,116,290	106,292,565	19,723,571	68,653,346	-	219,785,772
Corporate	17,407,555	138,859,032	-	-	-	156,266,587
Sharia receivables and financing	-	-	-	-	16,614,006	16,614,006
Acceptances receivable	-	-	-	-	5,163,471	5,163,471
Investment in associated entities*)	-	-	-	-	6,239	6,239
Other Assets**)	-	-	-	-	3,996,837	3,996,837
	179,882,985	277,927,201	19,723,571	344,068,594	54,552,188	876,154,539
Liabilities						
Liabilities due immediately	-	-	-	-	5,138,562	5,138,562
Deposits from customers						
Demand deposits	82,113,723	-	-	31,315,620	-	113,429,343
Wadiah demand deposits	-	-	-	-	937,745	937,745
Saving deposits	151,087,937	-	-	116,970,928	-	268,058,865
Wadiah saving deposits	-	-	-	-	3,715,929	3,715,929
Mudharabah saving deposits	-	-	-	-	696,198	696,198
Time deposits	194,756,932	47,222,823	25,904,649	-	-	267,884,404
Mudharabah time deposits	-	-	-	-	14,272,895	14,272,895
Deposits from other Banks and financial Institution	11,152,073	13,000	-	-	-	11,165,073

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarise the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited) (continued):

December 31, 2015						
Description	Floating interest rate			Fixed interest rate	Non-interest bearing	Total
	Not more than 3 months	More than 3 months but less than 1 year	More than 1 year			
Liabilities (continued)						
Securities sold						
under agreement to repurchase	-	3,422,816	1,378,500	6,576,642	-	11,377,958
Derivatives payable	-	-	-	-	445,753	445,753
Acceptances payable	-	-	-	-	5,163,471	5,163,471
Marketable securities issued	-	-	-	10,521,103	-	10,521,103
Fund borrowings	10,526,115	5,996	24,832,357	15,890	100,000	35,480,358
Subordinated loans	-	-	-	56,468	-	56,468
Other Liabilities***)	-	-	-	-	1,441,604	1,441,604
	449,636,780	50,664,635	52,115,506	165,456,651	31,912,157	749,785,729
Interest rate repricing						
Gap between financial assets and liabilities	(269,753,795)	227,262,566	(32,391,935)	178,611,943	22,640,031	126,368,810

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and unearned income based on Sharia principle.

***) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance liabilities, reinsurance and classified as available for sale, *tabarru'* fund and temporary *syirkah* funds.

b. Exchange Rate Risk

Exchange rate risk arises when foreign exchange rate against Rupiah fluctuates against the positions which BRI held. Included in the foreign exchange positions are positions in trading book held to generate profit both from foreign exchange transactions within a short period of time and from positions in banking book that has a purpose of controlling the Net Open Position (NOP).

Based on Bank Indonesia Regulation (PBI) No. 17/5/PBI/2015 dated May 29, 2015, the fourth amendment made to PBI No. 5/13/PBI/2003, regarding Net Open Position for Commercial Banks dated July 1, 2010, NOP is set to a maximum of 20% of capital.

NOP is the sum of the absolute values of the net difference between assets and liabilities in the statement of financial position for each foreign currency and the net difference of receivables and commitments and contingent liabilities in the administrative accounts for each foreign currency, which are all stated in Rupiah.

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside Trading Book (continued)

b. Exchange Rate Risk (continued)

The tables below present NOP (BRI only) as of December 31, 2016 and 2015 by currency, respectively, as follows:

<u>Currencies</u>	December 31, 2016		
	<u>Assets</u>	<u>Liabilities</u>	<u>NOP</u>
<u>Statement of Financial Position and Administrative Accounts</u>			
United States Dollar	138,725,987	137,134,766	1,591,221
Renminbi	6,598,517	4,678,412	1,920,105
European Euro	10,065,634	14,520,265	4,454,631
Singapore Dollar	1,377,990	574,284	803,706
Australian Dollar	185,862	262,620	76,758
Great Britain Pound Sterling	212,224	66,595	145,629
Japanese Yen	315,709	301,684	14,025
Canadian Dollar	12,211	116	12,095
Others	564,675	47,416	517,259
			9,535,429
Capital (Notes 48a)			142,910,432
NOP Ratio			6.67%

<u>Currencies</u>	December 31, 2015		
	<u>Assets</u>	<u>Liabilities</u>	<u>NOP</u>
<u>Statement of Financial Position and Administrative Accounts</u>			
United States Dollar	132,947,360	131,831,296	1,116,064
Renminbi	10,048,508	9,935,599	112,909
European Euro	1,254,775	1,286,949	32,174
Singapore Dollar	737,789	250,912	486,877
Australian Dollar	347,514	218,679	128,835
Great Britain Pound Sterling	172,165	111,997	60,168
Japanese Yen	159,437	15,961	143,476
Canadian Dollar	17,835	174	17,661
Others	495,976	22,009	473,967
			2,572,131
Capital (Note 48a)			110,580,617
NOP Ratio			2.33%

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39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

5. BRI Agro Sensitivity Analysis

The following tables present sensitivity towards possible change in interest rate and exchange rate of BRI Agro towards statement of profit or loss and other comprehensive income with the remaining variables being constant.

	2016		2015	
	Percentage Change	Impact to Statement of Profit or Loss and Other Comprehensive Income	Percentage Change	Impact to Statement of Profit or Loss and Other Comprehensive Income
Interest rate risk	+/- 1 %	+/-43,014	+/- 1%	+/-33,410
Foreign exchange rate risk	+/- 1 %	+/-577	+/- 1%	+/-23

Operational Risk Management

BRI Operational Risk Management is implemented according to Financial Services Authority Regulation No. 18/POJK.03/2016 dated March 22, 2016 on Risk Management Implementation of Commercial Bank, which requires risk management implementation to cover pillars on active control from the Board of Commissioners and Directors, policy adequacy, limit determination and procedure, identification process adequacy, measurement, monitoring and risk management as well as risk management information system and internal control system.

The main objective of operational risk management implementation is managing operational risk exposure caused by internal and external factors that influences business and operational activities such as inadequacy of human resources, internal processes, IT failures, natural disaster and external events that potentially cause financial and non financial losses. Operational risk exposure management includes mitigation of legal, reputational, compliance and strategic risk exposure in every business process and operational activity.

Each operational working unit is responsible for the implementation of risk management process in the business and operational activities of each business unit through internal control system. It begins from the phase of identification, measurement, monitoring and risk mitigation. The Board of Directors determined risk management function in every business unit starting from Head Office level (Desk/Division), Regional Office, Special Branch Office, Branch Office which covers operations, marketing and micro businesses as well as Sub Branch Office, BRI Priority Service Center and Overseas Working Unit (UKLN).

Operational Risk Management Unit of the Head Office and Regional Office is responsible for setting the guidelines of operational risk management, development and implementation of policy or procedure and methodology, monitoring, reviewing, and controlling operational risk management process. On the other hand, Operational Risk Management Unit is also involved in composing and monitoring BRI's operational risk profile, assessing the risk management adequacy of a new product and/or activity, and supporting the business unit or risk owner in order to develop risk awareness culture, anti fraud strategy implementation and compliance towards risk management principles. In order to discuss operational risk mitigation and risk control improvement, Operational Risk Management Committee (ORMC) is held quarterly and coordinated by Operational Risk Management Unit and related desk/division/business unit.

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39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

Internal audit including the Head Office Audit Division and Inspectorate Office within Indonesia is responsible in monitoring and validating the internal control adequacy of business and operational activities in every business unit and also the consistency of operational risk management implementation in BRI bank wide.

BRI's operational risk management implementation is facilitated by operational risk management tools called Operational Risk Assessor (OPRA), consists of Risk and Control Self Assessment (RCSA) module, Key Risk Indicator (KRI), Incident Management (IM), Risk Management Forum and Maturity. In order to perceive risk management, it is focused on building risk awareness culture and risk management training continuously to all BRI employees and also improving internal control in every business and operational activities. Operational risk management policy has been updated in the decree of BRI Circular Letter No. S.17- DIR/DMR/02.2016.

1. Risk Control and Self Assesment (RCSA)

RCSA is a qualitative and predictive risk management tool which is used to identify and measure the impact and likelihood of risks. RCSA has already been implemented in Head Office (Desk/Division), Regional Office, Special Branch Office, Branch Office which also represents BRI Unit, Sub Branch Office and Priority Service Centre.

RCSA is used to help the business unit to identify and measure operational risk in every business and operational activities independently, monitor and determine the action plans or towards improvements.

The main risk issue is updated by considering business development such as new product and or activity implementation, new market segment and competition condition, change in internal/external policy and other changes which affect BRI risk exposure. Working unit performs RCSA assessment by considering Incident Management (IM) data/Loss Event Database (LED), Key Risk Indicator (KRI) and Audit Result (LHA) of the working unit. RCSA evaluation is performed quarterly, however, the frequency will be increased in time of significant changes in risk exposure.

RCSA consolidation report stated above is reported regularly to the BOD in RMC that was held quarterly.

2. Incident Management (IM) and Loss Event Database (LED)

Incident Management (IM) is BRI's Loss Event Database (LED) which developed to document data of financial and non financial loss, covering actual loss, potential loss and near misses, as well as chronological recording of loss incident since occurrence up to declaration of settlement, including improvement measure and incident handling conducted. Policy on Incident Management is stipulated through BRI Circular Letter No. S.17-DIR/DMR/02/2016.

Based on loss event data in IM module, loss event analysis can be performed based on causes, functional activities, event types and business lines. LED information system can be used to determine the preventive actions in risk mitigation, based on the process of incident handling for the financial loss, non financial loss, financial recovery and also litigation process.

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39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

2. Incident Management (IM) and Loss Event Database (LED) (continued)

BRI's operational loss event data has been documented consistently and systematically since 2007 in loss event database matrix which is classified into 8 (eight) business lines and 7 (seven) event types based on the dimension of lost event severity/loss and likelihood/frequency.

In order to calculate operational capital charge and Risk Weighted Average, according to regulator policy, BRI used Basic Indicator Approach (BIA) method since it has been implemented in 2010. However, BRI has been prepared for The Standardised Approach (TSA) and Advanced Measurement Approach (AMA). BRI's LED also has been used to calculate operational risk capital charge by Advanced Measurement Approach (AMA) method, based on Extreme Value Theory (EVT) and Loss Distribution Approach (LDA).

In order to calculate operational capital charge in more advanced, BRI has developed gap analysis related to the implementation of TSA and AMA.

3. Key Risk Indicator (KRI)

KRI is a tool to detect risks trend/risks increasing and or risks decreasing both leading or historical. Risks trend prediction is used to determine towards action plans in order to mitigate operational risk before it causes the financial or non financial loss. KRI policy is stipulated through BRI Circular Letter No. S.17-DIR/DMR/02/2016.

BRI has identified key risk indicators for all risks type and determined the threshold or risks limit which portrays the acceptable condition and risk appetite of the management. It is established by using the best judgement, considering BRI risk exposures and risk appetite, that involved internal auditor, risk owner and other business units. BRI's KRI are reflected on its Bank Wide Risk Profile and Regional Risk Profile Report which are monitored and reported monthly to the management.

4. Risk Management Forum

Risk Management Forum is a risk management tool to document the result of meeting/forum among the head of BRI's business units with the lower level employees and staffs in order to discuss inherent risks in the daily business or operational activities that might be the constraint in achieving the business target or business performance. Risk management forum, which are held in each business unit, are expected to support the enlargement of BRI's risk awareness culture. The updated policy of Risk Management Forum is stipulated through BRI Circular Letter No. S.17-DIR/DMR/02/2016.

5. Maturity

Maturity is a self assessment process on the establishment level of risk management implementation in each of BRI working unit. Maturity assessment is performed at every year end by each working unit head using certain parameters. By performing maturity assessment, it is expected that each working unit will be able to evaluate the risk management implementation performed, in order to compose future improvement plan. Maturity policy is stipulated through BRI Circular Letter No. S.17-DIR/DMR/02/2016.

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39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

6. Business Continuity Management (BCM)

The possibility of disaster caused by nature, human or technology to pose a threat to BRI's business continuity, as BRI has business units spread across Indonesia. Therefore, the Board of Directors concern to develop and implement Business Continuity Management (BCM) in order to ensure the employees, customers and other third parties safety and security who are around BRI business unit environment (Emergency Response Plan) and maintain the continuity of critical businesses and operational activities, protect BRI's assets and provide sufficient response during disruption or disaster conditions (Business Continuity Plan). BCM is stipulated through BRI Circular Letter No. S.26-DIR/DMR/12/2016.

BCM implementation covers all business units, among others through Crisis Management Team, Call Tree arrangement and alternate sites determination. In order to deal with the disruption/disaster in each of business units, BRI business units have already estimated the Disaster Risk and Threat Assessment to list and inventory required resources.

BCM pilot project is prioritized to the business units in prone areas and is done annually, including BRI 3 (three) Head Offices, which are BRI 1 Building, IT Building and BRI Corporate University Ragunan.

The readiness of BRI organization has been tested during disaster conditions in several business units, whereas in fourth quarter of 2016 there are floods in Bima and landslides in Pidie which affecting operations and business in some BRI working units such as postponement of operational opening hours in some affected working units.

7. New Product and/or Activity Launching

In order to launch every BRI's new product and or activity, it involves risk management process that covers risk and control assessment which is done by product owner in every launch of new product and or activity, including control determination to mitigate the risks that might appear.

Risk Management Division are responsible to assess the risk mitigation adequacy and recommend the assessment result to the Risk Management Director. New Product and/or Activity Launching is stipulated through BRI Circular Letter No. 03-DIR/DMR/08/2013.

8. Anti-Fraud Strategy Implementation

Anti-Fraud Strategy has been implemented in accordance with BRI internal policy and procedure which concern on fraud cases handling in order to show the management intolerance in fraud (zero fraud tolerance). Anti fraud strategy establishment and implementation is a part of risk management implementation, in order to prevent and manage fraud incident in BRI. Anti-Fraud Strategy covers 4 (four) pillars which are: prevention pillar, detection pillar, investigation pillar, report and sanction and evaluation pillar, monitoring and follow-up/action plan.

Statement of anti-fraud commitment are signed by Board of Commissioners and Directors, management and all BRI employees as a part of employee awareness and fraud prevention. Anti-Fraud Strategy Policy is stipulated through BRI Decision Letter No. S.17-DIR/DMR/07/2015.

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40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The tables below present the comparison of the carrying values and fair values of financial assets and liabilities. The fair values disclosed below are based on relevant information available as of December 31, 2016 and 2015 are not updated to reflect changes in market conditions which have occurred subsequently.

	December 31, 2016		December 31, 2015	
	Carrying Value	Fair Value	Carrying Value	Fair Value
ASSETS				
Cash	25,212,024	25,212,024	28,771,635	28,771,635
Current accounts with Bank Indonesia	55,635,946	55,635,946	61,717,798	61,717,798
Current accounts with other banks	11,022,715	11,022,715	8,736,092	8,736,092
Placements with Bank Indonesia and other banks	78,142,754	78,142,754	49,834,664	49,834,664
Securities				
Fair value through profit or loss	674,966	674,966	929,334	929,334
Available for sale	69,492,266	69,492,266	60,702,050	60,702,050
Held to maturity	61,315,334	61,871,705	63,259,151	59,218,417
Export bills	9,345,472	9,345,472	7,280,883	7,280,883
Government Recapitalization Bonds				
Available for sale	718,434	718,434	715,958	715,958
Held to maturity	2,600,000	2,592,245	3,100,000	3,083,712
Securities purchased under agreement to resell	1,557,370	1,557,370	845,125	845,125
Derivatives receivable	91,657	91,657	-	-
Loans, Sharia receivables and financing	638,543,466	601,402,821	563,580,109	525,895,593
Finance Lease Receivables	2,070,300	2,059,460	-	-
Acceptances receivable	5,692,583	5,692,583	5,163,471	5,163,471
Investment in associated entities *)	2,439	2,439	6,239	6,239
Other assets **)	6,107,399	6,107,399	3,996,837	3,996,837
Total	968,225,125	931,622,256	858,639,346	816,897,808
LIABILITIES				
Liabilities due immediately	5,410,313	5,410,313	5,138,562	5,138,562
Deposits from customers ***)				
Demand deposits	142,546,863	142,546,863	114,367,088	114,367,088
Saving deposits	303,270,288	303,270,288	272,470,992	272,470,992
Time deposits	308,709,223	308,709,223	282,157,299	282,157,299
Deposits from other banks and financial institutions				
Demand deposits	239,006	239,006	164,048	164,048
Saving deposits	6,497	6,497	5,704	5,704
Time deposits and deposits on call	1,028,520	1,028,520	4,944,076	4,944,076
Inter-bank call money	955,515	955,515	6,051,245	6,051,245
Securities sold under agreement to repurchase	7,302,398	7,302,398	11,377,958	11,377,958
Derivatives payable	347,217	347,217	445,753	445,753
Acceptances payable	5,692,583	5,692,583	5,163,471	5,163,471
Marketable securities issued	24,800,781	25,123,300	10,521,103	10,805,020
Fund borrowings	35,008,170	35,008,170	35,480,358	35,480,358
Subordinated loans	1,008,510	1,008,510	56,468	56,468
Other liabilities ****)	1,851,087	1,851,087	1,441,604	1,441,604
Total	838,176,971	838,499,490	749,785,729	750,069,646

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables and accrued income based on Sharia principles.

***) Including deposits based on Sharia principles.

****) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance liabilities, reinsurance and classified as available for sale, *tabarru'* fund and temporary *syirkah* funds.

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40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

Methods and assumptions used to estimate fair value are as follows:

- a) The fair values of certain financial assets and liabilities, except for securities and Government Recapitalization Bonds classified as held to maturity, loans, finance lease receivables, derivatives receivable and payable, fund borrowings, marketable securities issued and subordinated loans approximate their carrying values due to their short-term maturities.

The estimated fair values of certain financial assets are determined based on discounted cash flows using money market interest rates for instruments with similar credit risk and remaining maturities.

The estimated fair values of certain financial obligations which are not quoted in an active market are determined based on discounted cash flows using interest rates of instruments with similar remaining maturities.

- b) Securities and Government Recapitalization Bonds

The fair values of securities and Government Recapitalization Bonds classified as held to maturity are determined based on market prices or price quotations of intermediary (broker) securities dealers. If the information is not available, fair values are estimated by using quoted market price of securities with similar credit characteristics, maturity and yield.

- c) Loans

BRI's loan portfolio generally consists of loans with floating rates and fixed rates. Loans are stated at carrying amount. The fair value of loans is derived based on discounted future cash flows expected to be received by BRI using current market rates.

- d) Finance Lease Receivable

Fair value is calculated based on discounted cash flow models by using market interest rates.

- e) Derivatives receivable and payable

The fair values of derivatives instrument valued by valuation techniques using components which can be observed in the market, primarily are interest rate swaps, currency swaps and currency exchange contracts. Most widely used valuation techniques include forward and swap valuation models which use the present value calculation. The models incorporate various components which include the credit quality of the counterparty, spot value and future contracts as well as interest rate curve.

- f) Fund borrowings, marketable securities issued and subordinated loans

Fair value is calculated based on discounted cash flow models by using market rates for the remaining maturity period.

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40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments measured at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c):

	December 31, 2016			
	Fair Value	Level 1	Level 2	Level 3
Financial Assets				
Fair value through profit or loss				
Government bonds	84,746	84,746	-	-
Mutual fund	295,372	295,372	-	-
Bonds	64,745	64,745	-	-
Subordinated bonds	45,880	45,880	-	-
Others	184,223	184,223	-	-
	674,966	674,966	-	-
Available for sale				
Government bonds	41,098,626	41,098,626	-	-
Certificate of Bank Indonesia	12,617,484	12,617,484	-	-
Deposits Certificate of Bank Indonesia	6,023,957	6,023,957	-	-
Bonds	6,785,877	6,785,877	-	-
Mutual fund	925,784	925,784	-	-
Government Recapitalization Bonds	718,434	718,434	-	-
Subordinated bonds	812,649	812,649	-	-
Medium-Term Notes	195,074	195,074	-	-
U.S Treasury Bonds	347,887	347,887	-	-
Singapore Government Securities	198,706	198,706	-	-
MAS Bills	325,918	325,918	-	-
Others	160,304	160,304	-	-
	70,210,700	70,210,700	-	-
Held to maturity				
Government bonds	51,737,965	51,737,965	-	-
Bonds	4,663,814	4,663,814	-	-
Government Recapitalization Bonds	2,592,245	2,592,245	-	-
Bank Indonesia Sharia Certificates (SBIS)	1,650,000	1,650,000	-	-
Certificate of Bank Indonesia	2,009,884	2,009,884	-	-
Negotiable Certificate of Deposits	1,468,526	1,468,526	-	-
Medium-Term Notes	254,022	254,022	-	-
Subordinated bonds	60,549	60,549	-	-
Promissory Notes	26,945	26,945	-	-
	64,463,950	64,463,950	-	-
Loans and receivables				
Loans, Sharia receivables and financing	601,402,821	-	579,128,986	22,273,835
Finance lease receivables	2,059,460	-	-	2,059,460
	603,462,281	-	579,128,986	24,333,295
Total	738,811,897	135,349,616	579,128,986	24,333,295

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40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments measured at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c) (continued):

	December 31, 2015			
	Fair Value	Level 1	Level 2	Level 3
Financial Assets				
Fair value through profit or loss				
Government bonds	565,699	565,699	-	-
Mutual fund	124,092	124,092	-	-
Medium-Term Notes	56,198	56,198	-	-
Bonds	18,091	18,091	-	-
Others	165,254	165,254	-	-
	929,334	929,334	-	-
Available for sale				
Government bonds	40,133,946	40,133,946	-	-
Certificate of Bank Indonesia	7,823,499	7,823,499	-	-
Deposits Certificate of Bank Indonesia	5,516,495	5,516,495	-	-
Bonds	4,186,898	4,186,898	-	-
Mutual fund	1,573,553	1,573,553	-	-
Government Recapitalization Bonds	715,958	715,958	-	-
Subordinated bonds	513,836	513,836	-	-
Medium-Term Notes	324,965	324,965	-	-
U.S Treasury Bonds	259,577	259,577	-	-
Singapore Government Securities	220,867	220,867	-	-
Others	148,414	148,414	-	-
	61,418,008	61,418,008	-	-
Held to maturity				
Government bonds	49,918,638	49,918,638	-	-
Bonds	4,615,545	4,615,545	-	-
Government Recapitalization Bonds	3,083,712	3,083,712	-	-
Deposits Certificate of Bank Indonesia	1,089,410	1,089,410	-	-
Bank Indonesia Sharia Certificates (SBIS)	1,350,000	1,350,000	-	-
Credit Linked Notes	677,645	677,645	-	-
Certificate of Bank Indonesia	683,777	683,777	-	-
Negotiable Certificate of Deposits	350,190	350,190	-	-
Medium-Term Notes	360,508	360,508	-	-
Subordinated bonds	145,134	145,134	-	-
Promissory Notes	27,570	27,570	-	-
	62,302,129	62,302,129	-	-
Loans and receivables				
Loans, Sharia receivables and financing	525,895,593	-	509,728,033	16,167,560
Total	650,545,064	124,649,471	509,728,033	16,167,560

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41. SEGMENT INFORMATION

Information concerning the segments of BRI and Subsidiaries are as follows:

a. Corporate Name	Main Business
PT Bank Rakyat Indonesia (Persero) Tbk	Conventional Banking
PT Bank BRISyariah	Sharia Banking
PT Bank Rakyat Indonesia Agroniaga Tbk	Conventional Banking
BRI Remittance Co. Limited Hong Kong	Financial Service
PT Asuransi Jiwa Bringin Jiwa Sejahtera	Life Insurance
PT BRI Multifinance Indonesia	Financing

b. Operating Segment

For management purposes, BRI is organized into 5 (five) operating segments based on products which are as follows:

- Micro Segment
- Retail Segment
- Corporate Segment
- Other Segments
- Subsidiaries

Information concerning the operating segments of BRI and Subsidiaries are as follows:

As of December 31, 2016 and for the Year Then Ended						
Description	Micro	Retail	Corporate	Others	Subsidiaries	Total
Interest and premium income - net	34,833,576	20,016,985	6,430,415	3,915,302	2,444,123	67,640,401
Other operating income	6,517,052	7,674,882	972,169	1,515,107	533,902	17,213,112
Total income	41,350,628	27,691,867	7,402,584	5,430,409	2,978,025	84,853,513
Other operating expenses	(15,277,207)	(14,343,219)	(3,418,950)	(2,089,905)	(1,969,039)	(37,098,320)
Provision for impairment losses	(6,624,372)	(3,355,030)	(3,340,361)	-	(470,888)	(13,790,651)
Total expenses	(21,901,579)	(17,698,249)	(6,759,311)	(2,089,905)	(2,439,927)	(50,888,971)
Other income - net	123,338	232,923	292,580	(633,642)	(5,971)	9,228
Income before income tax expense	19,572,387	10,226,541	935,853	2,706,862	532,127	33,973,770
Income tax expense	(4,499,665)	(2,351,067)	(215,151)	(622,304)	(57,592)	(7,745,779)
Income for the year	15,072,722	7,875,474	720,702	2,084,558	474,535	26,227,991
Segment Assets						
Loans	221,802,205	237,808,490	175,680,526	-	28,128,997	663,420,218
Allowance for impairment losses	(10,556,250)	(2,920,658)	(8,467,463)	-	(862,081)	(22,806,452)
Non loans	-	-	-	348,325,310	12,184,420	360,509,730
	211,245,955	234,887,832	167,213,063	348,325,310	39,451,336	1,001,123,496
Segment Liabilities						
Funding	213,208,779	285,574,629	225,062,050	-	30,680,916	754,526,374
Non funding	-	-	-	94,697,514	7,607,948	102,305,462
	213,208,779	285,574,629	225,062,050	94,697,514	38,288,864	856,831,836

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41. SEGMENT INFORMATION (continued)

b. Operating Segment (continued)

Information concerning the operating segments of BRI and Subsidiaries are as follows (continued):

As of December 31, 2015 and for the Year Then Ended						
Description	Micro	Retail	Corporate	Others	Subsidiaries	Total
Interest income - net	32,292,256	18,154,722	4,279,340	1,784,556	1,768,893	58,279,767
Other operating income	5,276,402	6,395,257	247,029	1,751,510	185,286	13,855,484
Total income	37,568,658	24,549,979	4,526,369	3,536,066	1,954,179	72,135,251
Other operating expenses	(13,312,228)	(12,660,454)	(2,974,116)	(942,021)	(1,386,877)	(31,275,696)
Provision for impairment losses	(5,226,934)	(1,951,508)	(1,402,634)	-	(319,129)	(8,900,205)
Total expenses	(18,539,162)	(14,611,962)	(4,376,750)	(942,021)	(1,706,006)	(40,175,901)
Other income - net	187,146	261,292	35,256	16,567	34,407	534,668
Income before income tax expense	19,216,642	10,199,309	184,875	2,610,612	282,580	32,494,018
Income tax expense	(3,885,329)	(2,236,457)	(56,830)	(828,672)	(75,942)	(7,083,230)
Income for the year	15,331,313	7,962,852	128,045	1,781,940	206,638	25,410,788
Segment Assets						
Loans	188,428,179	213,741,251	156,266,586	-	22,658,528	581,094,544
Allowance for impairment losses	(9,495,512)	(2,401,479)	(5,133,361)	-	(484,083)	(17,514,435)
Non Loans	-	-	-	302,785,935	10,076,494	312,862,429
	178,932,667	211,339,772	151,133,225	302,785,935	32,250,939	876,442,538
Segment Liabilities						
Funding	190,216,859	256,974,993	195,582,152	-	26,221,375	668,995,379
Non funding	-	-	-	90,832,577	5,471,177	96,303,754
	190,216,859	256,974,993	195,582,152	90,832,577	31,692,552	765,299,133

c. Geographical Segment

Description	Total income	
	Year Ended December 31,	
	2016	2015
Indonesia	84,326,594	71,761,733
USA	473,146	354,868
Hong Kong	4,452	14,184
Singapore	49,321	4,466
Total	84,853,513	72,135,251
Description	Income before tax expense	
	Year Ended December 31,	
	2016	2015
Indonesia	33,609,647	32,229,090
USA	346,335	272,416
Hong Kong	167	462
Singapore	17,621	(7,950)
Total	33,973,770	32,494,018

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41. SEGMENT INFORMATION (continued)

c. Geographical Segment (continued)

Description	Total assets	
	December 31, 2016	December 31, 2015
Indonesia	984,256,727	860,784,169
USA	14,065,978	12,731,232
Hong Kong	5,952	5,832
Singapore	2,794,839	2,921,305
Total	1,001,123,496	876,442,538

Description	Total liabilities	
	December 31, 2016	December 31, 2015
Indonesia	840,376,290	749,907,147
USA	13,656,808	12,450,720
Hong Kong	338	255
Singapore	2,798,400	2,941,011
Total	856,831,836	765,299,133

42. EMPLOYEES PROGRAM

a. Defined Benefit Pension Plan

Effective January 1, 2007, all newly appointed permanent employees are not included in this program. Under this program, the right to pension benefits is given based on the established conditions which are stated in the regulations of BRI with consideration to the yearly gratuity factor over the working period and income on the pension fund. BRI's pension plan is managed by Dana Pensiun BRI (DPBRI). According to the regulation in BRI Directors' Decision Letter, the employee's contribution for pension contribution amounted to 7% of the employee's pension-based salary and any remaining amount required to fund DPBRI represents the contribution by BRI, amounted to 25.02% (previously 25.38%) since April 1, 2016.

The actuarial calculation of BRI's pension costs as of December 31, 2016 and 2015 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 5, 2017 and January 5, 2016, respectively, which were prepared in accordance with SFAS No. 24 (Revised 2013) using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2016	December 31, 2015
Discount rate	8.10%	8.90%
Annual pension-based salary growth rate	7.50	7.50
Annual pension benefit growth rate	4.00	4.00
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.0% from CSO 1958	10.0% from CSO 1958
Normal retirement age	56 years	56 years

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42. EMPLOYEES PROGRAM (continued)

a. Defined Benefit Pension Plan (continued)

The assets of DPBRI mainly consist of saving deposits, time deposits, securities, mutual fund units, securities with collateral assets, long-term investments in the form of shares of stocks and property.

Movements in present value of defined benefit pension as of December 31, 2016 and 2015 are as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Present value of defined benefit pension		
- beginning balance	13,221,843	12,845,427
Interest expense	1,151,483	1,015,124
Current service cost	286,216	274,022
Past service cost	300,295	322,182
Benefit paid	(853,894)	(838,047)
Actuarial loss (gain)	926,577	(396,865)
Present Value of Defined Benefit Pension		
 Liabilities - ending balance	<u>15,032,520</u>	<u>13,221,843</u>

Movements in the fair value of program assets as of December 31, 2016 and 2015, respectively, are as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Fair value of program assets - beginning balance	14,287,884	12,571,805
The real development results	2,469,674	2,218,737
Contributions paid - Employer	255,787	262,881
Contributions paid - Participants	71,308	72,508
Benefit paid	(853,894)	(838,047)
Program assets - ending balance	<u>16,230,759</u>	<u>14,287,884</u>

Movements in the defined benefit pension liabilities as of December 31, 2016 and 2015 are as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Beginning balance	-	273,622
Defined benefit pension expense		
- net (Note 35)	513,384	543,325
Contributions paid - current period	(255,787)	(262,881)
Remeasurement liabilities (assets)		
for defined benefit pension - net	(257,597)	(554,066)
Ending balance	<u>-</u>	<u>-</u>

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42. EMPLOYEES PROGRAM (continued)

a. Defined Benefit Pension Plan (continued)

Remeasurement on assets for defined benefit pension as of December 31, 2016 and 2015, respectively, are as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Beginning balance	(789,961)	(235,895)
Actuarial loss (gain)	926,577	(396,865)
Yields on assets program	(1,221,494)	(1,223,242)
Impact change of assets other than the net interest liabilities (assets)	37,320	1,066,041
Total Remeasurement on assets for defined benefit pension - net	<u>(1,047,558)</u>	<u>(789,961)</u>

Benefit pension expense for the years ended December 31, 2016 and 2015, respectively, based on the actuarial calculation is as follows:

	<u>Year Ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
Current service cost	286,216	274,022
Contributions paid - Participants	(71,308)	(72,508)
Interest Expense - net	(1,819)	19,629
Past service cost	300,295	322,182
Benefit pension expense (Note 35)	<u>513,384</u>	<u>543,325</u>

b. Old-Age Benefits Plan

BRI's employees are also given old-age benefits (THT) based on the regulation as stated in the Decision Letter of the Directors of BRI, BRI's old-age benefits plan is managed by Yayasan Kesejahteraan Pegawai BRI.

Old-age benefit contributions consist of payments from the employees and BRI's contributions in accordance with the requirements of the Decision Letter of Directors of BRI.

Based on the actuarial calculation of BRI's old-age benefits as of December 31, 2016 and 2015, which was prepared by PT Bestama Aktuarial, an independent actuary, in its reports dated January 5, 2017 and January 5, 2016, respectively, which were prepared in accordance with SFAS No. 24 (Revised 2013) using the "Projected Unit Credit Method" and considering the following assumptions:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Discount rate	8.30%	9.09%
Salary growth rate	7.50	7.50
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.00% from CSO 1958	10.00% from CSO 1958

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42. EMPLOYEES PROGRAM (continued)

b. Old-Age Benefits Plan (continued)

The status of the old-age benefits as of December 31, 2016 and 2015, respectively, based on the actuarial calculation is as follows:

	December 31, 2016	December 31, 2015
Assets at fair value	3,286,981	3,121,511
Present value of old-age benefits liability	(1,374,984)	(991,131)
Surplus	1,911,997	2,130,380

Movements of the old-age benefits liabilities as of December 31, 2016 and 2015, respectively, are as follows:

	December 31, 2016	December 31, 2015
Old-age benefits expense	16,809	12,807
Remeasurement on liabilities for defined old-age benefits - net	74,546	71,650
Contributions paid - current period	(91,355)	(84,457)
Liabilities - Ending Balances	-	-

Remeasurement on liabilities for defined old-age benefits as of December 31, 2016 and 2015, respectively, are as follows:

	December 31, 2016	December 31, 2015
Beginning balance	127,555	55,905
Actuarial loss (gain)	335,918	(45,173)
Yields on liabilities (assets) program	150,663	(2,068)
Impact change of assets outside the net interest liabilities (assets)	(412,035)	118,891
Total Remeasurement on liabilities for defined Old-age benefits - net	202,101	127,555

Old-age benefits expense for the years ended December 31, 2016 and 2015, based on the actuarial calculation is as follows:

	Year Ended December 31,	
	2016	2015
Current service cost	63,621	55,978
Contributions paid - participants	(43,571)	(40,283)
Interest expense - net	(3,241)	(2,888)
Old-age benefits expense	16,809	12,807

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42. EMPLOYEES PROGRAM (continued)

b. Old-Age Benefits Plan (continued)

As of December 31, 2016 and 2015, BRI did not recognize the prepaid old-age benefits and the income of old-age benefits as BRI management has no benefits on those assets and has no plans to reduce its contributions in the future.

c. Defined Contribution Pension Plan

(i) BRI (Parent Entity)

The employees of BRI are also included in the defined contribution pension plan in accordance with BRI Directors' decision which was effective since October 2000. BRI's contributions to the plan which are reported in the consolidated statement of profit or loss and other comprehensive income amounted to Rp231,105 and Rp198,322, respectively, for the years ended December 31, 2016 and 2015 (Note 35). This pension plan is managed by Dana Pensiun Lembaga Keuangan BRI.

(ii) BRI Agro (Subsidiary)

BRI Agro organized defined contribution pension plans for all its permanent employees which is managed by Dana Pensiun Lembaga Keuangan (Financial Institutions Pension Fund) PT Bank Negara Indonesia (Persero) Tbk. BRI Agro's contribution to the plan amounted to 87.8% of the contributions that have been defined based on the level of each employee which are reported in the income statement and the consolidated other comprehensive income amounted to Rp696 and Rp653, respectively, for the years ended December 31, 2016 and 2015 (Note 35).

d. Work Separation Scheme

(i) BRI (Parent Entity)

The calculation performed by the management of BRI of liabilities related to allowance for separation benefit which include severance, gratuity and compensation benefits were based on actuarial valuation assumption in compliance with Labor Law No. 13/2003 dated March 25, 2003. As of December 31, 2016 and 2015, the actuarial calculations were performed by PT Bestama Aktuaria, an independent actuary, in its reports dated January 5, 2017 and January 5, 2016, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2016	December 31, 2015
Discount rate	8.30%	9.00%
Future salary growth rate	7.50	7.50
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.00% from CSO 1958	10.00% from CSO 1958

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42. EMPLOYEES PROGRAM (continued)

c. Work Separation Scheme (continued)

(i) BRI (Parent Entity) (continued)

Movements in the work separation scheme liability as of December 31, 2016 and 2015, respectively, are as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Beginning balance	997,669	936,602
Work separation scheme expense		
- net (Note 35)	153,280	196,040
Actual benefit payments by BRI	(61,297)	(58,860)
Remeasurement on liabilities		
(assets) for defined work		
separation scheme - net	20,080	(76,113)
Ending Balances (Note 28)	<u>1,109,732</u>	<u>997,669</u>

Remeasurement on liabilities (assets) for defined work separation scheme as of December 31, 2016 and 2015, respectively, are as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Beginning balance	(47,474)	28,639
Actuarial loss (gain)	20,080	(76,113)
Total remeasurement on assets for defined		
 work separation scheme - net	<u>(27,394)</u>	<u>(47,474)</u>

The calculation of work separation scheme expense for the years ended December 31, 2016 and 2015 based on the actuarial calculation are as follows:

	<u>Year Ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
Current service cost	144,737	115,007
Interest cost - net	93,544	81,033
Past service cost	(85,001)	-
Work separation scheme expense (Note 35)	<u>153,280</u>	<u>196,040</u>

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42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(ii) BRISyariah (Subsidiary)

The Subsidiary provides work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The following tables summarize the components of the work separation scheme expense recognized in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position for the work separation scheme liability as of December 31, 2016 and 2015 as determined by PT Bestama Aktuaria and PT Katsir Imam Sapto Sejahtera Aktuaria, independent actuaries, in their reports dated January 4, 2017 and January 4, 2016, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Discount rate	8.10%	9.20%
Annual salary growth rate	5.00	5.00
Mortality rate	TMI-III 2011	TMI-III 2011

Movements in the work separation scheme liability as of December 31, 2016 and 2015, respectively, are as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Beginning balance	46,966	38,037
Work separation scheme expense (Note 35)	12,654	12,509
Actual benefit payments by BRISyariah	(1,519)	-
Remeasurement on liabilities (assets) for defined work separation scheme - net	7	(3,580)
Ending balances (Note 28)	<u>58,108</u>	<u>46,966</u>

Remeasurement on liabilities (assets) for defined work separation scheme as of December 31, 2016 and 2015, respectively, are as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Beginning balance	(15,629)	(12,049)
Actuarial loss/(gain)	7	(3,580)
Total remeasurement on assets for defined work separation scheme - net	<u>(15,622)</u>	<u>(15,629)</u>

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42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(ii) BRISyariah (Subsidiary) (continued)

The calculation of work separation scheme expense for the years ended December 31, 2016 and 2015 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2016	2015
Current service cost	8,033	9,276
Interest cost	4,621	3,233
Work separation scheme expense (Note 35)	12,654	12,509

(iii) BRI Agro (Subsidiary)

The Subsidiary provides work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The following tables summarize the components of the work separation scheme expense recognized in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position for the work separation scheme liability as of December 31, 2016 and 2015 as determined by PT Bestama Aktuaria, an independent actuary, in its reports dated January 5, 2017 and January 5, 2016, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2016	December 31, 2015
Discount rate	8.30%	9.00%
Annual salary growth rate	8.00	8.00
Mortality rate	TMI 2011	TMI 2011
Disability rate	10.00% TMI 2011	10.00% TMI 2011

Movements in the work separation scheme liability as of December 31, 2016 and 2015, respectively, are as follows:

	December 31, 2016	December 31, 2015
Beginning balance	27,420	25,644
Work separation scheme expense (Note 35)	10,245	4,815
Actual benefit payments	(1,540)	(2,283)
Remeasurement on assets for defined work separation scheme - net	(606)	(756)
Ending balance (Note 28)	35,519	27,420

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42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iii) BRI Agro (Subsidiary) (continued)

Remeasurement on liabilities (assets) for defined work separation scheme as of December 31, 2016 and 2015, respectively, are as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Beginning balance	1,048	1,804
Actuarial gain	(606)	(756)
Total remeasurement on liabilities for defined work separation scheme - net	442	1,048

The calculation of work separation scheme expense for the years ended December 31, 2016 and 2015 based on the actuarial calculation are as follows:

	<u>Year Ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
Current service cost	3,212	2,671
Interest expense	2,542	2,144
Past service cost	4,491	-
Work separation scheme expense (Note 35)	10,245	4,815

(iv) BRI Life (Subsidiary)

The Subsidiary provides work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

The following tables summarize the components of the work separation scheme expense recognized in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position for the work separation scheme liability as of December 31, 2016 and 2015, as determined by PT Padma Radya Aktuaria and PT Quattro Asia Consulting, independent actuaries, in their reports dated January 6, 2017 and January 7, 2016, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Discount rate	8.25%	9.08%
Annual salary growth rate	7.00	7.00
Mortality rate	TMI III 2011	TMI III 2011
Disability rate	10.00% TMI III 2011	10.00% TMI III 2011

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42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iv) BRI Life (Subsidiary) (continued)

Movements in the work separation scheme liability as of December 31, 2016 and 2015 are as follows:

	December 31, 2016	December 31, 2015
Beginning balance	41,044	34,629
Work separation scheme expense (Note 35)	4,711	6,086
Actual benefit payments	(760)	(1,361)
Remeasurement on liabilities for defined work separation scheme - net	3,697	1,690
Ending Balance (Note 28)	48,692	41,044

Remeasurement on liabilities (assets) for defined work separation scheme as of December 31, 2016 and 2015 are as follows:

	December 31, 2016	December 31, 2015
Beginning balance	2,901	1,211
Actuarial loss	3,697	1,690
Total remeasurement on liabilities for defined work separation scheme - net	6,598	2,901

The calculation of work separation scheme expense for the years ended December 31, 2016 and 2015 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2016	2015
Current service cost	2,798	3,301
Interest expense	3,682	2,785
Past service cost	(1,769)	-
Work separation expense (Notes 35)	4,711	6,086

(v) BRI Finance (Subsidiary)

The Subsidiary provides work separation scheme based on the provisions of Labor Law No. 13/2003 dated March 25, 2003.

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42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(v) BRI Finance (Subsidiary) (continued)

The following tables summarize the components of the work separation scheme expense recognized in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position for the work separation scheme liability as of December 31, 2016, as determined by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its report dated January 5, 2017, by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2016
Discount rate	8.00%
Annual salary growth rate	7.00
Mortality rate	TMI 2011
Disability rate	5.00% TMI 2011

Movements in the work separation scheme liability as of December 31, 2016 is as follows:

	December 31, 2016
Beginning balance	16,055
Work separation scheme expense	2,490
Actual benefit payments	(5,074)
Remeasurement on separation scheme - net	(4,303)
Ending balances (Note 28)	9,168

Remeasurement on liabilities (assets) for defined work separation scheme as of December 31, 2016 is as follows:

	December 31, 2016
Beginning balance	(1,439)
Actuarial gain	(4,303)
Total remeasurement on assets for defined work separation scheme - net	(5,742)

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits

BRI employees also have long-term employee benefits, such as gratuity for services, grand leaves and pension preparation period (MPP).

(i) Allowance for gratuity for services

i. BRI (Parent Entity)

The actuarial calculation on gratuity for services as of December 31, 2016 and 2015 was prepared by PT Bestama Aktuarial, an independent actuary, in its reports dated January 5, 2017 and January 5, 2016, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2016	December 31, 2015
Discount rate	8.30%	9.00%
Future salary growth rate	7.50	7.50
Gold price growth rate	10.00	10.00
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.00% from CSO 1958	10.00% from CSO 1958

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp940,341 and Rp833,576 as of December 31, 2016 and 2015, respectively.

Movements in liability for gratuity for services as of December 31, 2016 and 2015 are as follows:

	December 31, 2016	December 31, 2015
Beginning balance of liability	833,576	817,046
Gratuity for service expense (Note 35)	150,349	76,718
Benefit payments by BRI	(43,584)	(60,188)
Gratuity for services liability (Note 28)	940,341	833,576

The gratuity for service expense for the years ended December 31, 2016 and 2015 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2016	2015
Current service cost	72,442	65,369
Interest expense	76,320	68,849
Recognized actuarial loss (gain)	1,587	(57,500)
Gratuity for services expense (Note 35)	150,349	76,718

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

ii. BRI Life (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation for gratuity for services recorded in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2016 and 2015 was prepared by PT Padma Radya Aktuarial and PT Quattro Asia Consulting, independent actuaries, in their reports dated January 6, 2017 and January 7, 2016, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Discount rate	8.25%	9.08%
Future salary growth rate	7.00	7.00
Mortality rate	TMI-III 2011	TMI-III 2011
Disability rate	10.00% TMI 2011	10.00% TMI 2011

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp10,623 and Rp9,764 as of December 31, 2016 and 2015, respectively.

Movements in liability for gratuity for services as of December 31, 2016 and 2015 are as follows:

	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Beginning balance of liability	9,764	8,724
Gratuity for service expense (Note 35)	2,131	2,330
Actual benefit payments	(1,272)	(1,290)
Gratuity for services liability (Note 28)	10,623	9,764

The gratuity for service expense for the years ended December 31, 2016 and 2015 based on the actuarial calculation are as follows:

	<u>Year Ended December 31,</u>	
	<u>2016</u>	<u>2015</u>
Current service cost	729	726
Past service cost	(909)	-
Interest expense	602	662
Recognized actuarial loss	1,709	942
Gratuity for services expense (Note 35)	2,131	2,330

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

iii. BRI Finance (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation for gratuity for services recorded in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2016 was prepared by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary in its report dated January 5, 2017 by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2016
Gold Price (full Rupiah)	502,750
Average age below retirement age	36.00
Average age above retirement age	0.00
Average service years	7.71

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp244 as of December 31, 2016.

Movements in liability for gratuity for services as of December 31, 2016 is as follows:

	December 31, 2016
Beginning balance of liability	356
Income in statement of profit and loss	(65)
Actual benefit payments	(47)
Gratuity for services liability (Notes 28)	244

(ii) Grand leaves

i. BRI (Parent Entity)

The actuarial calculation for grand leaves as of December 31, 2016 and 2015 was prepared by PT Bestama Aktuarial, an independent actuary, in its reports dated January 5, 2017 and January 5, 2016, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2016	December 31, 2015
Discount rate	8.30%	9.00%
Future salary growth rate	7.50	7.50
Mortality rate	CSO 1958	CSO 1958
Disability rate	10.00% from CSO 1958	10.00% from CSO 1958

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

i. BRI (Parent Entity) (continued)

The present value of liability of allowance for grand leaves based on actuarial calculations amounted to Rp1,314,399 and Rp1,119,535 as of December 31, 2016 and 2015, respectively.

Movements in liability for grand leaves December 31, 2016 and 2015, respectively, are as follows:

	December 31, 2016	December 31, 2015
Beginning balance of liability	1,119,535	979,693
Grand leaves expense (Note 35)	308,428	264,713
Actual benefit payments by BRI	(113,564)	(124,871)
Grand leaves liability (Note 28)	1,314,399	1,119,535

The grand leaves expense for the years ended December 31, 2016 and 2015 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2016	2015
Current service cost	187,174	142,910
Interest expense	104,070	83,052
Recognized actuarial loss	17,184	38,751
Grand leaves expense (Note 35)	308,428	264,713

ii. BRISyariah (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation for grand leaves was recorded in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2016 and 2015 as determined by PT Bestama Aktuarial and PT Katsir Imam Sapto Sejahtera Aktuarial, independent actuaries, in their reports dated January 4, 2017 and January 4, 2016, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2016	December 31, 2015
Discount rate	8.10%	9.20%
Annual salary growth rate	5.00	5.00
Mortality rate	TMI-III 2011	TMI-III 2011
Disability rate	10.00% TMI 2011	10.00% TMI 2011

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

ii. BRISyariah (Subsidiary) (continued)

Movements in liability for grand leaves as of December 31, 2016 and 2015, respectively, are as follows:

	December 31, 2016	December 31, 2015
Beginning balance of liability	32,828	31,112
Grand leaves expense - net (Note 35)	985	8,269
Actual benefit payments by BRIS	(8,519)	(6,553)
Grand leaves liability (Note 28)	25,294	32,828

The subsidiary's grand leaves expense for the years ended December 31, 2016 and 2015 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2016	2015
Current service cost	6,485	7,196
Interest expense	2,927	2,644
Recognized actuarial gain	(8,427)	(1,571)
Grand leaves expense (Note 35)	985	8,269

iii. BRI Agro (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation for grand leaves recorded in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2016 and 2015 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 5, 2017 and January 5, 2016, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2016	December 31, 2015
Discount rate	7.50%	8.70%
Annual salary growth rate	8.00	8.00
Mortality rate	TMI 2011	TMI 2011
Disability rate	10.00% TMI 2011	10.00% TMI 2011

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

iii. BRI Agro (Subsidiary) (continued)

The present value of liability of allowance for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp2,202 and Rp1,957 as of December 31, 2016 and 2015, respectively.

Movements in liability for grand leaves as of December 31, 2016 and 2015, respectively, are as follows:

	December 31, 2016	December 31, 2015
Beginning balance of liability	1,957	1,849
Expense recognized in the current year (Note 35)	1,046	684
Actual benefit payments	(801)	(576)
Grand leaves liability (Note 28)	2,202	1,957

The subsidiary's grand leaves expense for the years ended December 31, 2016 and 2015 based on the actuarial calculation are as follows:

	Year Ended December 31,	
	2016	2015
Current service cost	844	696
Interest expense	172	153
Recognized actuarial losses (gains)	30	(165)
Grand leaves expense (Note 35)	1,046	684

Under Decree No. Kpts.B.06/Dir.01.02/MSDM/10/2014 dated October 13, 2014, The Board of Directors of BRI Agro decided a change in allowance of grand leaves from 2.75 times employees wages to 2 times employees wages.

iv. BRI Life (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

iv. BRI Life (Subsidiary) (continued)

The actuarial calculation for grand leaves recorded in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2016 and 2015 was prepared by PT Padma Radya Aktuaria and PT Quattro Asia Consulting, independent actuaries, in their reports dated January 6, 2017 and January 7, 2016, respectively, by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2016	December 31, 2015
Discount rate	8.25%	9.08%
Annual salary growth rate	7.00	7.00
Mortality rate	TMI 2011	TMI 2011
Disability rate	10% TMI 2011	10% TMI 2011

The present value of liability of allowance for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp7,542 and Rp2,221 as of December 31, 2016 and 2015, respectively.

Movements in liability for grand leaves as of December 31, 2016 and 2015 are as follows:

	December 31, 2016	December 31, 2015
Beginning balance of liability	2,221	1,572
Grand leaves expense (Note 35)	6,161	1,415
Actual benefit payments	(840)	(766)
Grand leaves liability (Note 28)	7,542	2,221

The subsidiary's grand leave expenses for the years ended December 31, 2016 and 2015, based on the actuarial calculation are as follow:

	Year Ended December 31,	
	2016	2015
Current service cost	1,990	857
Past service cost	2,678	-
Interest expense	412	97
Recognized actuarial losses	1,081	461
Grand leave expense (Note 35)	6,161	1,415

v. BRI Finance (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

v. BRI Finance (Subsidiary) (continued)

The actuarial calculation for grand leaves recorded in the consolidated statements of profit or loss and other comprehensive income and recognized in the consolidated statements of financial position as of December 31, 2016 was prepared by PT Jasa Aktuaria Praptasentosa Gunajasa, an independent actuary, in its report dated January 5, 2017, by using the "Projected Unit Credit Method" and considering the following assumptions:

Actuarial calculation on grand leave for the subsidiary is recorded in the consolidated statement of profit and loss and other comprehensive income and recognized in the consolidated statement of financial positions as of December 31, 2016 as calculated by PT Jasa Aktuaria Praptasentosa Gunajasa, an independent actuary, in its report dated January 5, 2017, using the "Projected Unit Credit Method" accounting for the following assumptions:

	December 31, 2016
Discount rate	8.00%
Annual salary growth rate	7.00
Mortality rate	TMI 2011
Disability rate	5% TMI 2011

The present value of liability of allowance for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp317 as of December 31, 2016.

Movements in liability for grand leaves as of December 31, 2016 is as follows:

	December 31, 2016
Beginning balance of liability	485
Grand leaves expense	181
Actual benefit payments	(349)
Grand leaves liability (Note 28)	317

(iii) Pension preparation period

i. BRI Agro (Subsidiary)

BRI Agro provides pension preparation period to its employees as one of their benefits.

The actuarial calculation of pension preparation period as of December 31, 2015 was prepared by PT Bestama Aktuaria, an independent actuary, in its report dated January 5, 2016 by using the "Projected Unit Credit Method" and considering the following assumptions:

	December 31, 2015
Discount rate	0.00%
Future salary growth rate	8.00
Mortality rate	TMI 2011
Disability rate	10% TMI 2011

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42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iii) Pension preparation period (continued)

i. BRI Agro (Subsidiary) (continued)

Movements in the liability for pension preparation period as of December 31, 2015 is as follows:

	December 31, 2015
Beginning balance	7,446
Pension preparation period expense	(11,877)
Actual benefit payment by BRI Agro	(19)
Remeasurement on liabilities (asset) for defined pension preparation period - net	4,450
Ending balance	-

Remeasurement on liabilities (assets) for defined pension preparation period - net as of December 31, 2015 is as follows:

	December 31, 2015
Beginning balance	(4,450)
Actuarial loss	4,450
Total remeasurement on liabilities (assets) for defined pension preparation period - net	-

Pension preparation period expense for the year ended December 31, 2015 based on the actuarial calculation is as follows:

	Year Ended December 31, 2015
Current service cost	803
Interest expense	643
Recognized actuarial gain	(13,323)
Pension preparation period expense	(11,877)

Based on the Decree No. Kpts.B.15/Dir.02.04/MSDM/XII/2015 dated December 17, 2015, the Board of Directors of BRI Agro decided to revoke and terminate the pension preparation period which became effective on December 15, 2015. Specifically for employees who were undergoing a period of preparation for retirement, the employee would still be eligible for Pension Preparation Period in the "laid off" program during the 12 months period until retirement. Reversal of allowance for pension preparation period as a result of the decree was recorded under other operating income in the consolidated statement of profit or loss and other comprehensive income.

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43. INFORMATION ON COMMITMENTS AND CONTINGENCIES

	December 31, 2016	December 31, 2015
<u>Commitments</u>		
Commitments receivables		
Purchase of spot and foreign currencies	12,219,746	6,343,775
Commitments liabilities		
Unused credit facilities granted to debtors	120,916,072	111,600,420
Irrevocable letters of credit (Note 27c)	8,541,152	15,406,791
Sale of spot and foreign currencies	7,109,202	2,198,086
Unused financing facilities granted to debtors	254,649	155,372
	136,821,075	129,360,669
Commitments - net	(124,601,329)	(123,016,894)
<u>Contingencies</u>		
Contingent receivables		
Interest receivables under settlement	45,208	47,497
Contingent liabilities		
Guarantees issued (Note 27c) in the form of:		
Standby letters of credit	3,838,190	4,225,864
Bank guarantees	20,684,825	19,443,044
	24,523,015	23,668,908
Contingencies - net	(24,477,807)	(23,621,411)

44. TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, BRI engages in transactions with related parties due to the relationship of ownership and/or management. All transactions with related parties have been made according to the mutually agreed policies and terms.

Balances and transactions with related parties are as follows:

Related parties	Relationship	Element of transactions
Government of the Republic of Indonesia (RI)	Ownership of majority shares through the Ministry of Finance of the Republic of Indonesia	Securities, Government Recapitalization Bonds
PT Asuransi Bringin Sejahtera Artamakmur	Control through the Dana Pensiun BRI	Insurance of fixed assets
PT Bringin Gigantara	Control through the Dana Pensiun BRI	Investment in associated entities
BDH Khusus Bialugri	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
BPP 018 Bendahara Khusus	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

Related parties	Relationship	Element of transactions
Bendahara Khusus Direktorat Angkatan Darat (DITKUAD)	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
Ministry of Finance of the Republic of Indonesia	Control through the Central Government of the Republic of Indonesia	Loans
Lembaga Pembiayaan Ekspor Indonesia	Control through the Central Government of the Republic of Indonesia	Placements in Bank Indonesia and other Banks, Securities
Perum BULOG	Control through the Central Government of the Republic of Indonesia	Loans, Export bills
Perum Djawatan Angkoetan Motor Republik Indonesia (DAMRI)	Control through the Central Government of the Republic of Indonesia	Sharia receivables and financing
PT Aero System Indonesia	Control through the Central Government of the Republic of Indonesia	Export bills
PT Bank BNI Syariah	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks
PT Bank Bukopin Tbk	Control through the Central Government of the Republic of Indonesia	Placements in Bank Indonesia and other Banks
PT Bank Mandiri (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks, Securities purchased under Agreement to resale
PT Bank Negara Indonesia (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks, Securities
PT Bank Syariah Mandiri	Control through the Central Government of the Republic of Indonesia	Current accounts with other Banks, Placements in Bank Indonesia and other Banks
PT Bank Tabungan Negara (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Placements in Bank Indonesia and other Banks, Securities
PT BTMU-BRI Finance	Ownership	Placements in Bank Indonesia and other Banks, Investment in associated entities
PT Dirgantara Indonesia (Persero)	Control through the Central Government of the Republic of Indonesia	Export bills, Loans, Guarantees issued, Irrevocable L/C
PT Garuda Indonesia (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Loans, Guarantees issued

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

Related parties	Relationship	Element of transactions
PT Garuda Maintenance Facility AeroAsia	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable, Guarantees issued
PT Indonesia Asahan Aluminium (Persero)	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
PT Indonesia Power	Control through the Central Government of the Republic of Indonesia	Guarantees issued
PT Industri Kereta Api (Persero)	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Inti Pindad Mitra Sejati	Control through the Central Government of the Republic of Indonesia	Export bills
PT Inti Konten Indonesia	Control through the Central Government of the Republic of Indonesia	Sharia receivables and financing
PT Jasa Marga (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Securities
PT Kereta Api Indonesia (Persero)	Control through the Central Government of the Republic of Indonesia	Loans, Guarantees issued, Irrevocable L/C
PT Koperasi Karyawan BRI Syariah	Control through the Central Government of the Republic of Indonesia	Sharia receivables and financing
PT Koperasi Swakarya BRI	Control through the Central Government of the Republic of Indonesia	Sharia receivables and financing
PT Krakatau Steel (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Export bills, Loans
PT Len Industri (Persero)	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Pegadaian (Persero)	Control through the Central Government of the Republic of Indonesia	Securities, Loans, Sharia receivables and financing
PT Pembangunan Perumahan (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Pertamina (Persero)	Control through the Central Government of the Republic of Indonesia	Securities, Export bills, Loans, Irrevocable L/C
PT Pertamina Lubricants	Control through the Central Government of the Republic of Indonesia	Export bills

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

Related parties	Relationship	Element of transactions
PT Pertamina Patra Niaga	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
PT Perusahaan Gas Negara (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Guarantees issued
PT Perusahaan Listrik Negara (Persero)	Control through the Central Government of the Republic of Indonesia	Securities, Loans, Guarantees issued, Irrevocable L/C
PT Pindad (Persero)	Control through the Central Government of the Republic of Indonesia	Export bills, Acceptances receivable, Acceptances payable
PT Pindad Enjiniring Indonesia	Control through the Central Government of the Republic of Indonesia	Export bills
Railink	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
PT Rekayasa Industri	Control through the Central Government of the Republic of Indonesia	Irrevocable L/C
PT Sarana Multigriya Finansial (Persero)	Control through the Central Government of the Republic of Indonesia	Securities
PT Telekomunikasi Indonesia (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Securities
PT Telekomunikasi Selular Tbk	Control through the Central Government of the Republic of Indonesia	Guarantees issued
PT Waskita Karya (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Export bills, Loans, Acceptances receivable, Acceptances payable, Guarantees issued
PT Waskita Beton Precast	Control through the Central Government of the Republic of Indonesia	Loans
PT Wijaya Karya (Persero) Tbk	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable, Guarantees issued,
PT Wijaya Karya Industri Energi	Control through the Central Government of the Republic of Indonesia	Acceptances receivable, Acceptances payable
Key employees	Control on company's Activities	Loans, Sharia receivables and financing

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2016	December 31, 2015
Assets		
Current accounts with other Banks (Note 5)		
PT Bank Mandiri (Persero) Tbk	12,060	3,574
PT Bank Negara Indonesia (Persero) Tbk	10,640	64,833
PT Bank BNI Syariah	74	45
PT Bank Syariah Mandiri	74	-
	22,848	68,452
Placements with Bank Indonesia and other Banks (Note 6)		
Lembaga Pembiayaan Ekspor Indonesia	200,000	400,000
PT Bank Negara Indonesia (Persero) Tbk	200,000	100,000
PT Bank Mandiri (Persero) Tbk	45,400	400,000
PT Bank Tabungan Negara (Persero) Tbk	12,220	51,000
PT Bank BNI Syariah	2,000	2,000
PT BTMU-BRI Finance	-	46,000
PT Bank Syariah Mandiri	-	1,500
	459,620	1,000,500
Securities (Note 7)		
Pemerintah Republik Indonesia (RI)	92,283,523	93,941,932
PT Bank Tabungan Negara (Persero) Tbk	1,486,711	548,155
Lembaga Pembiayaan Ekspor Indonesia	1,151,487	916,861
PT Bank Negara Indonesia (Persero) Tbk	931,236	883,747
PT Pegadaian (Persero)	569,660	724,664
PT Perusahaan Listrik Negara (Persero)	460,620	549,591
PT Jasa Marga (Persero) Tbk	448,067	503,399
PT Sarana Multigriya Finansial (Persero)	296,580	457,424
PT Pertamina (Persero)	291,543	313,835
PT Telekomunikasi Indonesia (Persero) Tbk	282,297	282,764
Others	2,860,003	2,426,400
	101,061,727	101,548,772
Export bills (Note 8)		
PT Dirgantara Indonesia (Persero)	161,800	-
Perum BULOG	60,143	-
PT Pindad Enjiniring Indonesia	6,398	6,419
PT Krakatau Steel (Persero) Tbk	5,031	-
PT Aero Systems Indonesia	4,275	-
PT Pindad (Persero)	1,191	-
PT Pertamina (Persero)	932	-
PT Pertamina Lubricants	485	822
PT Inti Pindad Mitra Sejati	457	-
PT Waskita Karya (Persero) Tbk	-	102,064
Others	-	14,129
	240,712	123,434
Government Recapitalization Bonds (Note 9)		
Government of Republic of Indonesia	3,318,434	3,815,958

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2016	December 31, 2015
<u>Assets (continued)</u>		
Securities purchased under agreement to resell (Note 10)		
PT Bank Mandiri (Persero) Tbk	229,983	466,992
Loans (Note 12)		
PT Perusahaan Listrik Negara (Persero)	27,446,991	16,479,829
Perum BULOG	16,112,248	17,187,834
Kementerian Keuangan Republik Indonesia	4,307,997	4,683,888
PT Kereta Api Indonesia (Persero)	3,864,676	3,678,155
PT Pegadaian (Persero)	3,835,110	3,864,154
PT Krakatau Steel (Persero) Tbk	2,377,804	2,123,803
PT Garuda Indonesia (Persero)	1,968,132	1,593,531
PT Dirgantara Indonesia (Persero)	1,735,635	938,930
PT Waskita Beton Precast	1,670,095	229,628
PT Waskita Karya (Persero)	1,655,684	612,974
Key Employees	43,174	46,498
Others	28,695,069	41,690,935
	<u>93,712,615</u>	<u>93,130,159</u>
Sharia receivables and financing (Note 13)		
PT Pegadaian (Persero)	300,000	-
PT Koperasi Karyawan BRI Syariah	112,576	-
PT Koperasi Swakarya BRI	45,366	-
Perum DAMRI	31,700	40,403
PT Inti Konten Indonesia	3,850	5,704
Key employees	13,346	10,165
	<u>506,838</u>	<u>56,272</u>
Acceptances receivable (Note 15)		
PT Wijaya Karya (Persero) Tbk	163,023	57,174
PT Pembangunan Perumahan (Persero) Tbk	119,260	-
PT Pindad (Persero)	93,410	335,586
PT Garuda Maintenance Facility AeroAsia	66,490	-
PT Pertamina Patra Niaga	23,759	9,019
PT Waskita Karya (Persero) Tbk	16,087	2,810
PT Len Industri (Persero)	6,459	-
PT Industri Kereta Api (Persero)	3,580	8,890
PT Wijaya Karya Industri Energi	1,192	1,831
Others	1,385	296,268
	<u>494,645</u>	<u>711,578</u>
Investment in associated entities (Note 16)		
PT BTMU-BRI Finance	-	262,891
PT Bringin Gigantara	-	1,240
	<u>-</u>	<u>264,131</u>
Total assets from related parties	200,047,422	201,186,248
Total consolidated assets	1,003,644,426	878,426,312
Percentage of total assets from related parties to total consolidated assets	19.93%	22.90%

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2016	December 31, 2015
Liabilities		
Demand Deposits (Note 20)		
Government Entities and Institutions	44,484,819	33,664,980
Key employees	632	676
Others	23,533	36,503
	<u>44,508,984</u>	<u>33,702,159</u>
Saving deposits (Note 21)		
Government Entities and Institutions	19,258	15,209
Key employees	92,227	132,564
	<u>111,485</u>	<u>147,773</u>
Time deposits (Note 22)		
Government Entities and Institutions	79,043,913	61,367,059
Key employees	118,601	143,006
Others	828,258	179,001
	<u>79,990,772</u>	<u>61,689,066</u>
Deposits from other Banks and financial institutions (Note 23)		
Government Entities and Institutions	499,475	603,167
Securities sold under agreement to repurchase (Note 24)		
Government Entities and Institutions	1,454,477	1,444,821
Acceptances payable (Note 15)		
Government Entities and Institutions	494,645	711,578
Fund borrowings (Note 26)		
Government Entities and Institutions	100,000	100,000
Compensation to key employees management (Note 42)		
Present value of defined benefit pension liability	369,514	326,876
Present value of work separation liability	76,513	71,914
Present value of old-age benefits liability	68,082	51,314
Present value of grand leaves liability	42,327	38,570
Present value of gratuity for services liability	37,548	34,293
	<u>593,984</u>	<u>522,967</u>
Total liabilities to related parties	<u>127,753,822</u>	<u>98,921,531</u>
Total consolidated liabilities	<u>856,831,836</u>	<u>765,299,133</u>
Percentage of liabilities to related parties to total consolidated liabilities	<u>14.91%</u>	<u>12.93%</u>

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

	December 31, 2016	December 31, 2015
<u>Commitments and contingencies in administrative accounts</u>		
Guarantees issued (Note 27c)		
PT Perusahaan Gas Negara (Persero) Tbk	2,457,968	3,082,484
PT Wijaya Karya (Persero) Tbk	2,348,096	1,488,411
PT Waskita Karya (Persero) Tbk	2,310,583	1,570,160
PT Dirgantara Indonesia (Persero)	1,507,044	2,001,619
PT Perusahaan Listrik Negara (Persero)	640,776	605,519
PT Indonesia Power	576,901	582,063
PT Telekomunikasi Selular Tbk	463,357	337,191
PT Garuda Indonesia (Persero) Tbk	298,690	392,762
PT Kereta Api Indonesia (Persero)	288,897	198,592
Garuda Maintenance Facility AeroAsia	270,217	-
Others	2,836,843	2,921,726
	<u>13,999,372</u>	<u>13,180,527</u>
Irrevocable L/C (Note 27c)		
PT Perusahaan Listrik Negara (Persero)	1,477,564	238,934
PT Dirgantara Indonesia (Persero)	947,591	1,153,393
PT Pertamina (Persero)	835,210	377,963
BDH Khusus Bialugri	541,153	2,567,620
Railink	517,392	-
PT Indonesia Asahan Aluminium	360,514	-
BPP 018 Bendahara Khusus	299,200	-
PT Kereta Api Indonesia (Persero)	270,468	97,584
PT Rekayasa Industri	252,979	-
Bendahara Khusus DITKUAD	203,481	-
Others	748,564	7,504,819
	<u>6,454,116</u>	<u>11,940,313</u>
	Year Ended December 31,	
	2016	2015
Salaries and allowances for the Boards of Directors and Commissioners (Note 35)		
Salaries and allowances for the Boards of Directors	65,526	42,300
Salaries and allowances for the Boards of Commissioners	26,702	20,920
Total	92,228	63,220
Tantiem, bonuses and incentives for the Boards of Commissioners, Directors and key employees (Note 35)		
Tantiem for the Boards of Directors	213,003	232,975
Tantiem for the Boards of Commissioners	84,028	75,898
Bonuses and incentives for key employees	99,422	89,442
Total	396,453	398,315

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44. TRANSACTIONS WITH RELATED PARTIES (continued)

Percentage of transactions with related parties to total consolidated assets and liabilities of BRI and Subsidiaries are as follows:

	December 31, 2016	December 31, 2015
Assets		
Current accounts with other Banks	0.002%	0.008%
Placements with Bank Indonesia and other Banks	0.046	0.114
Securities	10.070	11.560
Export bills	0.024	0.014
Government Recapitalization Bonds	0.331	0.435
Securities purchased under agreement to resell	0.023	0.053
Loans	9.337	10.602
Sharia receivables and financing	0.050	0.006
Acceptances receivable	0.049	0.081
Investment in associated entities	-	0.030
Total	19.932%	22.903%
Liabilities		
Demand deposits	5.194%	4.404%
Saving deposits	0.013	0.019
Time deposits	9.336	8.061
Deposits from other Banks and financial institutions	0.058	0.079
Securities sold under agreement to repurchase	0.170	0.189
Acceptances payable	0.058	0.093
Fund borrowings	0.012	0.013
Compensation to key employees management	0.069	0.068
Total	14.910%	12.926%

As of December 31, 2016 and 2015, BRI (Parent Entity) insured certain premises and equipment to PT Asuransi Bringin Sejahtera Artha Makmur (related party) (Note 17).

45. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

a. Significant Agreements

On December 23, 2016, BRI entered into an agreement with PT Satkomindo Mediyasa in connection with the procurement to lease Hub and Remote VSAT Phase-1 BRI-sat integration equipment 6,836 (six thousand eight hundred and thirty six) units for a period of 3 (three) years with a contract value of Rp210,549.

On June 9, 2016, BRI entered into an agreement with PT Bringin Gigantara in connection with the procurement of 2 (two) units AS/400 Power-8 (E880) Machine for a period of 1 (one) year with a contract value of Rp220,000.

On June 1, 2016, BRI entered into an agreement with Koperasi Swakarya BRI in connection with the procurement of 3,000 (three thousand) ATM units for a period of 3 (three) years with a contract value of Rp250,805.

On June 1, 2016, BRI entered into agreement with PT Titan Sarana Niaga in connection with the procurement of 2,250 (two thousand two hundred and fifty) ATM Units for a period of 3 (three) years with a contract value of Rp188,073.

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45. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

a. Significant Agreements (continued)

On June 1, 2016, BRI entered into agreement with PT Asaba Computer Center in connection with the procurement of 1,500 (one thousand five hundred) ATM Unit for a period of 3 (three) years with a contract value of Rp125,382.

On November 30, 2015, BRI entered into an agreement with PT Bringin Gigantara in connection with the procurement of 6,000 (six thousand) EDC Triple Connection units and 17,186 (seventeen thousand one hundred and eighty six) EDC Mobile units for 3 (three) years with a contract value of Rp60,143.

On October 27, 2015, BRI entered into an agreement with Koperasi Swakarya BRI in connection with the procurement of 14,000 (fourteen thousand) EDC Triple Connection units and 17,966 (seventeen thousand nine hundred and sixty six) EDC Mobile units for 3 (three) years with a contract value of Rp83,789.

On June 29, 2015, BRI entered into an agreement with PT Bringin Gigantara in connection with the procurement of 300 (three hundred) CDM units for 3 (three) years with a contract value of USD5,399,400.

On June 1, 2015, BRI entered into an agreement with Koperasi Swakarya BRI in connection with the procurement of 1,000 (one thousand) ATM units for 3 (three) years with a contract value of USD6,750,000.

On June 1, 2015, BRI entered into an agreement with PT Bringin Gigantara in connection with the procurement of 600 (six hundred) ATM units for 3 (three) years with a contract value of USD4,050,000.

b. Contingent Liabilities

In conducting its business, BRI is a defendant with various litigation proceedings and legal claims mainly with respect to matters of contractual compliance. Although there is no clear assurance yet, BRI believes that based on information currently available, the ultimate resolution of these legal proceedings and legal claims will not likely have a material effect on the operations, financial position or liquidity level of BRI.

As of December 31, 2016 and 2015, BRI has provided an allowance (included in "Other Liabilities") for several pending lawsuits filed against BRI amounting to Rp613,720 and Rp410,878 (Note 29), respectively. Management believes that the allowance is adequate to cover possible losses arising from pending litigations or legal claims that are currently in progress.

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46. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS

Based on Presidential Decision No. 26 of 1998 as implemented by the Ministry of Finance Decision dated January 28, 1998 and the Joint Decrees No. 30/270/KEP/DIR and No. 1/BPPN/1998 dated March 6, 1998, of the Director of Bank Indonesia and Head of IBRA, the Government provided a guarantee on certain obligations of all locally incorporated commercial banks. Based on the latest amendment under the Decree of the Ministry of Finance Decision No. 179/KMK.017/2000 dated May 26, 2000, this guarantee is valid from January 26, 1998 up to January 31, 2001 and with automatic extension of the guarantee period continuously every 6 (six) months, unless within 6 (six) months before the maturity of the guarantee period or its extension period, the Ministry of Finance announces to the public the expiry and/or change in the guarantee program. For this guarantee, the Government charges premium which is computed based on a certain percentage in accordance with the prevailing regulations.

In accordance with Regulation No. 17/PMK.05/2005 dated March 3, 2005 of the Ministry of Finance, starting April 18, 2005, commercial bank obligations guaranteed by the Government Guarantee Program include demand deposits, saving deposits, time deposits and borrowings from other banks in the form of inter-bank money market transactions.

The Government Guarantee Program through UP3 ended on September 22, 2005 based on Regulation No. 68/PMK.05/2005 dated August 10, 2005 of the Ministry of Finance regarding the "Calculation and Payment of Premium on Government Guarantee Program on the Payment of Obligations of Commercial Banks" for the period of July 1 up to September 21, 2005. The Government established the Indonesia Deposit Insurance Corporation (LPS), an independent agency, to replace UP3 based on Law No. 24 of 2004 dated September 22, 2004 regarding "Deposit Insurance Corporation", in order to provide guarantees on public funds including funds from other banks in the form of demand deposits, time deposits, certificates of deposits, saving deposits and/or other similar forms.

Based on LPS regulation No. 1/PLPS/2006 dated March 9, 2006 regarding "Guarantee Program on Saving Account", the balance of saving accounts guaranteed for each customer has a maximum of Rp100 million.

In accordance with Government Regulation No. 66 of 2008, dated October 13, 2008 regarding "The Amount of Public Savings Guaranteed by the Indonesia Deposit Insurance Corporation", the total amount of customers' saving accounts in banks which is guaranteed by the Government has increased to Rp2 billion, from the previous Rp100 million, effective on the date stated above.

LPS guarantee interest rate as of December 31, 2016 and 2015 were 6.25% and 7.50%, respectively, for deposits in Rupiah, while for foreign currencies 0.75% and 1.25%, respectively.

47. ISSUED AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (SFAS) AND INTERPRETATION OF FINANCIAL ACCOUNTING STANDARDS (IFAS)

The following summarizes the SFAS and IFAS which were issued by the Financial Accounting Standards Board (FASB) and Sharia Accounting Standards Board (SASB) are relevant to BRI and Subsidiaries, but not yet effective for consolidated financial statements as of December 31, 2016:

Effective on or after January 1, 2017:

- a. Amendment SFAS No. 1, "Presentation of Financial Statements about disclosure initiative", have given clarification regarding materiality, systematic hierarchy flexibility of notes to financial statements and identification of significant accounting policy. Amendment SFAS No. 1 have impacted other SFAS (consequential amendment) such as: SFAS No. 3 "Interim Financial Reporting", SFAS No. 5 "Operating Segments", SFAS No. 60 "Financial Instruments: Disclosures", and SFAS No. 62 "Insurance Contract".

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47. ISSUED AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (SFAS) AND INTERPRETATION OF FINANCIAL ACCOUNTING STANDARDS (IFAS) (continued)

Effective on or after January 1, 2017 (continued):

- b. IFAS No. 31, "Interpretation of SFAS No. 13 : Investment Property", an interpretation of the characteristics of the building that is used as part of the definition of investment property under SFAS No. 13 "Investment Property". The building referred to in the definition of investment property refers to structures that have physical characteristics that are generally associated with a building which refers to the presence of walls, floors, and roofs attached to the asset.

Currently, BRI and Subsidiaries are evaluating and have not yet determined the impact of the revised SFAS on their consolidated financial statements.

48. OTHER DISCLOSURES

a. Capital Adequacy Ratio (CAR)

BRI actively manages its capital in accordance with the regulatory requirements. The primary objective of which is to ensure that BRI, at all times, maintains adequate capital to cover inherent risks to its banking activities without prejudice to optimizing shareholder's value.

CAR as of December 31, 2016 and 2015 was calculated based on Regulation of Financial Services Authority (POJK) No. 34/POJK.03/2016 and Bank Indonesia Regulation (PBI) No. 15/12/PBI/2013, concerning the Minimum Capital Requirement for Commercial Banks where capital for credit risk consist of core capital (Common Equity Tier 1 and additional Tier I) and supplementary capital.

Based on POJK No. 34/POJK.03/2016 concerning the Minimum Capital Requirement for Commercial Banks, PBI No. 17/22/PBI/2015 concerning the Establishment of Countercyclical Buffer Requirement, and POJK No. 46/POJK.03/2015 concerning the Determination of Systemically Important Bank and Capital Surcharge, BRI is required to form additional capital as a buffer that apply in stages starting on January 1, 2016. The establishment of buffer capital consist of Capital Conservation Buffer, Countercyclical Buffer, and Capital Surcharge for D-SIB which shall be established based on a percentage of RWA of 0.625%, 0.00% and 0.5%, respectively.

Since August 24, 2015, BRI has implemented the Regulation of Financial Services Authority (POJK) No. 11/POJK.03/2015 on Prudential Principle Provisions to Stimulate the National Economy for Commercial Banks, which stipulates that the weight of risk for credit backed residences is on minimum of 35% for consumer credit in relation with the possession of house (KPR) or an apartment (KPA) or consumer loan with collateral such as house or apartment with certain conditions, or at least by 20% for a mortgage which is a program of the Government of Indonesia with certain conditions. In addition, the risk weight of credit to Small Medium Enterprise (SME) whose credit is guaranteed by Regional-Owned Enterprises (BUMD) guarantee institution or credit insurance is set at 50% as long as the requirements set are met.

Based on the BRI's risk profile as of June 30, 2016 and 2015, which are both satisfactory, the minimum CAR as of December 31, 2016 and 2015 is set at 9% to less than 10%.

The determination of BRI's compliance with regulatory requirements and ratios is based on the regulatory accounting practices which differ from Indonesian Financial Accounting Standards in some respects. As of December 31, 2016 and 2015, BRI has complied with the BI and OJK required capital adequacy ratio.

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48. OTHER DISCLOSURES (continued)

a. Capital Adequacy Ratio (CAR) (continued)

CAR BRI (Parent Entity) as of December 31, 2016 and 2015 are calculated as follows:

	December 31, 2016	December 31, 2015
Core Capital (Tier 1)		
Common Equity (CET 1)	136,670,139	89,992,393
Additional Tier (AT-1)	-	-
Total Core Capital (Tier 1)	136,670,139	89,992,393
Supplementary Capital (Tier 2)	6,240,293	20,588,224
Total Capital	142,910,432	110,580,617
	December 31, 2016	December 31, 2015
Risk Weighted Asset (RWA)		
RWA for Credit Risk *)	502,423,401	438,295,934
RWA for Market Risk **)	9,535,428	2,572,131
RWA for Operational Risk ***)	111,898,899	96,206,873
Total RWA	623,857,728	537,074,938
CAR Ratio		
CET 1 Ratio	21.91%	16.76%
Tier 1 Ratio	21.91	16.76
Tier 2 Ratio	1.00	3.83
Total Ratio	22.91	20.59
Tier 1 Minimum Ratio	6.00%	6.00%
CET 1 Minimum Ratio	4.50	4.50
Minimum CAR Based on Risk Profile	9.38	9.00

*) Credit risk is calculated according to SE OJK No. 42/SEOJK.03/2016 dated September 28, 2016.

**) Market risk is calculated according to SE OJK No. 38/SEOJK.03/2016 dated September 8, 2016.

***) Operational risk is calculated according to SE OJK No. 24/SEOJK.03/2016 dated July 14, 2016.

b. Non-Performing Loans (NPL) Ratio

As of December 31, 2016 and 2015, BRI's NPL ratio are as follows:

(i) Consolidated (including Sharia receivables and financing)

	December 31, 2016	December 31, 2015
NPL ratio - gross	2.11%	2.10%
NPL ratio - net	1.15	1.29

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2016 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

b. Non-Performing Loans (NPL) Ratio (continued)

As of December 31, 2016 and 2015, BRI's NPL ratio are as follows (continued):

(ii) BRI (Parent Entity)

	December 31, 2016	December 31, 2015
NPL ratio - gross	2.03%	2.02%
NPL ratio - net	1.09	1.22

Net NPL ratio is calculated based on NPL less the minimum allowance for impairment losses in accordance with Bank Indonesia regulations divided by the total loans.

c. Custodian Operations

BRI rendered custodian services since 1996 based on its operating license through Bapepam Chairman Decision Letter No. 91/PM/1996 dated April 11, 1996 and was also selected as the Sub-Registry in conducting Government bonds transactions and administration of Scriptless Certificates of Bank Indonesia by Bank Indonesia.

The custodian services business is a part of the Investment Services Division, which provides services such as:

- Safekeeping services and portfolio valuation;
- Settlement handling services;
- Income collection services, including the related tax payments;
- Corporate actions and proxy services;
- Information and reporting services;
- Custody Unit Link services and DPLK;
- Online Brokerage services of BRI's shares;
- Custodian for asset securitization; and
- Global custodian for securities issued abroad,

BRI has 210 (two hundred and ten) and 127 (one hundred twenty seven) customers (unaudited) as of December 31, 2016 and 2015, respectively, which mainly consist of pension funds, financial institutions, insurance companies, securities companies, mutual funds and other companies.

Customers' assets deposited at BRI Custodian (unaudited) amounted to Rp320,285,896 and Rp182,164,111 as of December 31, 2016 and 2015, respectively. While the number of custodian fees earned (unaudited) amounted to Rp56,058 and Rp38,775 for the years ended December 31, 2016 and 2015, respectively.

d. Trustee Agent Operations

BRI rendered trustee agent operations since 1996. The operating license of BRI for trust services was granted by the Ministry of Finance based on its Decision Letter No. 1554/KMK.013/1990 dated December 6, 1990 and registered in OJK in conformity with its Operating License as Trustee Agent No. 08/STTD-WA/PM/1996 dated June 11, 1996.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2016 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

d. Trustee Agent Operations (continued)

The trust services business is a part of the Investment Services Division which provides services such as:

- Trustee agent
- Security agent
- Payment agent

BRI has 26 (twenty six) customers (unaudited) as of December 31, 2016 and 23 (twenty three) customers as of December 31, 2015. The total value of bonds issuance on behalf of bonds issuers managed by BRI as part of trustee agent (unaudited) amounted to Rp66,099,135 and Rp59,147,889 as of December 31, 2016 and 2015, respectively.

e. Trust Service

BRI's Trust Service is the custodian services customers in the form of financial assets for and on behalf of customers. BRI is the first bank in Indonesia to obtain permission from Bank Indonesia to perform Trust Services in Indonesia through Bank Indonesia letter No. 15/19/DPB1/PB1-3 dated February 12, 2013 and Bank Indonesia confirmation letter No. 15/30/DPB1/PB1-3 dated March 19, 2013.

The scope of services includes the BRI Trust Services :

- Paying agent services
- Lending agency services
- Investment agency services
- Other agency services, such as suspend and guarantees agent

BRI's Trust Services has been providing services for financial transactions involving oil and gas projects, both carried out by members of the Contractor Contract (K3S) under the auspices of SKK Migas and non K3S projects.

In addition to providing Trust Services for the oil and gas sector, BRI has been providing either trust or non-trust services for other sectors, such as infrastructure, energy, trading and chemical industries. Beside service to direct customers, the BRI's Trust Services also participate in supporting BRI's financing working unit in the infrastructure, energy and syndicated financing transactions activities.

BRI's Trust project value (unaudited) amounted to Rp37,515,581 and Rp24,819,911 for the years ended December 31, 2016 and 2015, respectively.

f. Syndication Agent

BRI is currently providing a syndicate agent service involving a syndicated loan for financing projects which is initiated by state-owned company, such as PT Jasa Marga (Persero) Tbk, PT Kereta Api Indonesia (Persero), PT Perusahaan Listrik Negara (Persero), PT Waskita Karya (Persero), PT Angkasa Pura I (Persero), PT Pupuk Sriwijaya, PT Industri Gula Glenmore, and PT Perkebunan Nusantara (Persero) and syndicated financing project for private sector such as PT Malea Energy, PT Rayon Utama Makmur, and PT Bosowa Energi.

These consolidated financial statements are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2016 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

f. Syndication Agent (continued)

Syndication agent services is part of the activities of the Trust and Corporate Services, which include the following services:

- Arranger
- Facilities agent
- Guarantees agent
- Shelter agent

BRI Syndication Agent project value (unaudited) amounted to Rp141,670,733 and Rp95,083,565, for the years ended December 31, 2016 and 2015, respectively.

49. EARNINGS PER SHARE

The following presents the computation of basic earnings per share (EPS):

	December 31, 2016		
	Income for the Year	Weighted average number of outstanding common shares	Earning per share (Full Rupiah)
Basic earnings per share	26,195,772	24,447,555,543	1,071.51

	December 31, 2015		
	Income for the Year	Weighted average number of outstanding common shares	Earning per share (Full Rupiah)
Basic earnings per share	25,397,742	24,647,768,689	1,030.43

50. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management of BRI is responsible for the preparation of these consolidated financial statements which were completed and authorized to be issued on January 20, 2017.

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY
As of December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31, 2016	December 31, 2015
ASSETS		
Cash	24,865,133	28,470,316
Current Accounts With Bank Indonesia	53,398,240	60,128,814
Current Accounts With Other Banks	10,792,581	8,325,277
Placements With Bank Indonesia and Other Banks	77,574,246	47,424,568
Securities	119,502,866	116,770,755
Export Bills	9,345,472	7,280,883
Government Recapitalization Bonds	3,318,434	3,815,958
Securities Purchased Under Agreement to Resell	1,557,370	845,125
Derivatives Receivable	93,649	-
Loans	635,291,221	558,436,016
Allowance for impairment losses	(21,944,371)	(17,030,352)
	<u>613,346,850</u>	<u>541,405,664</u>
Acceptances Receivable	5,602,843	5,138,671
Investment in Associated Entities	5,783,220	4,949,988
Premises And Equipment		
Cost	31,232,047	13,982,469
Accumulated depreciation	(7,255,098)	(6,231,273)
Net book value	<u>23,976,949</u>	<u>7,751,196</u>
Deferred Tax Assets - net	2,328,530	1,806,780
Other Assets - net	<u>12,514,307</u>	<u>11,884,384</u>
TOTAL ASSETS	<u>964,000,690</u>	<u>845,998,379</u>

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY (continued)
As of December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31, 2016	December 31, 2015
LIABILITIES AND EQUITY		
LIABILITIES		
Liabilities Due Immediately	5,328,446	5,000,687
Deposits from Customers		
Demand Deposits	140,764,079	112,988,721
Saving Deposits	297,649,283	267,607,038
Time Deposits	285,432,096	262,178,245
Total Deposits from Customers	<u>723,845,458</u>	<u>642,774,004</u>
Deposits From Other Banks and Financial Institutions	1,784,932	10,365,232
Securities Sold Under Agreement to Repurchase	7,302,398	11,377,958
Derivatives Payable	344,865	445,753
Acceptances Payable	5,602,843	5,138,671
Taxes Payable	881,207	1,371,681
Marketable Securities Issued	24,936,730	10,532,381
Fund Borrowings	34,599,638	35,380,358
Liabilities for Employee Benefits	9,181,163	7,880,662
Other Liabilities	4,699,821	3,282,726
Subordinated Loans	35,471	56,468
TOTAL LIABILITIES	<u>818,542,972</u>	<u>733,606,581</u>

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION - PARENT ENTITY (continued)
As of December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	December 31, 2016	December 31, 2015
LIABILITIES AND EQUITY (continued)		
EQUITY		
Capital stock - par value Rp250 (full Rupiah) per share		
Authorized capital - 60,000,000,000 shares (consisting of 1 Series A Dwiwarna share and 59,999,999,999 Series B shares)		
Issued and fully paid capital - 24,669,162,000 shares (consisting of 1 Series A Dwiwarna share and 24,669,161,999 Series B shares)	6,167,291	6,167,291
Additional paid-in capital	2,773,858	2,773,858
Revaluation surplus arising from fixed assets - net of tax	13,824,692	-
Differences arising from the translation of foreign currency financial statements	23,490	49,069
Unrealized gain (loss) on available for sale securities and Government Recapitalization Bonds - net of deferred tax	103,891	(1,039,128)
Gain on remeasurement defined benefit plans - net of deferred tax	654,637	532,410
Treasury Stock	(2,418,948)	(2,286,375)
Retained Earnings		
Appropriated	3,022,685	18,115,741
Unappropriated	121,306,122	88,078,932
Total Retained Earnings	124,328,807	106,194,673
TOTAL EQUITY	145,457,718	112,391,798
TOTAL LIABILITIES AND EQUITY	964,000,690	845,998,379

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME - PARENT ENTITY
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,	
	2016	2015
INCOME AND EXPENSES FROM OPERATIONS		
Interest and investment income	90,808,424	82,221,036
Interest and other financing expense	(25,612,146)	(25,710,162)
Interest Income - net	65,196,278	56,510,874
Other Operating Income		
Other fees and commissions	9,209,654	7,351,714
Recovery of assets written-off	4,461,473	3,780,409
Gain on sale of securities and Government Recapitalization Bonds - net	373,720	63,257
Gain on foreign exchange - net	-	457,939
Others	2,634,363	2,016,879
Total Other Operating Income	16,679,210	13,670,198
Provision for impairment losses on financial assets - net	(13,319,763)	(8,581,076)
Other Operating Expenses		
Salaries and employee benefits	(17,648,351)	(15,961,035)
General and administrative	(11,324,949)	(9,917,770)
Premium paid to Government Guarantee Program	(1,308,234)	(1,248,259)
Foreign currency transaction losses - net	(271,661)	-
Unrealized losses from changes the fair value of securities	-	(6,879)
Others	(4,576,086)	(2,754,876)
Total Other Operating Expenses	(35,129,281)	(29,888,819)
OPERATING INCOME	33,426,444	31,711,177
NON OPERATING INCOME - NET	15,199	500,261
INCOME BEFORE TAX EXPENSE	33,441,643	32,211,438
TAX EXPENSE	(7,688,187)	(7,007,288)
INCOME FOR THE YEAR	25,753,456	25,204,150

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME - PARENT ENTITY (continued)
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,	
	2016	2015
Other comprehensive income:		
Items not to be reclassified to profit or loss		
Remeasurement on defined benefit plans	162,969	558,530
Revaluation surplus arising from fixed assets	14,315,527	-
Income tax related to item not to be reclassified to profit or loss	(531,577)	(139,633)
Items to be reclassified to profit or loss		
Exchange rate differences on translation of foreign currency financial statements	(25,579)	(7,399)
Unrealized gain (loss) on available for sale securities and Government Recapitalization Bonds	1,524,025	(1,127,957)
Income tax related to items to be reclassified to profit or loss	(381,006)	281,989
Other Comprehensive Income For the Year - After Tax	15,064,359	(434,470)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	40,817,815	24,769,680
BASIC EARNINGS PER SHARE (full Rupiah)	1,053.42	1,022.57

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CHANGES IN EQUITY - PARENT ENTITY
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized Loss on Available for Sale Securities and Government Bonds - Net of Recaptialization Deferred Tax	Gain on Remeasurement on Defined Benefit Plans - Net of Deferred Tax	Treasury Stocks	Retained Earnings		Total Equity - Parent Entity
							Appropriated	Unappropriated	
Balance as of December 31, 2014	6,167,291	2,773,858	56,468	(193,160)	113,513	-	15,449,160	72,813,856	97,180,986
Income for the year	-	-	-	-	-	-	-	25,204,150	25,204,150
Other comprehensive income	-	-	(7,399)	(845,968)	418,897	-	-	-	(434,470)
Total comprehensive income for the year	-	-	(7,399)	(845,968)	418,897	-	-	25,204,150	24,769,680
Distribution of income	-	-	-	-	-	-	-	(7,272,493)	(7,272,493)
Dividends	-	-	-	-	-	-	2,666,581	(2,666,581)	-
Addition to specific reserves	-	-	-	-	-	-	-	-	-
Treasury stock	-	-	-	-	-	(2,286,375)	-	-	(2,286,375)
Balance as of December 31, 2015	6,167,291	2,773,858	49,069	(1,039,128)	532,410	(2,286,375)	18,115,741	88,078,932	112,391,798

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CHANGES IN EQUITY - PARENT ENTITY (continued)
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	Issued and Fully Paid Capital	Additional Paid-in Capital	Differences Arising from the Translation of Foreign Currency Financial Statements	Unrealized Gain (Loss) on Available for Sale Securities and Government Bonds - Net of Deferred Tax	Gain on Remeasurement Benefit Plans - Net of Deferred Tax	Treasury Stocks	Revaluation Surplus Arising from Fixed Assets - Net of Tax	Retained Earnings		Total Equity - Parent Entity
								Appropriated	Unappropriated	
Balance as of December 31, 2015	6,167,291	2,773,858	49,069	(1,039,128)	532,410	(2,286,375)	-	18,115,741	88,078,932	112,391,798
Income for the year	-	-	-	-	-	-	-	-	25,753,456	25,753,456
Other comprehensive income	-	-	(25,579)	1,143,019	122,227	-	13,824,692	-	-	15,064,359
Total comprehensive income for the year	-	-	(25,579)	1,143,019	122,227	-	13,824,692	-	25,753,456	40,817,815
Distribution of income Dividends	-	-	-	-	-	-	-	-	(7,619,322)	(7,619,322)
Specific reserves reclassification	-	-	-	-	-	-	-	(15,093,056)	15,093,056	-
Treasury stock	-	-	-	-	-	(132,573)	-	-	-	(132,573)
Balance as of December 31, 2016	6,167,291	2,773,858	23,490	103,891	654,637	(2,418,948)	13,824,692	3,022,685	121,306,122	145,457,718

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CASH FLOWS - PARENT ENTITY
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	90,236,423	81,805,176
Interest paid	(25,499,702)	(25,681,650)
Recoveries of assets written-off	4,461,473	3,780,409
Other operating income	8,545,173	9,009,339
Other operating expenses	(33,636,587)	(25,234,624)
Non-operating income - net	6,450	467,236
Payment of income tax and tax bill	(6,012,928)	(6,902,436)
Cash flows before changes in operating assets and liabilities	38,100,302	37,243,450
Changes in operating assets and liabilities:		
Decrease (increase) in operating assets:		
Placements with Bank Indonesia and other banks	100,000	(100,000)
Securities and Government Recapitalization Bonds at fair value through profit or loss	273,714	(215,705)
Export bills	(2,064,589)	3,247,102
Securities purchased under agreement to resell	(712,245)	38,158,470
Loans	(85,301,450)	(75,774,315)
Other assets	(19,174)	(1,210,597)
Increase (decrease) in operating liabilities:		
Liabilities due immediately	320,350	(1,917,779)
Deposits:		
Demand deposits	27,775,358	23,913,144
Saving deposits	30,042,245	35,193,315
Time deposits	23,253,851	(16,736,825)
Deposits from other banks and financial institutions	(8,580,300)	2,417,103
Securities sold under agreement to repurchase	(4,075,560)	(4,434,003)
Other liabilities	2,050,986	386,657
Net Cash Provided by Operating Activities	21,163,488	40,170,017
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from dividend	27,290	5,281
Investments	(814,668)	(2,528,765)
Acquisition of premises and equipment	(3,339,807)	(3,201,506)
Increase in available for sale and held to maturity securities and Government Recapitalization Bonds	3,750,731	(47,687,638)
Net Cash Used in Investing Activities	(376,454)	(53,412,628)

These supplementary financial information are originally issued in the Indonesian language.

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CASH FLOWS - PARENT ENTITY (continued)
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)

	Year Ended December 31,	
	2016	2015
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from fund borrowings	(955,882)	9,930,290
Treasury Stock	(132,573)	(2,286,375)
Dividends	(7,619,322)	(7,272,493)
Payments of subordinated loans	(20,997)	(21,179)
Proceeds from marketable securities issued	15,510,825	1,416,969
Payments for marketable securities due	(980,000)	-
Net Cash Provided by Financing Activities	5,802,051	1,767,212
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,589,085	(11,475,399)
EFFECT OF CHANGES ON FOREIGN CURRENCIES RATE	5,012	12,827
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	158,677,543	170,140,115
CASH AND CASH EQUIVALENTS AT END OF YEAR	185,271,640	158,677,543
Cash and cash equivalents at end of year consist of:		
Cash	24,865,133	28,470,316
Current accounts with Bank Indonesia	53,398,240	60,128,814
Current accounts with other banks	10,792,581	8,325,277
Placements with other banks - maturing within three months or less since the acquisition date	77,574,246	47,324,568
Certificates of Bank Indonesia and Deposits Certificates of Bank Indonesia - maturing within three months or less since the acquisition date	18,641,440	14,428,568
Total Cash and Cash Equivalents	185,271,640	158,677,543

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS - PARENT ENTITY
For the Year Ended December 31, 2016
(Expressed in millions of Rupiah, unless otherwise stated)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting basis for separate financial statements parent entity

Separate Financial Statements for parent entity prepared in accordance with Statement of Financial Accounting Standards ("SFAS") No. 4 (Revised 2013), "Separate Financial Statements".

SFAS No. 4 (Revised 2013) addresses entity which presents separate financial statements. The report can only be presented as additional information in the consolidated financial statements. Separate financial statements are the financial statements presented by the parent entity which records investments in subsidiaries, associated and joint controlled entities using the acquisition cost method.

Accounting policies applied in the preparation of separate financial statements of parent entity are the same with the accounting policies applied in the preparation of the consolidated financial statements as disclosed in Note 2 to the consolidated financial statements, except for investments in subsidiaries.

2. INVESTMENTS IN SUBSIDIARIES

Information related to subsidiaries owned by BRI is disclosed in Note 1f to the consolidated financial statements.

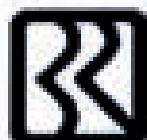
As of December 31, 2016 and 2015, parent entity has investment in subsidiaries as follows:

	December 31, 2016		December 31, 2015	
	Acquisition Cost	Percentage of Ownership	Acquisition Cost	Percentage of Ownership
PT Bank BRISyariah	2,004,375	99.99%	2,004,375	99.99%
PT Bank Rakyat Indonesia Agromiaga Tbk	1,524,538	87.23	1,088,418	87.23
BRI Remittance	2,289	100.00	2,289	100.00
PT Asuransi Jiwa Bringin Jiwa Sejahtera	1,626,643	91.00	1,626,643	91.00
PT BRI Multifinance Indonesia	660,003	99.00	-	-

PT Bank Rakyat Indonesia (Persero) Tbk

Partnership and Community Development Program

Financial statements as of December 31, 2016
and for the year then ended
with independent auditors' report



PT. BANK RAKYAT INDONESIA (PERSERO) TBK
KANTOR PUSAT

Jalan Jenderal Sudirman No. 44-46 Tomboi Pos 1004 / 1000 Jakarta 10210
 Telepon : 5758918, 5758919, 5758921, 5758917, 5758921
 Facsimile : 2500087, Kawat : RANPUSBR
 Telek : 65203, 65301, 65456, 65461

SURAT PERNYATAAN DIREKSI
TENTANG TANGGUNG JAWAB ATAS LAPORAN KEUANGAN
PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
TANGGAL 31 DESEMBER 2016 DAN
LINTAS TAHUN YANG BERAKHIR PADA TANGGAL TERSEBUT

BOARD OF DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY FOR THE FINANCIAL
STATEMENTS OF THE PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
AS OF DECEMBER 31, 2016 AND
FOR THE YEAR THEN ENDED

Nomor: 8. 88-DK/PPK/01/2017
 Nomor: 8. 88-DK/SAP/01/2017

Kami yang bertanda tangan dibawah ini:

We, the undersigned:

Nama	Muhammad Irfan	Name
Jabatan	Direktur / Director	Title
Alamat Kantor	PT Bank Rakyat Indonesia (Persero) Tbk Gedung BR1 Lantai 17 Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Office Address
Nama	Hari Suga Ambarjo	Name
Jabatan	Kepala Divisi Sekretariat Perusahaan/ Head of Corporate Secretary Division	Title
Alamat Kantor	PT Bank Rakyat Indonesia (Persero) Tbk Gedung BR1 Lantai 20 Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Office Address
Nama	Sugandi Santoso	Name
Jabatan	Pj. Kepala Divisi Bisnis Program dan Kemitraan/ Act. Head of Business Program and Partnership Division	Title
Alamat Kantor	PT Bank Rakyat Indonesia (Persero) Tbk Gedung BR1 Lantai 28 Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Office Address

Menyatakan bahwa:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk;
2. Laporan Keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik di Indonesia dan diterbitkan Surat Edaran Kementerian BUMN No. SE-02/MBU/WK/2012 tanggal 23 Februari 2012 perihal Penetapan Pedoman Akuntansi Program Kemitraan dan Bina Lingkungan;
3. a. Semua informasi dalam laporan keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk telah diungkapkan secara lengkap dan benar;
- b. Laporan Keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
4. Kami bertanggung jawab atas sistem pengendalian internal Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk.

Declare that:

1. We are responsible for the preparation and the presentation of the financial statements of the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk;
2. The financial statements of the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk have been prepared and presented in accordance with Indonesian Financial Accounting Standards for Entities Without Public Accountability and based on the Circular Letter of Ministry of State Owned Enterprises No. SE-02/MBU/WK/2012 dated February 23, 2012 Concerning Guidance of Accounting Standards for Partnership and Community Development Program;
3. a. All information in the financial statements of the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk has been disclosed in a complete and truthful manner;
- b. The financial statements of the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk do not contain any incorrect material information or facts, nor do they omit any material information or facts;
4. We are responsible for the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk's internal control system.

Demiikian pernyataan ini dibuat dengan sebenarnya.

This statement has been made truthfully.

Jakarta, 25 Januari 2017 / January 25, 2017



Muhammad Irfan
 Direktur/
 Director

Hari Suga Ambarjo
 Hari Suga Ambarjo
 Kepala Divisi/
 Head of Division

Sugandi Santoso
 Sugandi Santoso
 Pj. Kepala Divisi/
 Act. Head of Division

Laporan Auditor Independen (lanjutan)

Laporan No. RPC-2966/PSS/2017 (lanjutan)

Tanggung jawab auditor (lanjutan)

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan Program Kemitraandan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk tanggal 31 Desember 2016, serta aktivitas dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik di Indonesia.

Independent Auditors' Report (continued)

Report No. RPC-2966/PSS/2017 (continued)

Auditors' responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Partnership and Community Development Program of PT Bank Rakyat Indonesia (Persero) Tbk as of December 31, 2016, and its activity and cash flows for the year then ended, in accordance with Financial Accounting Standards for Entities Without Public Accountability.

Purwantono, Sungkoro & Surja



Drs. Hari Purwantono

Registrasi Akuntan Publik No. AP.0684/Public Accountant Registration No. AP.0684

25 Januari 2017/January 25, 2017



Purwantono, Sungkoro & Surja

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The original report included herein is in Indonesian language.

Laporan Auditor Independen

Laporan No. RPC-2966/PSS/2017

**Pengelola Program Kemitraan dan Bina Lingkungan
PT Bank Rakyat Indonesia (Persero) Tbk**

Kami telah mengaudit laporan keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk terlampir, yang terdiri dari laporan posisi keuangan pada tanggal 31 Desember 2016, serta laporan aktivitas dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan ini sesuai dengan Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Independent Auditors' Report

Report No. RPC-2966/PSS/2017

**Management of Partnership and Community Development Program
PT Bank Rakyat Indonesia (Persero) Tbk**

We have audited the financial statements of the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk attached, which comprise the statement of financial position as of December 31, 2016, and the statement of activities and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Financial Accounting Standards for Entities Without Public Accountability, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN POSISI KEUANGAN
Tanggal 31 Desember 2016
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION
As of December 31, 2016
(Expressed in Rupiah)**

	31 Desember/ December 31, 2016	Catatan/ Notes	31 Desember/ December 31, 2015	
ASET				ASSETS
Kas pada Bank	1.086.201.152.132	2b,4,19	1.195.405.328.254	Cash in Bank
Piutang kepada Badan Usaha Milik Negara ("BUMN") pembina lain/ lembaga penyalur (setelah dikurangi penyisihan kerugian penurunan nilai sebesar Rp16.905.874.481 dan Rp6.562.744.862 masing-masing pada tanggal 31 Desember 2016 dan 2015)	54.094.125.519	2c,2d,5,19	73.509.613.138	Receivables from other fostering State-Owned Enterprises ("SOE")/distributing partners (net of allowance for impairment losses amounting to Rp16,905,874,481 and Rp6,562,744,862 as of December 31, 2016 and 2015, respectively)
Piutang pinjaman mitra binaan (setelah dikurangi penyisihan kerugian penurunan nilai sebesar Rp34.598.316.377 dan Rp33.090.458.534 masing-masing pada tanggal 31 Desember 2016 dan 2015)	94.769.204.307	2c,2d,6	51.407.489.488	Loan receivables from foster partners (net of allowance for impairment losses amounting to Rp34,598,316,377 and Rp33,090,458,534 as of December 31, 2016 and 2015, respectively)
Piutang kepada BUMN Pembina	253.977.420.000	2c,12,19	-	Receivables form Fostering SOE
Pendapatan jasa administrasi pinjaman yang masih akan diterima	687.076.348	2j,7	633.260.180	Accrued loan administration services income
Piutang lain-lain	9.001.092.980	2c,8	3.985.203.245	Other receivables
Aset tetap (setelah dikurangi akumulasi penyusutan sebesar Rp70.194.730 dan Rp67.754.105 masing-masing pada tanggal 31 Desember 2016 dan 2015)	894.375	2e,9	3.335.000	Fixed assets (net of accumulated depreciation amounting to Rp70,194,730 and Rp67,754,105 as of December 31, 2016 and 2015, respectively)
JUMLAH ASET	1.498.730.965.661		1.324.944.229.305	TOTAL ASSETS
LIABILITAS DAN ASET NETO				LIABILITIES AND NET ASSETS
LIABILITAS				LIABILITIES
Beban yang masih harus dibayar	21.140.870.351	2f,10,19	15.005.414.859	Accrued expenses
ASET NETO				NET ASSETS
Aset neto tidak terikat	1.477.590.095.310	2g,11	1.309.938.814.446	Unrestricted net assets
JUMLAH LIABILITAS DAN ASET NETO	1.498.730.965.661		1.324.944.229.305	TOTAL LIABILITIES AND NET ASSETS

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements taken as a whole.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN AKTIVITAS
Untuk Tahun yang Berakhir
pada Tanggal 31 Desember 2016
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2016
(Expressed in Rupiah)**

		Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,		
		2016	Catatan/ Notes	2015
PERUBAHAN ASET NETO TIDAK TERIKAT				CHANGES IN UNRESTRICTED NET ASSETS
PENDAPATAN				REVENUE
Pendapatan dari BUMN Pembina	253.977.420.000	2k,12,19	-	Revenue form Fostering SOE
Pendapatan bunga	18.118.330.254	2i,13,19	19.987.508.025	Interest income
Pendapatan jasa administrasi pinjaman	4.684.179.220	2j,14	906.261.345	Loan administration services income
Pendapatan lain-lain	35.675.534.044	2l,15,19	12.399.740.974	Other income
JUMLAH PENDAPATAN	312.455.463.518		33.293.510.344	TOTAL REVENUE
BEBAN				EXPENSES
Dana pembinaan kemitraan	-	2m,16	33.687.091	Fostering partnership funds
Penyaluran dana program bina lingkungan	132.708.583.827	17	126.391.058.342	Community development program funds distribution
Beban penyusutan aset tetap	2.440.625	9	2.563.500	Fixed assets depreciation expenses
Beban penyisihan kerugian penurunan nilai piutang pinjaman	1.507.857.843	2o,6d	4.885.550.951	Allowance for impairment losses of loan receivables expenses
Beban penyisihan kerugian penurunan nilai piutang kepada BUMN pembina lain	10.343.129.619	2o,5	1.815.664.928	Allowance for impairment losses on receivable from other fostering SOE expenses
Beban lain-lain	242.170.740	18,19	504.809.101	Other expenses
JUMLAH BEBAN	144.804.182.654		133.633.333.913	TOTAL EXPENSES
KENAIKAN/PENURUNAN ASET NETO TIDAK TERIKAT	167.651.280.864		(100.339.823.569)	INCREASE/DECREASE IN UNRESTRICTED NET ASSETS
ASET NETO TIDAK TERIKAT PADA AWAL TAHUN	1.309.938.814.446		1.410.278.638.015	UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR
ASET NETO TIDAK TERIKAT PADA AKHIR TAHUN	1.477.590.095.310		1.309.938.814.446	UNRESTRICTED NET ASSETS AT END OF YEAR

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements taken as a whole.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN ARUS KAS
Untuk Tahun yang Berakhir
pada Tanggal 31 Desember 2016
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2016
(Expressed in Rupiah)**

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,			
	2016	Catatan/ Notes	2015	
ARUS KAS DARI AKTIVITAS OPERASI				CASH FLOWS FROM OPERATING ACTIVITIES
Pengembalian piutang pinjaman mitra binaan	39.430.101.338	20	35.031.146.057	Collection of foster partners loan receivables
Pendapatan jasa administrasi pinjaman	5.074.342.741	20	1.058.418.773	Loan administration service income
Pendapatan bunga	18.118.330.254		19.987.508.025	Interest income
Pendapatan lain-lain	35.675.534.044	15	11.955.761.284	Other income
Pengembalian dari BUMN pembina lain	9.072.358.000	5	3.000.000.000	Repayment from other fostering SOE
Penyaluran piutang pinjaman mitra binaan	(89.759.543.425)		(46.394.855.000)	Loan receivables from foster partners distribution
Penyaluran dana pembinaan kemitraan	-	16	(33.687.091)	Fostering partnership distribution fund
Penyaluran dana program bina lingkungan	(126.573.128.334)		(130.729.579.382)	Community development program funds distribution
Beban lain-lain	(242.170.740)	18	(504.809.101)	Other expense
Penyaluran ke BUMN Pembina lain	-		(8.072.358.000)	Distribution to other fostering SOE
Kas Neto yang (Digunakan untuk) Diperoleh dari Aktivitas Operasi	(109.204.176.122)		(114.702.454.435)	Net Cash (Used in) Provided by Operating Activities
PENURUNAN NETO DALAM KAS DAN SETARA KAS	(109.204.176.122)		(114.702.454.435)	NET DECREASE IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS PADA AWAL TAHUN	1.195.405.328.254		1.310.107.782.689	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
KAS DAN SETARA KAS AKHIR TAHUN	1.086.201.152.132		1.195.405.328.254	CASH AND CASH EQUIVALENTS AT END OF YEAR

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes form an integral part of these financial statements taken as a whole.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2016 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2016 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM

a. Pendirian dan Informasi Umum

Program Kemitraan dan Bina Lingkungan (PKBL) PT Bank Rakyat Indonesia (Persero), Tbk (BRI), selanjutnya disebut "PKBL BRI" berdiri dan beroperasi sejak tahun 1990 dengan nama Pembinaan Pengusaha Ekonomi Lemah dan Koperasi (PELAK) sesuai dengan Keputusan Menteri Keuangan Republik Indonesia (RI) No. 1232/KMK.013/1989 tanggal 11 Nopember 1989, jo No. 306/KMK.013/1991 tanggal 20 Maret 1991, jo No. 368/KMK.013/1991 tanggal 19 April 1991 yang ditinjau kembali dengan Keputusan Menteri Keuangan Republik Indonesia No. 316/KMK.016/1994 tanggal 27 Juni 1994 tentang Pedoman Pembinaan Usaha Kecil dan Koperasi melalui pemanfaatan dana dari bagian laba Badan Usaha Milik Negara (BUMN). Kegiatan ini merupakan kebijakan Pemerintah yang dilaksanakan oleh seluruh BUMN dengan maksud agar BUMN disamping menjalankan operasional bisnisnya, juga melaksanakan tugas sosial sebagai pembina usaha kecil koperasi berupa akses permodalan dan pendampingan, sehingga pada akhirnya bisa mandiri atau akses pembebanan komersial/perbankan.

Peraturan tersebut selanjutnya diperbaharui dengan Surat Keputusan Menteri BUMN No. KEP-236/MBU/2003 tanggal 17 Juni 2003 tentang Program Kemitraan Badan Usaha Milik Negara dengan Usaha Kecil dan Program Bina Lingkungan dan Surat Edaran Menteri BUMN No. SE-433/MBU/2003 tanggal 16 September 2003 tentang Petunjuk Pelaksanaan Program Kemitraan BUMN dengan Usaha Kecil dan Program Bina Lingkungan. Peraturan ini kemudian disempurnakan melalui Peraturan Menteri Badan Usaha Milik Negara (BUMN) No. PER-05/MBU/2007 tanggal 27 April 2007, kemudian di amendemen berturut-turut oleh PER-20/MBU/2012 tanggal 27 Desember 2012 tentang perubahan atas Peraturan Menteri Negara BUMN No. PER-05/MBU/2007 yang berlaku untuk tahun buku 2013. Peraturan selanjutnya yang dikeluarkan yaitu Peraturan Menteri Negara BUMN No. PER-05/MBU/2013 tanggal 1 Mei 2013 yang mengatur mengenai penghentian pelaksanaan kegiatan BUMN peduli mulai tahun 2013.

1. GENERAL DESCRIPTION

a. Establishment and General Information

Partnership and community development program (PKBL) PT Bank Rakyat Indonesia (Persero) Tbk (BRI), hereinafter referred to as "PKBL BRI" was established and started its operations since 1990 with named Entrepreneur Small Economy and Cooperative Coaching (PELAK) according to the Decree of Minister of Finance of the Republic of Indonesia No. 1232/KMK.013/1989 dated November 11, 1989, in conjunction with No. 306/KMK.013/1991 dated March 20, 1991, in conjunction with No. 368/KMK.013/1991 dated April 19, 1991 which was revisited with the Decree of Minister of Finance of the Republic of Indonesia No. 316/KMK.016/1994 dated June 27, 1994 regarding the Fostering Guidelines for Small Businesses and Cooperatives through the utilization of funds from the profit of the State-Owned Enterprises (SOEs). This activity is a government policy that is implemented by all SOEs with the intention that in addition to conducting its business operations, SOEs, also carry out social duties as a foster for small business cooperatives in the form of access to capital and mentoring, so that they in the end can be independent or commercial loading access/banking.

The regulation was subsequently amended by Decree of Minister of State-Owned Enterprises No. KEP-236/MBU/2003 dated June 17, 2003 regarding the Partnership Program for State-Owned Enterprises with Small Business and Community Development Program and the Circular Letter of Minister of State-Owned Enterprises No. SE-433/MBU/2003 dated September 16, 2003 regarding the Implementation Guidelines of Partnership Program for SOEs with Small Business and Community Development Program. The regulation was later amended by the Minister of State-Owned Enterprises' Regulation No. PER-05/MBU/2007 dated April 27, 2007, subsequently amended successively by PER-20/MBU/2012 dated December 27, 2012 regarding amendments to the Minister of SOEs' Regulation No. PER-05/MBU/2007, which applies to the fiscal year 2013. The subsequent regulations issued is the Minister of SOEs' Regulation No. PER-05/MBU/2013 dated May 1, 2013 governing the termination of the SOEs care activities begin in 2013.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2016 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2016 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

a. Pendirian dan Informasi Umum (lanjutan)

Peraturan Kementerian diatas, terakhir kembali diubah dengan Peraturan Menteri BUMN No. PER-08/MBU/2013 tanggal 10 September 2013 antara lain, mengatur tentang sumber dana Program Kemitraan dan Bina Lingkungan yang berasal dari anggaran perusahaan yang diperhitungkan sebagai biaya, maksimal (masing-masing) 2% dari laba bersih tahun sebelumnya.

Berdasarkan Peraturan Menteri Badan Usaha Milik Negara No. PER-07/MBU/05/2015 tanggal 22 Mei 2015 tentang Program Kemitraan Badan Usaha Milik Negara dengan usaha kecil dan program bina lingkungan, menyatakan bahwa peraturan sebelumnya yaitu Peraturan Menteri BUMN No. PER-05/MBU/2007 tanggal 27 April 2007, No. PER-20/MBU/2012 tanggal 27 Desember 2012, No. PER-05/MBU/2013 tanggal 1 Mei 2013, No. PER-07/MBU/2013 tanggal 27 Juni 2013, No. PER-08/MBU/2013 tanggal 10 September 2013 dan Surat Deputy Bidang Restrukturisasi dan Perencanaan Strategis BUMN No. S-92/DS.MBU/2013 tanggal 3 April 2013 dicabut dan dinyatakan tidak berlaku.

Tanggal 3 Juli 2015 Kementerian BUMN mengeluarkan Peraturan Menteri No. PER-09/MBU/07/2015 yang menggantikan PER-07/MBU/05/2015 tentang Program Kemitraan dan Program Bina Lingkungan Badan Usaha Milik Negara, dimana dana PKBL diambil dari bagian laba BUMN.

Sebagai tambahan, pada tanggal 19 Desember 2016 Kementerian BUMN mengeluarkan peraturan Menteri No. PER-03/MBU/12/2016 yang merupakan perubahan atas peraturan No. PER-09/MBU/07/2015.

Program Kemitraan BUMN dengan Usaha Kecil, yang selanjutnya disebut Program Kemitraan (PK) adalah program untuk meningkatkan kemampuan Usaha Kecil agar menjadi tangguh dan mandiri melalui pemanfaatan dana dari bagian laba BUMN Pembina.

Program Bina Lingkungan (BL) adalah program pemberdayaan kondisi sosial masyarakat oleh BUMN di wilayah usaha BUMN tersebut melalui pemanfaatan dana dari bagian laba BUMN Pembina.

1. GENERAL DESCRIPTION (continued)

a. Establishment and General Information (continued)

The Ministry Regulation above, latest amended by the Minister of SOEs' Regulation No. PER-08/MBU/2013 dated September 10, 2013 among others, regulates the funding sources of the Partnership and Community Development Program derived from the company's budget that is calculated as expense, maximum (each) of 2% from the previous year's net income.

Based on Minister of State-Owned Enterprises' Regulation No. PER-07/MBU/05/2015 dated May 22, 2015 regarding the Partnership Program for State-Owned Enterprises with small business and community development program, state that the previous regulation, which is the Minister of State-Owned Enterprises' Regulation No. PER-05/MBU/2007 dated April 27, 2007, No. PER-20/MBU/2012 dated December 27, 2012, No. PER-05/MBU/2013 dated May 1, 2013, No. PER-07/MBU/2013 dated June 27, 2013, No. PER-08/MBU/2013 dated September 10, 2013 and the Letter of Deputy for Restructuring and SOEs Strategic Planning No. S-92/DS.MBU/2013 dated April 3, 2013 are revoked and declared invalid.

On July 3, 2015 the Ministry of State-Owned Enterprises issued the Ministerial Regulation No. PER-09/MBU/07/2015 which replaced PER-07/MBU/05/2015 regarding the Partnership and Community Development Program of the State-Owned Enterprises, where PKBL's fund was taken from SOE profits.

In addition, On December 19, 2016 the Ministry of State-Owned Enterprises issued another Ministerial Regulation No. PER-03/MBU/12/2016 which is an amendment of No. PER-09/MBU/07/2015.

Partnership Program for SOEs' and with small business, hereinafter called Partnership Program (PK) is a program to improve the ability of Small Business to be resilient and independent through the utilizing funds that are part of the profits of Fostering SOEs.

Community Development Program (BL) is SOE's community program whose objective is to empower the social condition of the community's business in the area through the utilization of funds from the profits of Fostering SOEs.

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1. PENJELASAN UMUM (lanjutan)

b. Kegiatan Utama

Kegiatan utama yang dilakukan PKBL BRI meliputi kegiatan sebagai berikut:

1. Program Kemitraan (PK) meliputi kegiatan penyaluran dana berupa:
 - a) Pinjaman untuk membiayai modal kerja dan/atau pembelian aset tetap dalam rangka meningkatkan produksi dan penjualan;
 - b) Pinjaman tambahan untuk membiayai kebutuhan yang bersifat jangka pendek dalam rangka memenuhi pesanan dari rekanan usaha Mitra Binaan.
2. Program Bina Lingkungan (BL) meliputi kegiatan penyaluran dana berupa:
 - a) Bantuan korban bencana alam;
 - b) Bantuan pendidikan dan/ atau pelatihan;
 - c) Bantuan peningkatan kesehatan;
 - d) Bantuan pengembangan sarana dan prasarana umum;
 - e) Bantuan sarana ibadah;
 - f) Pelestarian alam;
 - g) Bantuan sosial untuk pengentasan kemiskinan;
 - h) Pendidikan, pelatihan, pemagangan, pemasaran, promosi, dan bentuk bantuan lain yang terkait dengan upaya peningkatan kapasitas mitra binaan program kemitraan.
3. Melakukan pengawasan atas kegiatan penyaluran dana PKBL di unit kerja BRI dan pengawasan kegiatan usaha Mitra Binaan;
4. Melakukan pelaporan kegiatan PKBL.

c. Sumber Dana

Sumber dana PKBL BRI adalah berasal dari:

1. Penyisihan sebagian laba bersih PT Bank Rakyat Indonesia (Persero) Tbk dan/atau anggaran yang diperhitungkan sebagai biaya pada PT Bank Rakyat Indonesia (Persero) Tbk;

1. GENERAL DESCRIPTION (continued)

b. Primary Activities

The primary activities of PKBL BRI include the following activities:

1. Partnership Program (PK) includes the distribution of funds in the form of:
 - a) Loans to finance working capital and/or purchase of fixed asset in order to increase production and sales;
 - b) Additional loan distribution to finance the short-term funding, to fulfill orders from business partner of the Foster Partners.
2. Community Development Program (BL) includes the distribution of funds in the form of:
 - a) Help victims of natural disaster;
 - b) Aid for education and/ or training;
 - c) Aid for health improvement;
 - d) Development of public facilities and infrastructure;
 - e) Improvement of worship facilities;
 - f) Nature preservation;
 - g) Social assistance in order to alleviate poverty;
 - h) Education, trainings, internships, promotions and other activities related to the improvement of productivity of foster partner from partnership program.
3. Monitoring of PKBL funds distribution in BRI working unit activities and the monitoring of business activities Foster Partners;
4. Reporting PKBL activities.

c. Funding Resources

Source of PKBL BRI's funding is derived from:

1. Provision of net income PT Bank Rakyat Indonesia (Persero) Tbk and/or budget which calculated as expense in PT Bank Rakyat Indonesia (Persero) Tbk;

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1. PENJELASAN UMUM (lanjutan)

c. Sumber Dana (lanjutan)

Sumber dana PKBL BRI adalah berasal dari (lanjutan):

2. Penyisihan sebagian laba bersih PT Bank Rakyat Indonesia (Persero) Tbk dan/atau anggaran yang diperhitungkan sebagai biaya pada PT Bank Rakyat Indonesia (Persero) Tbk;
3. Saldo dana PKBL BRI yang berasal dari penyisihan sebagian laba PT Bank Rakyat Indonesia (Persero) Tbk yang teralokasi sampai dengan akhir tahun 2012;
4. Jasa administrasi pinjaman/margin/ bagi hasil Program Kemitraan, bunga deposito dan/atau jasa giro dari dana PKBL;
5. Pelimpahan dana Program Kemitraan dari BUMN lain, jika ada.

d. Susunan Pengelola

Sebelum tanggal 27 April 2011, PKBL BRI adalah unit kerja bernama Bagian PKBL dan Pengawasan Lembaga Keuangan Mikro (LKM) yang secara struktural berada dibawah Divisi Bisnis Program dan Kemitraan, Direktorat Bisnis UMKM BRI yang bertugas mengelola dana PKBL BRI.

Berdasarkan Surat Keputusan Direksi PT Bank Rakyat Indonesia (Persero) Tbk NOKEP. S.16-DIR/REN/04/2011 tanggal 27 April 2011 tentang Organisasi Divisi Sekretariat Perusahaan PT Bank Rakyat Indonesia (Persero) Tbk, menyatakan tentang penambahan fungsi Bagian *Corporate Social Responsibility* (CSR) dibawah Divisi Sekretariat Perusahaan yang bertugas untuk mengelola dana Bina Lingkungan.

Pembentukan Bagian CSR Divisi Sekretariat Perusahaan telah ada sejak tanggal 27 April 2011, akan tetapi Pengelolaan Dana Program Bina Lingkungan yang dulunya dikelola oleh Bagian PKBL dan Pengawasan LKM Divisi Bisnis Program dan Kemitraan dilimpahkan kepada Bagian *Corporate Social Responsibility* (CSR) Divisi Sekretariat Perusahaan efektif pada tanggal 30 Maret 2012 sesuai dengan Nota Dinas No. B.64.SKP/CSR/03/2012 dan No. B.148.PRG/KBL/03/2012 tanggal 30 Maret 2012.

1. GENERAL DESCRIPTION (continued)

c. Funding Resources (continued)

Source of PKBL BRI's funding is derived from (continued):

2. Provision of net income PT Bank Rakyat Indonesia (Persero) Tbk and/or budget which calculated as expense in PT Bank Rakyat Indonesia (Persero) Tbk;
3. The PKBL funds balance that is derived from provision of the profits of PT Bank Rakyat Indonesia (Persero) Tbk allocated until the end of 2012;
4. Administrative services from loan/margin/profit-sharing Partnership Program, time deposits interest and/or current account services from PKBL funds;
5. Partnership Program funds handed over from other SOEs, if any.

d. Management Structure

Before April 27, 2011, PKBL BRI was a working unit called PKBL Section and Supervision of Microfinance Institution (MFI) that was structurally under the Partnership and Business Program Division, Directorate of MSME Business in charge of managing the PKBL BRI funds.

Based on PT Bank Rakyat Indonesia (Persero) Tbk Board of Directors' Decree NOKEP. S.16-DIR/REN/04/2011 dated April 27, 2011 regarding the Organization of Corporate Secretary Division of PT Bank Rakyat Indonesia (Persero) Tbk, it was stated that functionality of *Corporate Social Responsibility* (CSR) was added under the Corporate Secretary Division that in charge of managing the Community Development funds.

CSR Department has been established as a part of Corporate Secretary Division since April 27, 2011, but the Community Development Programs Funds Management that was once managed by PKBL Section and Supervision MFI of Partnership and Business Program Division was effectively transferred to the Corporate Social Responsibility (CSR) Department of Corporate Secretary Division effective on March 30, 2012 in accordance with the Official Memo No. B.64.SKP/CSR/03/2012 and No. B.148.PRG/KBL/03/2012 dated March 30, 2012.

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1. PENJELASAN UMUM (lanjutan)

d. Susunan Pengelola (lanjutan)

Susunan Pengelola PKBL BRI untuk tahun berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

	31 Desember/December 31,	
	2016	2015
Direktur	Mohammad Irfan	Mohammad Irfan
Kepala Divisi Bisnis Program, Pangan dan Kemitraan	Supardi Santoso	-
Wakil Kepala Divisi	-	Supardi Santoso
Kepala Bagian PKBL dan Pengawasan LKM	Gafyunedi	Tinny Purwaningsih
Wakil Kepala Bagian PKBL dan Pengawasan LKM	-	Faroman Avisena
- Staf	Renatasia Sari	Aditya Kharisma
- Staf	Fitri Septianingsih	Renatasia Sari
- Supervisor PKBL dan Pengawasan LKM	Mulyatno	Mulyatno
- Pelaksana	Fabby Fabianto	Fabby Fabianto
- Pelaksana	-	Marthalena
Kepala Divisi Sekretariat Perusahaan	Hari Siaga Amijarso	Hari Siaga Amijarso
Kepala Bagian <i>Corporate Social Responsibility</i>	Zainuddin Thalib Burutu	Eko Prasetyo H
- Staf	Abas Wahyudi	Abas Wahyudi
- Staf	Agusman Muhammad Latif	M. Taufiqurahman
- Supervisor Operasional CSR	Nurhidayati	Nurhidayati
- Pelaksana	Ceindry Indra Prayogo	Ceindry Indra Prayogo
- Pelaksana	Lia Lidya Putri	Arieyanto Adi Nugroho
- Pelaksana	-	Lia Lidya Putri
- Pelaksana	-	-

Seluruh pegawai adalah pegawai yang memperoleh gaji dan manfaat lainnya dari BRI sehingga masalah penetapan Imbalan Kerja (PSAK No. 24) dilaksanakan oleh dan menjadi beban BRI.

Pemotongan dan penyetoran atas PPh Pasal 21 atas pegawai BRI yang ditempatkan di PKBL BRI dilakukan oleh BRI.

e. Unit Kerja Penyalur PKBL BRI

Unit PKBL BRI terdiri dari 2 (dua) bagian yaitu:

1. Bagian PKBL dan Pengawasan LKM, Divisi Bisnis Program dan Kemitraan berlokasi di Gedung BRI II Lantai 28 Jalan Jenderal Sudirman Kav. 44-46, Jakarta Pusat sebagai penyalur dana pinjaman kemitraan.
2. Bagian Corporate Social Responsibility (CSR), Divisi Sekretariat Perusahaan berlokasi di Gedung BRI I Lantai 20 Jalan Jenderal Sudirman Kav. 44-46, Jakarta Pusat sebagai penyalur dana Bina Lingkungan.

1. GENERAL DESCRIPTION (continued)

d. Management Structure (continued)

Management structure of PKBL BRI for the years ended December 31, 2016 and 2015 is as follows:

	31 Desember/December 31,		
	2016	2015	
Direktur	Mohammad Irfan	Mohammad Irfan	Director
Kepala Divisi Bisnis Program, Pangan dan Kemitraan	Supardi Santoso	-	Division Head of Business Program, Food and Partnership
Wakil Kepala Divisi	-	Supardi Santoso	Deputy Head of Division
Kepala Bagian PKBL dan Pengawasan LKM	Gafyunedi	Tinny Purwaningsih	Head of PKBL and MFI Supervision
Wakil Kepala Bagian PKBL dan Pengawasan LKM	-	Faroman Avisena	Deputy Head of PKBL and MFI Supervision
- Staf	Renatasia Sari	Aditya Kharisma	Staff -
- Staf	Fitri Septianingsih	Renatasia Sari	Staff -
- Supervisor PKBL dan Pengawasan LKM	Mulyatno	Mulyatno	PKBL Supervisor and - MFI Supervisor
- Pelaksana	Fabby Fabianto	Fabby Fabianto	Executive -
- Pelaksana	-	Marthalena	Executive -
Kepala Divisi Sekretariat Perusahaan	Hari Siaga Amijarso	Hari Siaga Amijarso	Division Head of Corporate Secretary
Kepala Bagian <i>Corporate Social Responsibility</i>	Zainuddin Thalib Burutu	Eko Prasetyo H	Head of Corporate Social Responsibility
- Staf	Abas Wahyudi	Abas Wahyudi	Staff -
- Staf	Agusman Muhammad Latif	M. Taufiqurahman	Staff -
- Supervisor Operasional CSR	Nurhidayati	Nurhidayati	Operational Supervisor CSR -
- Pelaksana	Ceindry Indra Prayogo	Ceindry Indra Prayogo	Executive -
- Pelaksana	Lia Lidya Putri	Arieyanto Adi Nugroho	Executive -
- Pelaksana	-	Lia Lidya Putri	Executive -
- Pelaksana	-	-	Executive -

All employees are employees who earn salaries and other benefits from BRI so that the application of Employee Benefits (SFAS No. 24) is implemented by and charged to BRI.

Withholding and deposit of Income Tax Article 21 of BRI employees placed in PKBL BRI is conducted by BRI.

e. Distributor Working Units PKBL BRI

PKBL BRI units consists of 2 (two) parts:

1. The PKBL Section and Supervision of MFI, Business Program and Partnership Division located in BRI II Building 28th Floor Jalan Jenderal Sudirman Kav. 44-46, Central Jakarta as the distributor of funds partnerships receivables.
2. Corporate Social Responsibility (CSR) Section, Corporate Secretariat Division located at BRI I Building 20th Floor Jalan Jenderal Sudirman Kav. 44-46, Central Jakarta as distributor of funds of Community Development.

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e. Unit Kerja Penyalur PKBL BRI (lanjutan)

Pada tanggal 31 Desember 2016 dan 2015 penyaluran dana PKBL BRI dilakukan di unit kerja BRI dengan rincian sebagai berikut (tidak diaudit):

No.	Unit Kerja	Jumlah Kantor Cabang/ Total Branches	Jumlah Kantor Cabang Pembantu/ Total Sub Branches	Working Units	No.
1.	Kantor Wilayah Aceh	11	15	Aceh Regional Office	1.
2.	Kantor Wilayah Medan	24	34	Medan Regional Office	2.
3.	Kantor Wilayah Padang	14	8	Padang Regional Office	3.
4.	Kantor Wilayah Pekanbaru	22	20	Pekanbaru Regional Office	4.
5.	Kantor Wilayah Palembang	21	29	Palembang Regional Office	5.
6.	Kantor Wilayah DKI Jakarta 1	26	54	DKI Jakarta 1 Regional Office	6.
7.	Kantor Wilayah DKI Jakarta 2	32	68	DKI Jakarta 2 Regional Office	7.
8.	Kantor Wilayah DKI Jakarta 3	36	57	DKI Jakarta 3 Regional Office	8.
9.	Kantor Wilayah Bandung	30	45	Bandung Regional Office	9.
10.	Kantor Wilayah Semarang	22	38	Semarang Regional Office	10.
11.	Kantor Wilayah Yogyakarta	33	34	Yogyakarta Regional Office	11.
12.	Kantor Wilayah Surabaya	25	39	Surabaya Regional Office	12.
13.	Kantor Wilayah Malang	24	36	Malang Regional Office	13.
14.	Kantor Wilayah Denpasar	31	27	Denpasar Regional Office	14.
15.	Kantor Wilayah Banjarmasin	31	31	Banjarmasin Regional Office	15.
16.	Kantor Wilayah Makassar	36	28	Makassar Regional Office	16.
17.	Kantor Wilayah Manado	17	18	Manado Regional Office	17.
18.	Kantor Wilayah Jayapura	13	12	Jayapura Regional Office	18.
19.	Kantor Wilayah Bandar Lampung	14	16	Bandar Lampung Regional Office	19.
	Jumlah	462	609	Total	

Unit Kerja penyalur meliputi Kantor Cabang dan Kantor Cabang Pembantu dibawah kelolaan masing-masing Kantor Wilayah BRI.

f. Otorisasi Penerbitan Laporan Keuangan

Laporan keuangan telah diselesaikan dan disahkan untuk diterbitkan oleh Pengelolaan PKBL BRI pada tanggal 25 Januari 2017.

1. GENERAL DESCRIPTION (continued)

e. Distributor Working Units PKBL BRI (continued)

As of December 31, 2016 and 2015 the distribution of funds of PKBL BRI conducted by BRI working unit are detailed as follows (unaudited):

Distributor Working Units includes Branches and Sub-Branches each managed by BRI Regional Office.

f. Authorization of the Issuance of Financial Statement

The financial statements were completed and authorized for issuance by PKBL BRI management on January 25, 2017.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN

Kebijakan akuntansi signifikan dan diterapkan dalam menyusun laporan keuangan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

a. Dasar Penyusunan Laporan Keuangan

Laporan keuangan disusun berdasarkan Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik (SAK ETAP) yang diterbitkan oleh Dewan Standar Akuntansi

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial statements for the years ended December 31, 2016 and 2015 are as follows:

a. Basis of Preparation of Financial Statements

The Financial statements are prepared in accordance with Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) as issued by

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

a. Dasar Penyusunan Laporan Keuangan (lanjutan)

Keuangan - Ikatan Akuntan Indonesia, dan mempertimbangkan Surat Edaran Kementerian BUMN No. SE-02/MBU/Wk/2012 yang dikeluarkan tanggal 23 Februari 2012 perihal Penetapan Pedoman Akuntansi Program Kemitraan dan Bina Lingkungan.

Laporan keuangan disusun dengan dasar akrual, kecuali untuk beberapa akun tertentu yang disusun berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi terkait.

Laporan arus kas menyajikan informasi mengenai penerimaan dan pengeluaran kas dan setara kas dalam satu periode yang diklasifikasikan dalam aktivitas operasi, investasi, dan pendanaan, yang disusun dengan metode langsung.

Mata uang penyajian yang digunakan pada laporan keuangan adalah Rupiah.

b. Kas dan Setara Kas

Kas dan setara kas terdiri dari kas, bank dan semua investasi jangka pendek yang jatuh tempo dalam kurun waktu 3 (tiga) bulan atau kurang dari tanggal perolehannya, setelah dikurangi cerukan, dan tidak dijaminan serta tidak dibatasi penggunaannya.

c. Piutang

Piutang pinjaman Mitra Binaan merupakan pinjaman yang disalurkan oleh PKBL lewat unit kerja penyalur PKBL kepada Mitra Binaan sesuai ketentuan yang berlaku. Piutang pinjaman mitra binaan diakui pada saat pinjaman tersebut disalurkan kepada mitra binaan dan diukur serta dicatat sebesar jumlah neto setelah dikurangi dengan penyisihan kerugian penurunan nilai.

Piutang kepada Badan Usaha Milik Negara (BUMN) Pembina Lain/Lembaga Penyalur Lain merupakan pinjaman yang diberikan kepada unit Program Kemitraan dan Bina Lingkungan (PKBL)/Lembaga Penyalur lain sebagai bentuk sinergi antar unit Program Kemitraan dan Bina Lingkungan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

a. Basis of Preparation of Financial Statements (continued)

The Financial Accounting Standards Board - Indonesian Institute of Accountants, and considered Ministry of State-Owned Enterprises ("SOE") Circular No. SE-02/MBU/Wk/2012 dated February 23, 2012 Concerning Guidance of Accounting Standards for Partnership Program and Community Development.

The financial statements have been prepared on the accrual basis, except for certain accounts prepared based on other measurement as explained in related accounting policy.

The statement of cash flows presents information on receipts and payments of cash and cash equivalents during the year classified by operating, investing and financing activities, which is prepared using the direct method.

Currency used in the presentation of financial statements is the Indonesian rupiah.

b. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, bank and all short-term investment with maturities in 3 (three) months or less from the acquisition date, after netted for overdraft, not pledged as collateral, also not restricted in use.

c. Receivables

Foster Partners loan receivables are loans distributed by PKBL through PKBL working units to Foster Partners according to applicable regulations. Foster partners loan receivables are recognized when the loans are disbursed to foster partners, and are measured and recorded at the net amount after deducting allowance for impairment losses.

Receivables from other Fostering SOEs Distribution Partners represent loans given to Partnership and Community Development Program (PKBL) units/other distributing Partners as a form of synergy among Partnership and Community Development Program units.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

c. Piutang (lanjutan)

Piutang kepada BUMN Pembina merupakan alokasi dana dari BUMN Pembina untuk Program Bina Lingkungan yang telah ditetapkan dalam Rapat Umum Pemegang Saham ("RUPS").

Piutang selain dijelaskan di atas disajikan dalam Laporan Posisi Keuangan pada akun Piutang Lain-lain.

Penggolongan kualitas piutang kemitraan ditetapkan sebagai berikut:

1. Lancar, apabila pembayaran angsuran pokok dan jasa administrasi pinjaman tepat waktu atau terjadi keterlambatan pembayaran pokok dan/atau jasa administrasi pinjaman selambat-lambatnya 30 (tiga puluh) hari dari tanggal jatuh tempo pembayaran angsuran;
2. Kurang lancar, apabila terjadi keterlambatan pembayaran pokok dan/atau jasa administrasi pinjaman yang telah melampaui 30 (tiga puluh) hari dan belum melampaui 180 (seratus delapan puluh) hari dari tanggal jatuh tempo pembayaran angsuran;
3. Diragukan, apabila terjadi keterlambatan pembayaran pokok dan/atau jasa administrasi pinjaman yang telah melampaui 180 (seratus delapan puluh) hari dan belum melampaui 270 (dua ratus tujuh puluh) hari dari tanggal jatuh tempo pembayaran angsuran;
4. Macet, apabila terjadi keterlambatan pembayaran pokok dan/atau jasa administrasi pinjaman yang telah melampaui 270 (dua ratus tujuh puluh) hari dari tanggal jatuh tempo pembayaran angsuran.

d. Penyisihan Kerugian Penurunan Nilai Piutang

Penyisihan kerugian penurunan nilai piutang adalah penyisihan atas estimasi kerugian terhadap piutang yang mungkin tidak tertagih di masa yang akan datang.

Penyisihan kerugian penurunan nilai piutang pinjaman mitra binaan dihitung secara kolektif berdasarkan prosentase tertentu tingkat ketertagihan (*collection*) data historis yang ada (minimal 2 tahun) sedangkan penyisihan kerugian penurunan nilai piutang kepada BUMN pembina lain dihitung secara individual.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Receivables (continued)

Receivable from Fostering SOE are funds allocation for Community Development Program which decided in the General Meeting of Shareholders ("GMS").

Loans other than those described above are presented in the Other Receivables account of the Statement of Financial Position.

The classification of receivables partnership based on collectibility is as follows:

1. *Current, when principal installment and administration service income payment are paid on time or those whose late payments of principal and/or administration service is a maximum of 30 (thirty) days from the agreed payment date.*
2. *Substandard, when late payment of principal and/or administration service income payment are between 30 (thirty) days and 180 (one hundred eighty) days from the agreed payment date.*
3. *Doubtful, when late payment of principal and/or administration service income payment are between 180 (one hundred eighty) days and 270 (two hundred seventy) days from the agreed payment date.*
4. *Loss, when late payment of principal and/or administration service income payment are over 270 (two hundred seventy) days from the agreed payment date.*

d. Allowance for Impairment Losses on Receivables

Allowance for impairment losses on receivables is the provision for estimated losses that might become uncollectible receivables in the future.

Allowance for impairment losses on loan receivables from foster partners is calculated collectively based on specific percentage of available historical collectibility rate (minimum 2 years of historical data) while allowance for impairment losses on receivables to other Fostering SOEs Distribution Partners is calculated individually.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI YANG
SIGNIFIKAN (lanjutan)**

e. Aset Tetap

Aset tetap adalah aset berwujud yang diperoleh dalam bentuk siap pakai atau dibangun terlebih dahulu dan digunakan dalam operasi PKBL BRI serta mempunyai masa manfaat lebih dari satu tahun.

Aset tetap diakui berdasarkan harga perolehan dikurangi akumulasi penyusutan.

Aset tetap kecuali tanah, disusutkan berdasarkan taksiran masa manfaat ekonomis aset tetap dengan menggunakan metode garis lurus berdasarkan estimasi masa manfaat sebagai berikut:

Jenis Aset Tetap	Tarif Penyusutan/tahun/ Depreciation Rate/year
Inventaris dan Peralatan	25%

Beban pemeliharaan dan perbaikan dibebankan pada saat terjadinya pemugaran dan penambahan dalam jumlah signifikan, dikapitalisasi ke akun aset tetap yang bersangkutan. Jika aset tetap dihentikan pengakuannya, PKBL BRI harus menentukan keuntungan atau kerugian yang timbul dari penghentian pengakuan aset tetap dengan menghitung perbedaan, antara hasil penjualan neto (jika ada) dan jumlah tercatatnya.

f. Beban yang Masih Harus Dibayar

Beban yang masih harus dibayar adalah biaya-biaya yang masih harus dibayar PKBL BRI karena telah diterimanya jasa atau prestasi selama tahun berjalan tetapi belum dibayar sampai dengan akhir periode akuntansi karena pembayarannya akan jatuh tempo pada tahun berikutnya.

g. Aset Neto

Aset neto adalah aset dikurangi dengan liabilitas. Aset neto diklasifikasikan menjadi Aset Neto Terikat (ANT) dan Aset Neto Tidak Terikat (ANTT).

ANT adalah sumber daya yang penggunaannya dibatasi untuk tujuan tertentu atau tidak dapat digunakan untuk kegiatan operasi normal. ANT diklasifikasikan menjadi Aset Neto Terikat Temporer (ANTTT) dan Aset Neto Terikat Permanen (ANTPP).

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (continued)**

e. Fixed Assets

Fixed assets are tangible assets acquired Off-the-shelf or are built for use in PKBL operations and have a useful life of more than one year.

Fixed assets are recognized at their historical costs less accumulated depreciation.

Fixed assets except land are depreciated using straight-line method based on the estimated useful life as follows:

Masa Manfaat/ Useful Life	Fixed Asset Type
4	Premises and Equipment

Repairs and maintenance expense are charged as incurred, significant amount of renewal and addition is capitalized to relevant fixed assets account. If the fixed asset is derecognized, BRI PKBL should determine the gain or loss arising from the derecognition of fixed assets by calculating the difference between the net sale proceeds (if any) and the carrying amount.

f. Accrued Expenses

Accrued expenses are expenses that have to be paid by PKBL BRI as service that have been received in the current period have not been paid for at the end of current accounting period because payment will due in the next year.

g. Net Assets

Net assets are assets less liabilities. Net assets are classified as Restricted Net Assets (ANT) and Unrestricted Net Assets (ANTTT).

ANT is a resource which is restricted for a specific purpose or can not be used for normal operating activities. ANT is classified into Temporary-Restricted Net Assets (ANTTT) and Permanent-Restricted Net Assets (ANTPP).

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

g. Aset Neto (lanjutan)

Termasuk dalam pembatasan temporer adalah penyisihan dana BUMN Peduli yaitu dana program bina lingkungan yang disisihkan PKBL BRI untuk program Bina Lingkungan BUMN Peduli yang berasal dari saldo awal kas dana program bina lingkungan, pengembalian dana bina lingkungan yang gagal terealisasi dan alokasi laba BRI untuk program bina lingkungan.

ANTT adalah sumber daya yang penggunaannya tidak dibatasi untuk tujuan tertentu.

h. Aset Neto Terikat Temporer (ANTT) - Berakhir Pemenuhan Program

ANTT - berakhir pemenuhan program adalah dana aset neto terikat - alokasi BUMN peduli yang menurut ketentuan telah digunakan dalam rangka pelaksanaan program bina lingkungan BUMN Peduli (telah dipenuhi pembatasan programnya). Akun ini merupakan kontra akun ANTT - terbebaskan.

i. Pendapatan Bunga

Pendapatan bunga adalah pendapatan yang diperoleh dari hasil penempatan dana program kemitraan pada rekening giro bank. Pendapatan bunga disajikan setelah dikurangi pajak yang bersifat final dan biaya administrasi rekening.

j. Pendapatan Jasa Administrasi Pinjaman

Pendapatan jasa administrasi pinjaman adalah pendapatan jasa yang dipungut atas pinjaman dana program kemitraan yang disalurkan kepada Mitra Binaan. Pendapatan Jasa Administrasi Pinjaman diukur dan dicatat berdasarkan nilai yang telah jatuh tempo sesuai dengan kontrak. Pendapatan jasa administrasi pinjaman diakui secara akrual hanya pada piutang dengan status lancar dan kurang lancar.

k. Pendapatan dari BUMN Pembina

Pendapatan dari BUMN pembina adalah pendapatan yang berasal dari alokasi dana yang ditetapkan oleh RUPS untuk dana PKBL.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g. Net Assets (continued)

Temporary restriction consists of provision for SOEs Cares fund which is community development fund that is set aside by PKBL BRI for Community Development program of SOEs Care that is derived from the beginning balance of the cash funds of Community Development program, the refund from community development which failed to realize and allocation of BRI profit for community development program.

ANTT are resources whose usage are unrestricted for a specific purpose.

h. Temporary Restricted Net Assets - Ending Realization Program

ANTT - ending realization program is restricted net assets fund - allocation of SOE Care according to the provisions which have been used in the implementation of community development program of SOEs Care (program restrictions have been met). This account is a contra account ANTT - released.

i. Interest Income

Interest income is the income generated from fund placement partnership program on current account. Interest income presented after being deducted with final tax and administrative cost.

j. Loan Administration Services Income

Loan administration services income is service income from partnership program funds which is distributed to Foster Partner. Loan administration services income is measured and recognized based on the values that have matured according to the contract. Loan administration services income is only recognised using accrual basis for loan with current and substandard collectibility.

k. Revenue from Fostering SOE

Revenue from fostering SOE is an income from allocation of fund which is set by GMS for PKBL funds.

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2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

k. Pendapatan dari BUMN Pembina (lanjutan)

Alokasi dana dari BUMN pembina diakui pada saat ditetapkan oleh RUPS dan diukur serta dicatat sebesar jumlah dana yang dialokasikan untuk PKBL sesuai dengan keputusan RUPS.

l. Pendapatan Lain-lain

Pendapatan lain-lain adalah pendapatan yang tidak dapat digolongkan menurut klasifikasi dari pendapatan di atas. Pendapatan ini diakui menggunakan basis akrual.

m. Dana pembinaan kemitraan (Hibah)

Dana pembinaan kemitraan (Hibah) adalah penyaluran dana PKBL BRI sebagai salah satu bentuk pelaksanaan Program Kemitraan, yang disalurkan melalui beberapa program yang disusun untuk membantu Mitra Binaan dalam rangka mengembangkan usahanya dengan besaran maksimal 20% dari dana Program Kemitraan tahun berjalan dan hanya diberikan kepada Mitra Binaan. Beban diakui pada saat dana disalurkan.

n. Beban Pembinaan

Beban pembinaan adalah beban yang dikeluarkan PKBL BRI berkaitan dengan penyaluran pinjaman kepada Mitra Binaan yang meliputi biaya survei, biaya *monitoring*, biaya penagihan pinjaman, dan biaya pelatihan pekerja atau pengurus PKBL BRI. Beban pembinaan diukur dan dicatat sebesar beban yang telah menjadi liabilitas sebagai akibat transaksi keuangan yang dilakukan oleh PKBL BRI.

o. Beban Penyisihan Kerugian Penurunan Nilai Piutang Pinjaman

Beban penyisihan kerugian penurunan nilai piutang pinjaman adalah beban yang timbul akibat pembentukan penyisihan kerugian penurunan nilai atas piutang pinjaman yang mungkin tidak tertagih.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k. Revenue from Fostering SOE (continued)

Allocation of fund from fostering SOEs is recognized when decided by GMS and it was measured and recorded at the amount of funds allocated in accordance with the GMS's decision.

l. Other Income

Other income is an income that cannot be classified according to the classification of income stated above. The income is recognized on an accrual basis.

m. Fostering Partnership Funds (Grant)

Fostering partnership funds (Grant) is a form through which Partnership Program is implemented. The grant, which is PKBL distribution fund is distributed through several programs designed to help the Foster Partner to expand its business with the amount of maximum 20% of current year partnership program funds and is only given to Foster Partners. The expenses are recognized when the funds were distributed.

n. Empowerment Expenses

Empowerment expenses are the expenses incurred by PKBL BRI on the distribution of Foster Partner loan. These costs include survey cost, monitoring cost, loan collection cost, and training cost of worker or management PKBL BRI. Empowerment expenses are measured and recognized as expense which have become a liability as a result of financial transaction of PKBL BRI.

o. Allowance for Impairment Losses on Loan Receivables

Allowance for impairment losses on loan receivables are expense that arise from the allowance for impairment losses on loan receivables which might become uncollectible.

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**3. PENGGUNAAN PERTIMBANGAN, ESTIMASI
DAN ASUMSI**

a. Pertimbangan

Dalam proses penerapan kebijakan akuntansi PKBL BRI, Pengelola telah membuat pertimbangan-pertimbangan berikut ini yang telah terpisah dari estimasi dan asumsi, yang memiliki pengaruh paling signifikan terhadap jumlah yang tercatat dalam laporan keuangan:

Implementasi PER-09/MBU/07/2015

Sehubungan dengan penerapan PER-09/MBU/07/2015 yang telah diungkapkan dalam Catatan 1a, disyaratkan bahwa beban operasional Program Kemitraan dan Program Bina Lingkungan menjadi beban PT Bank Rakyat Indonesia (Persero) Tbk selaku BUMN Pembina. Dengan demikian, beban tersebut tidak dicatat oleh PKBL BRI dalam laporan aktivitas.

Sesuai dengan RUPS Luar Biasa yang dilakukan pada tanggal 14 Desember 2015, yang telah diungkapkan dalam Catatan 12, dinyatakan bahwa PER-09/MBU/07/2015 diberlakukan pada tahun 2016.

Penyisihan kerugian penurunan nilai piutang pinjaman

Apabila terdapat bukti objektif bahwa rugi penurunan nilai telah terjadi atas piutang pinjaman mitra binaan, PKBL BRI mengestimasi penyisihan untuk kerugian penurunan nilai atas piutang yang secara khusus diidentifikasi sebagai piutang yang kemungkinan tidak dapat ditagih. Tingkat penyisihan ditelaah oleh Pengelola dengan dasar faktor-faktor yang mempengaruhi tingkat tertagihnya piutang tersebut.

Apabila terdapat bukti objektif bahwa rugi penurunan nilai telah terjadi atas piutang kepada BUMN Pembina lain, tingkat cadangan ditelaah oleh Pengelola dengan dasar peristiwa yang merugikan telah terjadi setelah pengakuan awal dan berdampak pada arus kas masa datang yang dapat diestimasi secara handal.

3. ACCOUNTING JUDGMENTS, ESTIMATION AND ASSUMPTION

a. Judgment

In the implementation process of PKBL BRI's accounting policies, Management has prepared these judgments, apart from estimation and assumption, which have significant impact to the amounts recognized in the financial statements:

The implementation of PER-09/MBU/07/2015

In relation to the implementation of PER-09/MBU/07/2015 as disclosed in Note 1a, required that the operational expenses of Partnership and Community Development Program to be recognized by PT Bank Rakyat Indonesia (Persero) Tbk as Fostering SOE. Therefore, such expense was not recorded by PKBL BRI in the statement of Activity.

In accordance with Extraordinary General Meeting of Shareholders ("GMS") that held at December 14, 2015 as disclosed in Note 12, it was stated that PER-09/MBU/07/2015 enacted in 2016.

Allowance for impairment losses on loan receivables

If there is objective evidence that losses because of impairment has been incurred on loan to foster partners, PKBL BRI estimates an allowance for impairment losses of those loan specifically identified as possibly uncollectible. The level of allowance is examined by Management based on several factors influencing the receivables collectibility.

If there is objective evidence that losses because of impairment has been incurred on Loan to other Fostering SOEs, the level of allowance for impairment losses of those loan is evaluated by the Management on the basis of an adverse event has occurred after the initial recognition and impact on the future cash flows that can be reliably estimated.

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**3. PENGGUNAAN PERTIMBANGAN, ESTIMASI
DAN ASUMSI (lanjutan)**

a. Pertimbangan (lanjutan)

**Penyisihan kerugian penurunan nilai
piutang pinjaman (lanjutan)**

PKBL BRI menggunakan pertimbangan berdasarkan fakta dan situasi yang tersedia, termasuk tetapi tidak terbatas pada, jangka waktu hubungan PKBL BRI dengan Mitra Binaan dan status kredit berdasarkan kualitas pinjaman kemitraan.

b. Estimasi dan asumsi

PKBL BRI berkesinambungan mengevaluasi adanya bukti objektif bahwa piutang mengalami penurunan nilai pada tiap akhir periode pelaporan. Tingkat penyisihan ditelaah oleh manajemen dengan dasar faktor yang mempengaruhi tingkat tertagihnya piutang tersebut. Dalam kasus ini, PKBL BRI menggunakan pertimbangan berdasarkan fakta-fakta terbaik yang tersedia untuk mengakui penyisihan spesifik (individu) terhadap jumlah yang jatuh tempo untuk menurunkan piutang PKBL BRI ke jumlah yang diharapkan dapat ditagih.

Untuk penyisihan kerugian penurunan nilai piutang pinjaman kepada BUMN Pembina lain dihitung berdasarkan estimasi kerugian yang tidak dapat ditagih yaitu secara individual berdasarkan estimasi arus kas masa datang.

PKBL BRI juga meneliti penyisihan kerugian penurunan nilai secara kolektif terhadap resiko kredit Mitra Binaan yang dikelompokkan berdasarkan karakteristik kredit yang sama, yang meskipun tidak diidentifikasi secara spesifik memerlukan penyisihan tertentu, memiliki risiko yang lebih besar tidak tertagih dibandingkan dengan piutang yang diberikan kepada Mitra Binaan. Penyisihan kerugian penurunan nilai piutang pinjaman mitra binaan dihitung berdasarkan kajian nilai terkini dan historis tingkat ketertagihan dari piutang. Penyisihan piutang mitra binaan dihitung berdasarkan estimasi kerugian yang tidak dapat ditagih yaitu secara kolektif berdasarkan prosentase tertentu tingkat ketertagihan (*collection*) data historis yang ada (minimal dua tahun). Penyisihan ini disesuaikan secara berkala untuk mencerminkan hasil aktual dan estimasi.

**3. ACCOUNTING JUDGEMENTS, ESTIMATION
AND ASSUMPTION (continued)**

a. Judgment (continued)

**Allowance for impairment losses on loan
receivables (continued)**

PKBL BRI uses judgments based on available facts and circumstances, including but not limited to, PKBL BRI's period of relationship with Foster Partners and fostering partnership's loan status based on collectibility of loans.

b. Estimations and Assumptions

PKBL BRI continually assesses the existence of objective evidence that the receivables are impaired at the end of each reporting period. The level of allowance is evaluated by management on the basis of factors that affect the collectibility that receivables. In this case, PKBL BRI uses judgment based on the best facts available to recognize a specific allowance (individual) against the amount due to lower receivables PKBL BRI to the expected in order collectible amount.

Allowance for impairment losses on loans receivables from other Fostering SOE are calculated based on the estimated losses that not can be collected individually based on the estimated future cash flows.

PKBL BRI also assesses the allowance for impairment losses collectively towards credit risks of Foster Partners which are grouped based on the same credit risk, regardless whether an allowance has not been specifically identified, have a higher risk of uncollectibility compared to loan given to Foster Partners. Allowance for impairment losses on loan is measured based on the evaluation of current value and historical rate of loan collectibility. Allowance for impairment losses on loan receivables is recognised based on the estimation of uncollectible amount which is done collectively based on a specific percentage (two years minimum) of historical rate of loan collectibility. This allowance is adjusted periodically to reflect actual result and estimation.

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4. KAS PADA BANK

Kas pada Bank merupakan penempatan dana PKBL pada rekening giro di PT Bank Rakyat Indonesia (Persero) Tbk adalah sebagai berikut:

	31 Desember/ December 31, 2016	31 Desember/ December 31, 2015
Program Kemitraan		
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - setelah Tbk	345.258.638.386	291.339.691.020
PT Bank Rakyat Indonesia (Persero) Tbk - setelah Tbk	27.227.070.556	110.703.109.025
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - sebelum Tbk	52.116.483.307	51.493.440.563
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - setelah Tbk	31.805.673.352	26.627.050.723
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - sebelum Tbk	4.846.334.657	4.788.397.640
PT Bank Rakyat Indonesia (Persero) Tbk - sebelum Tbk	3.927.925.454	3.880.967.846
PT Bank Rakyat Indonesia (Persero) Tbk - Operasional	549.422.364	542.852.728
	<u>465.731.548.076</u>	<u>489.375.509.545</u>
Bina Lingkungan		
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan	343.712.930.576	461.838.771.096
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli	276.016.341.791	243.459.566.449
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI	740.331.689	731.481.164
	<u>620.469.604.056</u>	<u>706.029.818.709</u>
Jumlah Kas pada Bank	<u>1.086.201.152.132</u>	<u>1.195.405.328.254</u>

Tingkat suku bunga giro pada tanggal-tanggal 31 Desember 2016 dan 2015 masing-masing sebesar 2,00%.

5. PIUTANG KEPADA BUMN PEMBINA LAIN/LEMBAGA PENYALUR

Piutang kepada BUMN Pembina Lain/Lembaga Penyalur pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

	31 Desember/ December 31, 2016	31 Desember/ December 31, 2015
PKBL PT Perkebunan Nusantara IX (Persero)	71.000.000.000	72.000.000.000
PKBL PT Rajawali Nusantara Indonesia (Persero)	-	8.072.358.000
Jumlah	71.000.000.000	80.072.358.000
Dikurangi penyisihan kerugian penurunan nilai piutang kepada BUMN pembina lain/lembaga penyalur	(16.905.874.481)	(6.562.744.862)
Neto	<u>54.094.125.519</u>	<u>73.509.613.138</u>

4. CASH IN BANK

Cash in Bank is PKBL fund placement in the following current account of PT Bank Rakyat Indonesia (Persero) Tbk:

Partnership Program	
PT Bank Rakyat Indonesia (Persero) Tbk Principal Escrow - after Tbk	
PT Bank Rakyat Indonesia (Persero) Tbk - after Tbk	
PT Bank Rakyat Indonesia (Persero) Tbk Principal Escrow - before Tbk	
PT Bank Rakyat Indonesia (Persero) Tbk Interest Escrow - after Tbk	
PT Bank Rakyat Indonesia (Persero) Tbk Interest Escrow - before Tbk	
PT Bank Rakyat Indonesia (Persero) Tbk - before Tbk	
PT Bank Rakyat Indonesia (Persero) Tbk - Operational	

Community Development	
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan	
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli	
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI	

Total Cash in Bank

The current account's interest rate for December 31, 2016 and 2015 are 2.00%, respectively.

5. RECEIVABLES FROM OTHER FOSTERING SOE/DISTRIBUTING PARTNERS

Receivables from other Fostering SOE/Distributing Partners as of December 31, 2016 and 2015 are as follows:

PKBL PT Perkebunan Nusantara IX (Persero)	
PKBL PT Rajawali Nusantara Indonesia (Persero)	

Total

Less: allowance for impairment losses on receivables from other fostering SOE/distributing partners

Net

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**5. PIUTANG KEPADA BUMN PEMBINA
LAIN/LEMBAGA PENYALUR (lanjutan)**

Perubahan penyisihan kerugian penurunan nilai piutang kepada BUMN pembina lain/lembaga penyalur adalah sebagai berikut:

	31 Desember/ December 31, 2016
Saldo awal tahun	6.562.744.862
Pembentukan penyisihan selama tahun berjalan	10.343.129.619
Saldo akhir tahun	16.905.874.481

PT Rajawali Nusantara Indonesia (Persero)

Berdasarkan Perjanjian Kerjasama No. B.1041-DIR/PRG/12/2014 dan No. 174/S,Pj/RNI.01/XII/2014 antara PT Bank Rakyat Indonesia (Persero) Tbk dan PT Rajawali Nusantara Indonesia (Persero) tanggal 29 Desember 2014, dinyatakan bahwa PKBL BRI menyalurkan pinjaman kemitraan maksimum sebesar Rp9.609.950.000 yang diperuntukkan kepada petani/kelompok tani untuk budidaya tanaman tebu untuk masa tanam 2014/2015 dengan tingkat bunga tetap sebesar 6% per tahun dan memiliki jangka waktu selama 18 (delapan belas) bulan. Pengembalian pokok pinjaman dan jasa administrasi telah dilakukan pada bulan Januari 2016 sebesar Rp8.556.699.480.

PT Perkebunan Nusantara IX (Persero)

Berdasarkan Persetujuan Kredit No. B.171-DIR/PRG/03/2013 dan No. PTPN IX-0/KOTR/009/2013 antara PT Bank Rakyat Indonesia (Persero) Tbk dan PT Perkebunan Nusantara IX (Persero) tanggal 11 Maret 2013, PKBL BRI menyalurkan pinjaman kemitraan sebesar Rp75.000.000.000 yang diperuntukkan kepada petani/kelompok petani untuk budidaya tanaman tebu untuk masa tanam 2013/2014 dengan tingkat bunga tetap sebesar 6% per tahun dan memiliki jangka waktu selama 24 (dua puluh empat) bulan dan akan jatuh tempo pada tanggal 11 Maret 2015.

Pada tanggal 10 November 2014, PT Perkebunan Nusantara IX (Persero) mengajukan permohonan perpanjangan pengembalian pinjaman kemitraan tersebut sampai dengan Desember 2015, yang disetujui oleh PKBL BRI pada tanggal 17 Februari 2015.

**5. RECEIVABLES FROM OTHER FOSTERING
SOE/DISTRIBUTING PARTNERS (continued)**

Movements in allowance for impairment losses on receivables from other fostering SOE/distributing partners are as follows:

	31 Desember/ December 31, 2015	
	4.747.079.934	Beginning balance
	1.815.664.928	Allowance for impairment during the year
	6.562.744.862	Ending balance

PT Rajawali Nusantara Indonesia (Persero)

Based on Contract No. B.1041-DIR/PRG/12/2014 and No. 174/S,Pj/RNI.01/XII/2014 between PT Bank Rakyat Indonesia (Persero) Tbk and PT Rajawali Nusantara Indonesia (Persero) dated December 29, 2014 it was stated that PKBL BRI distributed the partnership loan maximum amounting to Rp9,609,950,000 for farmers/farmers group for cultivation of sugar cane for planting season 2014/2015 with a fixed annual interest rate of 6% for 18 (eighteen) months. The repayment of principal and administrative services already paid in January 2016 amounting to Rp8,556,699,480.

PT Perkebunan Nusantara IX (Persero)

Based on Credit Agreement No. B.171-DIR/PRG/03/2013 and No. PTPN IX-0/KOTR/009/2013 between PT Bank Rakyat Indonesia (Persero) Tbk and PT Perkebunan Nusantara IX (Persero) dated March 11, 2013, PKBL BRI grants partnership loan amounting to Rp75,000,000,000 for farmers/farmers group for cultivation of sugar cane for planting season 2013/2014 with a fixed annual interest rate of 6% for 24 (twenty four) months that would mature on March 11, 2015.

On November 10, 2014, PT Perkebunan Nusantara IX (Persero) proposed extending the partnership of loan repayment until December 2015, which was approved by PKBL BRI dated February 17, 2015.

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**5. PIUTANG KEPADA BUMN PEMBINA
LAIN/LEMBAGA PENYALUR (lanjutan)**

**PT Perkebunan Nusantara IX (Persero)
(lanjutan)**

Pada tanggal 8 Januari 2016, PT Perkebunan Nusantara IX (Persero) mengajukan kembali permohonan perpanjangan pengembalian pinjaman kemitraan sampai dengan Desember 2019.

Manajemen berpendapat bahwa cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain/lembaga penyalur cukup untuk menutup kerugian atas tidak tertagihnya piutang.

6. PIUTANG PINJAMAN MITRA BINAAN

a. Berdasarkan Kantor Wilayah

Kantor Wilayah	31 Desember/ December 31, 2016	31 Desember/ December 31, 2015
Yogyakarta	15.256.674.072	7.631.024.757
Bandung	11.937.264.758	8.814.127.236
Surabaya	10.877.765.558	6.446.912.220
Makassar	10.216.025.907	7.526.762.243
Banjarmasin	8.633.061.410	3.212.966.464
Denpasar	8.425.540.041	8.593.789.573
Malang	7.538.146.443	6.369.605.711
Banda Aceh	7.447.185.723	2.949.512.072
Bandar Lampung	7.058.348.487	3.387.316.076
Semarang	6.849.641.180	4.907.947.984
DKI Jakarta 2	5.638.284.993	2.838.716.299
Palembang	5.338.832.834	3.942.187.333
Padang	5.129.756.379	2.774.120.304
Manado	4.416.119.422	4.237.815.148
Pekanbaru	3.757.735.674	2.361.505.670
DKI Jakarta 3	3.711.222.671	2.409.357.972
Jayapura	3.292.565.378	2.578.703.158
Medan	2.674.501.979	2.890.395.567
DKI Jakarta 1	1.168.847.775	625.182.235
Jumlah	129.367.520.684	84.497.948.022
Dikurangi penyisihan kerugian penurunan nilai piutang pinjaman mitra binaan	(34.598.316.377)	(33.090.458.534)
Neto	94.769.204.307	51.407.489.488

**5. RECEIVABLES FROM OTHER FOSTERING
SOE/DISTRIBUTING PARTNERS (continued)**

**PT Perkebunan Nusantara IX (Persero)
(continued)**

On January 8, 2016, PT Perkebunan Nusantara IX (Persero) repropoed extending the partnership of loan repayment until December 2019.

Management believes that the allowance for impairment losses on receivables from the other fostering SOE/distributing partners is adequate to cover losses from uncollectible receivables.

**6. LOAN RECEIVABLES FROM FOSTER
PARTNERS**

a. By Regional Offices

Regional Offices
Yogyakarta
Bandung
Surabaya
Makassar
Banjarmasin
Denpasar
Malang
Banda Aceh
Bandar Lampung
Semarang
DKI Jakarta 2
Palembang
Padang
Manado
Pekanbaru
DKI Jakarta 3
Jayapura
Medan
DKI Jakarta 1
Total
Less: allowance for impairment losses on loan receivables from foster partners
Net

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6. PIUTANG PINJAMAN MITRA BINAAN (lanjutan)

b. Berdasarkan Sektor Ekonomi

	31 Desember/ December 31, 2016
Perdagangan, Hotel dan Restoran	73.407.573.147
Pertanian	38.426.325.996
Industri Pengolahan	7.704.054.887
Jasa Lainnya	7.379.241.751
Sosial Masyarakat	1.812.721.515
Pengangkutan, Pergudangan dan Komunikasi	452.464.288
Perumahan	-
Konstruksi	99.305.300
Listrik, Gas dan Air	62.500.200
Pertambangan	23.333.600
Jumlah	129.367.520.684
Dikurangi penyisihan kerugian penurunan nilai piutang pinjaman mitra binaan	(34.598.316.377)
Neto	94.769.204.307

c. Berdasarkan Kualitas Piutang Pinjaman

	31 Desember/ December 31, 2016
Piutang Pinjaman Mitra Binaan	
Lancar	90.749.161.619
Kurang Lancar	3.529.461.633
Diragukan	1.246.158.378
Macet	33.842.739.054
Jumlah	129.367.520.684
Dikurangi penyisihan kerugian penurunan nilai piutang pinjaman mitra binaan	(34.598.316.377)
Neto	94.769.204.307

d. Penyisihan Kerugian Penurunan Nilai Piutang Pinjaman Kepada Mitra Binaan

Perubahan penyisihan kerugian penurunan nilai piutang pinjaman kepada Mitra Binaan adalah sebagai berikut:

	31 Desember/ December 31, 2016	31 Desember/ December 31, 2015
Saldo awal tahun	33.090.458.534	28.204.907.583
Pembentukan penyisihan selama tahun berjalan	1.507.857.843	4.885.550.951
Saldo akhir tahun	34.598.316.377	33.090.458.534

6. LOAN RECEIVABLES FROM FOSTER PARTNERS (continued)

b. By Economic Sector

	31 Desember/ December 31, 2015	
	42.655.016.591	<i>Trading, Restaurants and Hotels</i>
	28.999.056.588	<i>Agriculture</i>
	4.722.728.584	<i>Processing Industries</i>
	4.207.239.277	<i>Services Industry</i>
	-	<i>Community Services</i>
	3.504.101.749	<i>Transportation, Warehousing and Communications</i>
	311.552.788	<i>Housing</i>
	72.222.000	<i>Construction</i>
	26.030.445	<i>Electricity, Gas and Water</i>
	-	<i>Mining</i>
Total	84.497.948.022	Total
	(33.090.458.534)	<i>Less: allowance for impairment losses on loan receivables from foster partners</i>
Neto	51.407.489.488	Net

c. Loan Receivables By Collectibility

	31 Desember/ December 31, 2015	
	47.821.409.270	<i>Loan Receivables from Foster Partners</i>
	4.182.048.661	<i>Current</i>
	860.973.437	<i>Substandard</i>
	31.633.516.654	<i>Doubtful</i>
	-	<i>Loss</i>
Total	84.497.948.022	Total
	(33.090.458.534)	<i>Less: allowance for impairment losses on loan receivables from foster partners</i>
Neto	51.407.489.488	Net

d. Allowance for Impairment Losses on Loan Receivables from Foster Partners

Movements in allowance for impairment losses on loan receivables from foster partners are as follows:

Beginning balance
Allowance for impairment during the year
Ending balance

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6. PIUTANG PINJAMAN MITRA BINAAN (lanjutan)

**d. Penyisihan Kerugian Penurunan Nilai
Piutang Pinjaman Kepada Mitra Binaan
(lanjutan)**

Alokasi penyisihan kerugian penurunan nilai piutang pinjaman kepada Mitra Binaan adalah sebagai berikut:

31 Desember 2016/December 31, 2016

	Saldo Piutang Pinjaman/ Loan Receivables Balance	Akumulasi penyisihan kerugian penurunan nilai/ Accumulated allowance for impairment losses	Neto/Net	
Lancar	90.749.161.619	(374.743.839)	90.374.417.780	Current
Kurang lancar	3.529.461.633	(171.662.079)	3.357.799.554	Substandard
Diragukan	1.246.158.378	(209.171.405)	1.036.986.973	Doubtful
Macet	33.842.739.054	(33.842.739.054)	-	Loss
Jumlah	129.367.520.684	(34.598.316.377)	94.769.204.307	Total

31 Desember 2015/December 31, 2015

	Saldo Piutang Pinjaman/ Loan Receivables Balance	Akumulasi penyisihan kerugian penurunan nilai/ Accumulated allowance for impairment losses	Neto/Net	
Lancar	47.821.409.270	(883.038.238)	46.938.371.032	Current
Kurang lancar	4.182.048.661	(349.105.382)	3.832.943.279	Substandard
Diragukan	860.973.437	(224.798.260)	636.175.177	Doubtful
Macet	31.633.516.654	(31.633.516.654)	-	Loss
Jumlah	84.497.948.022	(33.090.458.534)	51.407.489.488	Total

Manajemen berpendapat bahwa saldo penyisihan kerugian penurunan nilai piutang pinjaman kepada mitra binaan cukup untuk menutup kerugian atas tidak tertagihnya piutang.

Management believes that the balance of allowance for impairment losses on loan receivables from foster partners is adequate to cover losses from uncollectible loan.

**7. PENDAPATAN JASA ADMINISTRASI PINJAMAN
YANG MASIH AKAN DITERIMA**

Pendapatan jasa administrasi pinjaman yang masih akan diterima berdasarkan kantor wilayah adalah sebagai berikut:

**7. ACCRUED LOAN ADMINISTRATION SERVICES
INCOME**

Accrued loan administration services income by regional offices are as follows:

Kantor Wilayah	31 Desember/ December 31, 2016	31 Desember/ December 31, 2015	Regional Offices
Malang	94.411.624	201.535.035	Malang
Manado	62.253.035	41.281.733	Manado
Bandar Lampung	61.713.080	31.147.490	Bandar Lampung

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**7. PENDAPATAN JASA ADMINISTRASI PINJAMAN
YANG MASIH AKAN DITERIMA (lanjutan)**

Pendapatan jasa administrasi pinjaman yang masih akan diterima berdasarkan kantor wilayah adalah sebagai berikut (lanjutan):

Kantor Wilayah	31 Desember/ December 31, 2016
Surabaya	59.351.661
Bandung	53.584.276
Yogyakarta	53.160.211
Makassar	46.754.626
Denpasar	46.131.044
Semarang	39.443.028
Banjarmasin	36.134.797
Palembang	22.593.840
DKI Jakarta 2	22.136.775
Medan	20.781.667
Banda Aceh	19.996.907
Padang	17.363.675
Pekanbaru	12.221.882
Jayapura	11.384.645
DKI Jakarta 3	5.142.743
DKI Jakarta 1	2.516.832
Jumlah	687.076.348

**7. ACCRUED LOAN ADMINISTRATION SERVICES
INCOME (continued)**

Accrued loan administration services income by regional offices are as follows (continued):

31 Desember/ December 31, 2015	Regional Offices
23.074.420	Surabaya
67.651.934	Bandung
20.920.225	Yogyakarta
30.373.888	Makassar
72.625.729	Denpasar
27.373.639	Semarang
25.948.408	Banjarmasin
13.146.399	Palembang
13.980.273	DKI Jakarta 2
20.347.798	Medan
10.720.961	Banda Aceh
9.822.705	Padang
10.949.585	Pekanbaru
9.091.768	Jayapura
2.062.895	DKI Jakarta 3
1.205.295	DKI Jakarta 1
633.260.180	Total

8. PIUTANG LAIN-LAIN

Piutang lain-lain pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp9.001.092.980 dan Rp3.985.203.245, terdiri dari alokasi dana dari PKBL BRI kepada Unit Kerja (cabang) Penyalur PKBL BRI tetapi belum disalurkan kepada Mitra Binaan sampai dengan akhir periode pelaporan dan pada tahun 2015 termasuk juga piutang bunga dari PKBL PT Rajawali Nusantara Indonesia (Persero).

8. OTHER RECEIVABLES

Other receivables as of December 31, 2016 and 2015 amounting to Rp9,001,092,980 and Rp3,985,203,245, respectively, consist of allocated funds from PKBL BRI to PKBL BRI distributor working unit (branches) but not yet distributed to foster partner until the end of the reporting period and included in 2015 is PKBL PT Rajawali Nusantara Indonesia (Persero) interest receivable.

9. ASET TETAP

Aset tetap adalah sebagai berikut:

9. FIXED ASSETS

Fixed assets are as follows:

	31 Desember/December 31, 2016			31 Desember 2016/ Balance December 31, 2016	
	Saldo 1 Januari 2016/ Balance January 1, 2016	Mutasi/Movement			
		Penambahan/ Addition	Pengurangan/ Disposal		
<u>Harga Perolehan</u>					<u>Acquisition Cost</u>
Inventaris dan peralatan	71.089.105	-	-	71.089.105	Premises and equipment
<u>Akumulasi Penyusutan</u>					<u>Accumulated Depreciation</u>
Inventaris dan peralatan	67.754.105	2.440.625	-	70.194.730	Premises and equipment
Nilai Buku Neto	3.335.000			894.375	Net Book Value

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9. ASET TETAP (lanjutan)**9. FIXED ASSETS (continued)**

	31 Desember/December 31, 2015			Saldo 31 Desember 2015/ Balance December 31, 2015	
	Saldo 1 Januari 2015/ Balance January 1, 2015	Mutasi/Movement			
		Penambahan/ Addition	Pengurangan/ Disposal		
<u>Harga Perolehan</u> Inventaris dan peralatan	71.089.105	-	-	71.089.105	<u>Acquisition Cost</u> Premises and equipment
<u>Akumulasi Penyusutan</u> Inventaris dan peralatan	65.190.605	2.563.500	-	67.754.105	<u>Accumulated Depreciation</u> Premises and equipment
Nilai Buku Neto	5.898.500			3.335.000	Net Book Value

10. BEBAN YANG MASIH HARUS DIBAYAR

Beban yang masih harus dibayar pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp21.140.870.351 dan Rp15.005.414.859, yang terdiri dari bina lingkungan yang telah atau sedang dilaksanakan oleh Unit Kerja (cabang) BRI namun belum diganti atau dibayar kembali oleh Unit PKBL BRI.

10. ACCRUED EXPENSES

Accrued expenses as of December 31, 2016 and 2015 amounted to Rp21,140,870,351 and Rp15,005,414,859, respectively, which consist of community development that have been or are being performed by the BRI working unit (branches) but not yet reimbursed by PKBL BRI Unit.

11. ASET NETO**Aset Neto Tidak Terikat**

	31 Desember/ December 31, 2016	31 Desember/ December 31, 2015	
Saldo awal tahun	1.309.938.814.446	1.410.278.638.015	Beginning balance
Kenaikan/(Penurunan) Aset Neto Tidak Terikat	167.651.280.864	(100.339.823.569)	Increase/(Decrease) in Unrestricted Net Assets
Saldo akhir tahun	1.477.590.095.310	1.309.938.814.446	Ending balance

11. NET ASSETS**Unrestricted Net Assets****12. ALOKASI DANA DARI BUMN PEMBINA**

Berdasarkan Surat Keputusan Menteri Keuangan No. 316/KMK.016/1994 tentang Pedoman Pembinaan Usaha Kecil dan Koperasi melalui Pemanfaatan Dana dari Bagian Laba BUMN sebagaimana telah beberapa kali diubah dengan Salinan Peraturan Menteri Negara BUMN No. PER-05/MBU/2007 tanggal 27 April 2007 tentang Program Kemitraan BUMN dengan Usaha Kecil dan Program Bina Lingkungan serta perubahan terakhir pada PER-08/MBU/2013 tanggal 10 September 2013, yang menyatakan bahwa Dana Program Kemitraan dan Program Bina Lingkungan sebelum tahun 2013 salah satunya bersumber dari penyisihan laba setelah pajak dan pada tahun 2013 berasal dari Anggaran Perusahaan yang diperhitungkan sebagai biaya, maksimal 2% dari laba bersih tahun sebelumnya.

12. ALLOCATION OF FUND FROM FOSTERING SOE

Based on the Minister of Finance Decree Letter No. 316/KMK.016/1994 regarding Guidelines for Small Business Enterprise and Cooperation through the Utilization of fund from SOE's profit as amended several times with Minister of SOEs' Copy Regulation No. PER-05/MBU/2007 dated April 27, 2007 regarding SOEs Partnership Program with Small Business Enterprises and Community Development Program, as well as the latest amendment No. PER-08/MBU/2013 dated September 10, 2013, which stated that one of the the fund sources of Partnership and Community Development Program before 2013 is from the provision from profit after tax and the source in 2013 is from the Company's budget calculated as expense, maximum of 2% from prior year's net profit.

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**12. ALOKASI DANA DARI BUMN PEMBINA
(lanjutan)**

Pada tahun 2015, dikeluarkan Peraturan Menteri Badan Usaha Milik Negara No. PER-09/MBU/07/2015 tanggal 3 Juli 2015, yang menyatakan bahwa dana PKBL bersumber dari penyisihan laba bersih setelah pajak yang ditetapkan dalam RUPS/Menteri pengesahan Laporan Tahunan BUMN Pembina maksimum sebesar 4% (empat persen) dari laba setelah pajak tahun buku sebelumnya.

Pada tahun 2016, dikeluarkan Peraturan Menteri Badan Usaha Milik Negara yang terbaru No. PER-03/MBU/12/2016 tanggal 19 Desember 2016, yang menambahkan bahwa dana PKBL juga bersumber dari anggaran yang diperhitungkan sebagai biaya pada BUMN Pembina.

Alokasi dana pada tahun 2016 dan 2015 sebagai berikut:

Tahun 2016

Berdasarkan Berita Acara RUPS Tahunan No. 30 tanggal 23 Maret 2016 yang telah disahkan oleh Notaris dan Pembuat Akta Tanah (PPAT) Fathiah Helmi, SH dinyatakan bahwa alokasi dana Program Bina Lingkungan untuk tahun 2016 sebesar Rp253.977,42 juta menjadi beban BUMN Pembina.

Per tanggal 31 Desember 2016, PKBL BRI telah mencatat alokasi dana dari BUMN Pembina sebagai pendapatan di Laporan Aktivitas dan piutang kepada BUMN Pembina di Laporan Posisi Keuangan. Namun demikian, hingga tanggal laporan posisi keuangan, alokasi dana tersebut belum diterima dalam rekening bank PKBL BRI, karena PKBL BRI masih menggunakan saldo dana Program Bina Lingkungan yang berasal dari penyisihan laba BUMN Pembina yang teralokasi sampai dengan akhir tahun 2012.

Tahun 2015

Berdasarkan Berita Acara RUPS Tahunan No. 45 tanggal 19 Maret 2015 yang telah disahkan oleh Notaris dan Pembuat Akta Tanah (PPAT) Fathiah Helmi, SH dinyatakan tidak ada pembentukan biaya untuk PKBL untuk tahun 2015.

Berdasarkan Berita Acara RUPS Luar Biasa (RUPS LB) No. 13 tanggal 14 Desember 2015 yang telah disahkan oleh Notaris dan Pembuat Akta Tanah (PPAT) Fathiah Helmi, SH ditetapkan bahwa pemberlakuan Peraturan Menteri BUMN No. PER-09/MBU/2015 tanggal 3 Juli 2015 tentang Program Kemitraan dan Program Bina Lingkungan diberlakukan pada tahun 2016.

**12. ALLOCATION OF FUND FROM FOSTERING
SOE (continued)**

In 2015, Ministry of SOEs' issued Regulation No. PER-09/MBU/07/2015 dated July 3, 2015 which stated that PKBL fund derived from the provision of net income after tax which is set by GMS/Ministry's Approval of Annual Report of Fostering SOEs is at maximum of 4% (four percent) from the prior year's net profit after tax.

Ministry of SOEs' recently developed Regulation No. PER-03/MBU/12/2016 on December 19, 2016. This new regulation further adds the source through which PKBL fund can be derived, that is from Fostering SOE's budget expenditure or expense.

Allocation of fund in 2016 and 2015 are as follows:

Year 2016

Based on the Minutes of General Meeting of Shareholders No. 30 dated March 23, 2016 that was legalised by Notary and Land Registrar Fathiah Helmi, SH, it was decided that funds amounting to Rp253,977.42 million that was allocated to 2016 Community Development Program are to be expensed by Fostering SOE.

As of December 31, 2016, PKBL BRI has recognized the allocation of fund from the Fostering SOE as revenue in the Statement of Activities and as receivables from Fostering SOE in the Statement of Financial Position. However, until the statement of financial position date, such allocation of fund has not been received in the bank account's of PKBL BRI, since PKBL BRI still use Partnership and Community Development Program funds which are derived from Fostering SOE's profit provision allocated until 2012.

Year 2015

Based on the Minutes of General Meeting of Shareholders No. 45 dated March 19, 2015 that was legalised by Notary and Land Registrar Fathiah Helmi, SH it was stated that there is no allocation of profit from fostering SOEs for PKBL BRI for the fiscal year 2015.

Based on the Minutes of Extraordinary General Meeting of Shareholders No. 13 dated December 14, 2015 that was legalised by Notary and Land Registrar Fathiah Helmi, SH it was stated that the Ministry of SOEs' Regulation No. PER-09/MBU/2015 dated July 3, 2015 regarding Partnership and Community Development Program will be enacted in 2016.

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13. PENDAPATAN BUNGA

Pendapatan bunga dari jasa giro untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

	Tahun yang berakhir pada tanggal 31 Desember/ For the year ended December 31,	
	2016	2015
Program Kemitraan		
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - setelah Tbk	6.452.735.902	5.460.215.208
PT Bank Rakyat Indonesia (Persero) Tbk - setelah Tbk	1.475.356.976	2.729.307.252
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - sebelum Tbk	778.803.430	767.404.034
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - setelah Tbk	435.279.950	380.160.288
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - sebelum Tbk	72.421.273	71.361.238
PT Bank Rakyat Indonesia (Persero) Tbk - sebelum Tbk	58.697.011	57.837.860
PT Bank Rakyat Indonesia (Persero) Tbk - Operasional	8.212.046	8.731.149
	<u>9.281.506.588</u>	<u>9.475.017.029</u>
Bina Lingkungan		
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan	8.355.877.226	10.706.446.250
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli	5.003.626.622	4.793.514.280
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI	11.063.157	10.901.225
	<u>13.370.567.005</u>	<u>15.510.861.755</u>
Jumlah	<u>22.652.073.593</u>	<u>24.985.878.784</u>

Pendapatan bunga disajikan setelah dikurangi pajak yang bersifat final dan biaya administrasi rekening yaitu sebesar Rp4.533.743.339 dan Rp4.998.370.759, masing-masing untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015.

14. PENDAPATAN JASA ADMINISTRASI PINJAMAN

Pendapatan Jasa Administrasi Pinjaman Program Kemitraan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut:

Kantor Wilayah	Tahun yang berakhir pada tanggal 31 Desember/ For the year ended December 31,	
	2016	2015
Surabaya	617.943.933	46.051.086
Makassar	440.934.565	51.912.144
Bandung	431.034.822	59.783.655

13. INTEREST INCOME

Interest income from current account for the years ended December 31, 2016 and 2015 are as follows:

Partnership Program	
PT Bank Rakyat Indonesia (Persero) Tbk Principal Escrow - after Tbk	5.460.215.208
PT Bank Rakyat Indonesia (Persero) Tbk - after Tbk	2.729.307.252
PT Bank Rakyat Indonesia (Persero) Tbk Principal Escrow - before Tbk	767.404.034
PT Bank Rakyat Indonesia (Persero) Tbk Interest Escrow - after Tbk	380.160.288
PT Bank Rakyat Indonesia (Persero) Tbk Interest Escrow - before Tbk	71.361.238
PT Bank Rakyat Indonesia (Persero) Tbk - before Tbk	57.837.860
PT Bank Rakyat Indonesia (Persero) Tbk - Operasional	8.731.149
	<u>9.475.017.029</u>
Community Development	
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan	10.706.446.250
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli	4.793.514.280
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI	10.901.225
	<u>15.510.861.755</u>
Total	<u>24.985.878.784</u>

Interest income presented after being deducted with final tax and administrative expense amounting to Rp4,533,743,339 and Rp4,998,370,759, for the years ended December 31, 2016 and 2015, respectively.

14. LOAN ADMINISTRATION SERVICES INCOME

Loan administration services income of Partnership Program for the years ended December 31, 2016 and 2015 are as follows:

Kantor Wilayah	2016	2015	Regional Offices
Surabaya	617.943.933	46.051.086	Surabaya
Makassar	440.934.565	51.912.144	Makassar
Bandung	431.034.822	59.783.655	Bandung

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**14. PENDAPATAN JASA ADMINISTRASI
PINJAMAN (lanjutan)**

Pendapatan Jasa Administrasi Pinjaman Program Kemitraan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 adalah sebagai berikut (lanjutan):

Kantor Wilayah	Tahun yang berakhir pada tanggal 31 Desember/ For the year ended December 31,	
	2016	2015
Semarang	380.372.443	65.141.828
Denpasar	374.310.458	95.055.798
Malang	299.912.121	131.421.125
Yogyakarta	281.236.980	28.806.930
Bandar Lampung	269.967.034	50.382.333
DKI Jakarta 2	209.812.900	44.099.347
Banda Aceh	203.554.867	29.091.995
Palembang	178.161.162	70.958.890
Banjarmasin	170.015.710	52.123.632
Pekanbaru	168.990.974	24.494.848
Medan	138.722.523	47.223.864
Manado	131.439.919	72.108.734
Padang	117.480.090	2.516.620
Jayapura	92.303.070	2.275.106
DKI Jakarta 3	91.368.893	29.242.101
DKI Jakarta 1	86.616.756	3.571.309
Jumlah	4.684.179.220	906.261.345

Berdasarkan Surat Edaran Menteri Negara BUMN No. SE-01/MBU/2007 tanggal 31 Agustus 2007 tentang Pemberlakuan Jasa Administrasi Pinjaman Kemitraan, PKBL BRI menerbitkan surat edaran Nota No. B.79-DIR/PRG/12/2007 tanggal 19 Desember 2007 perihal Bunga Pinjaman Kemitraan dan telah diperbaharui dengan Surat No. B.176-DIR/PRG/03/2013 tanggal 13 Maret 2013 tentang perubahan distribusi/komposisi bunga Pinjaman Kemitraan.

Perubahan terakhir distribusi/komposisi bunga Pinjaman Kemitraan dilakukan berdasarkan Peraturan Menteri Badan Usaha Milik Negara No. PER-09/MBU/07/2015 tanggal 3 Juli 2015, dengan perubahan sebagai berikut:

	Setelah 31 Des/ After Dec 31, 2015	Setelah 13 Maret/ After March 13, 2013	Sebelum 13 Maret/ Before March 13, 2013	
Jasa Administrasi/Suku Bunga	6%	6%	6%	Administration Services/Interest Rates
Distribusi jasa administrasi/suku bunga sebagai berikut:				Distribution of administration services/interest rates are as follows:
Pelimpahan ke Kantor Pusat	6%	1%	3%	Transferred to Head Office

**14. LOAN ADMINISTRATION SERVICES INCOME
(continued)**

Loan administration services income of Partnership Program for the years ended December 31, 2016 and 2015 are as follows (continued):

Regional Offices	
Semarang	65.141.828
Denpasar	95.055.798
Malang	131.421.125
Yogyakarta	28.806.930
Bandar Lampung	50.382.333
DKI Jakarta 2	44.099.347
Banda Aceh	29.091.995
Palembang	70.958.890
Banjarmasin	52.123.632
Pekanbaru	24.494.848
Medan	47.223.864
Manado	72.108.734
Padang	2.516.620
Jayapura	2.275.106
DKI Jakarta 3	29.242.101
DKI Jakarta 1	3.571.309
Total	906.261.345

Based on Minister of SOEs' Circular Letter No. SE-01/MBU/2007 dated August 31, 2007 regarding The Application of Partnership Loan Administration Services, PKBL BRI issued Memorandum Circular No. B.79-DIR/PRG/12/2007 dated December 19, 2007 regarding Interest Partnership Loan and that has been updated with Letter No. B.176-DIR/PRG/03/2013 dated March 13, 2013 regarding changes in distribution/composition of Partnership Loan interest.

The latest changes in distribution/composition of Partnership Loan interest are updated according to Minister of Stated-Owned Enterprises Regulation No. PER-09/MBU/07/2015 dated July 3, 2015, with changes as follows:

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14. PENDAPATAN JASA PINJAMAN (lanjutan)	ADMINISTRASI		14. LOAN ADMINISTRATION SERVICES INCOME (continued)	
	Setelah 31 Des/ After Dec 31, 2015	Setelah 13 Maret/ After March 13, 2013	Sebelum 13 Maret/ Before March 13, 2013	
Dana kompensasi beban operasional Kantor Cabang	-	1,5%	1,5%	Compensation funds for operating expenses of Branch Office
Dana pembinaan kemitraan Kantor Cabang	-	2,5%	1%	Fostering partnership funds of Branch Office
Dana pembinaan dan pengawasan kemitraan Kantor Wilayah	-	1%	0,5%	Fostering and monitoring Partnership funds of Regional Office
15. PENDAPATAN LAIN-LAIN	15. OTHER INCOME			
	Tahun yang berakhir pada tanggal 31 Desember/ For the year ended December 31,			
	2016	2015		
Pengembalian dana dari koordinator sektor BUMN Peduli	28.553.874.044	3.129.671.978		Refund from BUMN Peduli coordinator
Pengembalian dana pinjaman kemitraan karena tidak jadi realisasi	5.357.518.681	949.815.830		Refund from unrealized foster partners Loan
Pengembalian kelebihan dana bina lingkungan	1.764.141.319	951.273.476		Return of excess fund from community development
Pendapatan bunga pinjaman piutang kepada BUMN Pembina lain	-	7.368.979.690		Interest Income from other fostering State - Owned Enterprises (SOE)
Jumlah	35.675.534.044	12.399.740.974		Total

Pada tahun 2016, pengembalian dana dari koordinator sektor BUMN Peduli terutama berasal dari Perum Perumnas dan PT Pos Indonesia.

In 2016, refund from BUMN Peduli coordinator is mainly from Perum Perumnas and PT Pos Indonesia.

Pada tahun 2015, pendapatan bunga pinjaman piutang kepada BUMN Pembina lain berasal dari PT Perkebunan Nusantara IX dan PT Rajawali Nusantara Indonesia (Persero).

In 2015, interest income from other Fostering State - Owned Enterprises (SOE) is mainly from PT Perkebunan Nusantara IX dan PT Rajawali Nusantara Indonesia (Persero).

16. DANA PEMBINAAN KEMITRAAN

Dana pembinaan kemitraan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp Nihil dan Rp33.687.091 digunakan untuk penyelenggaraan pameran atas usaha Mitra Binaan.

16. FOSTERING PARTNERSHIP FUNDS

Fostering partnership funds for the year ended December 31, 2016 and 2015 which amounted Rp Nil and Rp33,687,091, respectively, were used for the business exhibitions of foster partners.

Berdasarkan Peraturan Menteri BUMN No. PER-09/MBU/07/2015 tertanggal 3 Juli 2015, dana pembinaan kemitraan menjadi bagian dari program penyaluran dana bina lingkungan dengan nama "Bantuan pendidikan, pelatihan, pemagangan, pemasaran, promosi dan bentuk bantuan lain yang terkait dengan upaya peningkatan kapasitas mitra binaan".

Based on Minister of SOE Decree No. PER-09/MBU/07/2015, dated July 3, 2015, the fostering partnership fund is a part of funds distribution for community development under the name of "Funds for education, training, internship, marketing, promotion and other forms of assistance related to the efforts of increasing the capacity of foster entrepreneur of Partnership Program."

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16. DANA PEMBINAAN KEMITRAAN (lanjutan)

Sesuai dengan Berita Acara RUPS LB No. 13 tanggal 14 Desember 2015 dinyatakan bahwa Peraturan Menteri BUMN No. PER-09/MBU/2015 tanggal 3 Juli 2015 tentang Program Kemitraan diberlakukan pada tahun 2016 di PKBL BRI.

16. FOSTERING PARTNERSHIP FUNDS (continued)

According with Minutes of Extraordinary General Meeting of Shareholders No. 13 dated December 14, 2015 it was stated that the Minister of SOE Decree No. PER-09/MBU/07/2015 dated July 3, 2015 regarding Partnership and Community Development Program will be enacted by PKBL BRI in 2016.

17. PENYALURAN DANA PROGRAM BINA LINGKUNGAN

Penyaluran dana program bina lingkungan adalah sebagai berikut:

17. COMMUNITY DEVELOPMENT PROGRAM FUNDS DISTRIBUTION

Community development program funds distribution are as follows:

	Tahun yang berakhir pada tanggal 31 Desember/ For the year ended December 31,		
	2016	2015	
Bantuan Sarana Ibadah	27.177.503.630	17.385.011.551	Improvement of Worship Facilities
Bantuan Pendidikan	27.027.916.471	31.029.002.836	Aid for Education Donation
Bantuan Sarana Umum	26.463.322.958	31.397.242.073	Public Facility Donation
Bantuan Sosial			Social Assistance for
Pengentasan Kemiskinan	25.724.377.567	23.546.868.028	Poverty Alleviation
Bantuan Peningkatan Kesehatan	22.827.520.022	17.452.033.345	Aid for Health Improvement
Pelestarian Alam	1.992.366.872	2.386.873.415	Nature Preservation
Bantuan Korban Bencana Alam	1.414.781.307	3.194.027.094	Help Victims of Natural Disaster
Peningkatan Kapasitas Mitra Binaan	80.795.000	-	Capacity Enhancement for Foster Partners
Jumlah	132.708.583.827	126.391.058.342	Total

18. BEBAN LAIN-LAIN

Beban lain-lain untuk tahun yang berakhir pada tanggal 31 Desember 2016 dan 2015 masing-masing sebesar Rp242.170.740 dan Rp504.809.101, dimana terdiri dari pemberian jasa administrasi kepada PT Rajawali Nusantara Indonesia (Persero) sebesar Rp242.170.740 pada tahun 2016 dan biaya operasional penyaluran bina lingkungan serta biaya sosialisasi otomatisasi Program Kemitraan sebesar Rp401.895.530 dan Rp102.913.571 pada tahun 2015.

Berdasarkan Peraturan Menteri BUMN No. PER-09/MBU/07/2015 Pasal 13 dinyatakan bahwa beban operasional Program Kemitraan dan Program Bina Lingkungan menjadi beban BUMN Pembina.

18. OTHER EXPENSES

Other expenses for the years ended December 31, 2016 and 2015, amounting to Rp242,170,740 and Rp504,809,101, respectively, which consisted of administration services to PT Rajawali Nusantara Indonesia (Persero) amounting to Rp242,170,740 for the year 2016 and operational expenses of executing Community Development Program as well as Partnership Program's automation socialization expenses amounting to Rp401,895,530 and Rp102,913,571 for the year 2015.

Based on Minister of SOE Decree No. PER-09/MBU/07/2015 Article 13 it was stated that operational expense of Partnership and Community Development Program are to be expensed by Fostering SOE.

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19. TRANSAKSI DENGAN PIHAK BERELASI

a. Jenis hubungan dan unsur transaksi dengan pihak berelasi

Pihak berelasi/ Related parties	Jenis hubungan/ Type of relationship	Unsur transaksi pihak berelasi/ Transactions with related parties
PT Bank Rakyat Indonesia (Persero) Tbk	Pengendalian melalui Pemerintah Pusat Republik Indonesia/ <i>Common control through central government</i>	Kas, pendapatan bunga dan beban yang masih harus dibayar kepada BUMN Pembina/Cash, interest income and accrued expenses to Fostering SOE
PT Perkebunan Nusantara IX	Pengendalian melalui Pemerintah Pusat Republik Indonesia <i>Common control through central government</i>	Piutang kepada BUMN Pembina lain dan beban lain-lain/Receivables from other fostering SOE and other expenses
BUMN Peduli	Pengendalian melalui Kementerian BUMN/Common control through Ministry of SOE	Pengembalian dana program BUMN Peduli/Refund from BUMN Peduli coordinator

19. RELATED PARTY TRANSACTIONS

a. Type of relationships and transactions with related party

b. Rincian saldo transaksi dengan pihak berelasi

b. Details of transaction balances with related party

	31 Desember/ December 31, 2016	31 Desember/ December 31, 2015	
Aset			Asset
Kas pada Bank	1.086.201.152.132	1.195.405.328.254	Cash in Bank
Piutang kepada BUMN pembina lain - bersih	54.094.125.519	73.509.613.138	Receivables from other fostering SOE/distributing partners - net
Piutang kepada BUMN Pembina	253.977.420.000	-	Receivables form Fostering SOE
Jumlah	1.394.272.697.651	1.268.914.941.392	Total
Persentase jumlah aset kepada pihak berelasi terhadap jumlah aset	93,03%	95,77%	Percentage total asset to related party of total asset
Liabilitas			Liability
Beban yang masih harus dibayar	21.140.870.351	15.005.414.859	Accrued Expenses
Jumlah	21.140.870.351	15.005.414.859	Total
Persentase jumlah liabilitas kepada pihak berelasi terhadap jumlah liabilitas	100,00%	100,00%	Percentage total liability to related party of total liability
Pendapatan			Revenue
Pendapatan dari BUMN pembina	253.977.420.000	-	Revenue form fostering SOE
Pendapatan bunga	18.118.330.254	19.987.508.025	Interest Income
Pendapatan lain-lain - pengembalian dana dari koordinator sektor BUMN Peduli	28.553.874.044	3.129.671.978	Other Income - refund from BUMN Peduli coordinator
Jumlah	300.649.624.298	23.117.180.003	Total
Persentase jumlah pendapatan dari pihak berelasi terhadap jumlah pendapatan	96,22%	69,43%	Percentage total revenue from related party of total revenue
Beban			Expense
Beban lain-lain	242.170.740	-	Other expenses
Jumlah	242.170.740	-	Total
Persentase jumlah beban kepada pihak berelasi terhadap jumlah beban	0,17%	-	Percentage total expense to related party of total expense

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20. PEMBATASAN PENGGUNAAN DANA

Kep.100/MBU/2002

Program Kemitraan

a. Penilaian Efektivitas

Penilaian kinerja program kemitraan dan bina lingkungan berdasarkan Keputusan Menteri BUMN No. Kep.100/MBU/2002 tanggal 4 Juni 2002 mencakup Program Kemitraan dengan Indikator Tingkat Efektivitas penyaluran dan Tingkat Kolektabilitas Pengembalian Pinjaman.

Tingkat efektivitas penyaluran dana dihitung dengan cara membagi jumlah dana yang disalurkan dengan jumlah dana yang tersedia. Jumlah dana yang disalurkan adalah seluruh dana yang disalurkan kepada usaha kecil dan koperasi dalam tahun yang bersangkutan yang terdiri dari pinjaman modal kerja. Sedangkan jumlah dana yang tersedia terdiri dari saldo awal periode ditambah dengan pengembalian pinjaman (pokok ditambah bunga) dan pendapatan bunga dari program kemitraan.

Tabel skor tingkat penyerapan dana

Penyerapan %	>90	85 s.d 90	80 s.d 85	<80	% of absorption
Skor	3	2	1	0	Score

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Distribusi dana

Jumlah dana yang disalurkan	89.759.543.425
Dana Pembinaan Kemitraan (Catatan 16)	-
	<u>89.759.543.425</u>

Dana yang tersedia

Saldo awal kas	
Program Kemitraan (Catatan 4)	489.375.509.545
Pengembalian Pinjaman Mitra Binaan	39.430.101.338
Pendapatan Jasa Administrasi Pinjaman	5.074.342.741
	<u>533.879.953.624</u>

**Tingkat efektivitas penyaluran
(prosentase distribusi dana
terhadap dana yang tersedia)**

16,81%

**Skor tingkat efektivitas penyaluran
pinjaman**

0

20. RESTRICTED FUND USAGE

Kep.100/MBU/2002

Partnership Program

a. Effectivity Performance

The performance evaluation of partnership and community development program is based on the Minister of SOE Decree No. Kep.100/MBU/2002 dated June 4, 2002 regarding The Effectiveness Indicator of Partnership Program Loan Distribution and the Collectability of the Loan Repayments.

The effectiveness of loan distribution is calculated by dividing the amount of distributed funds by the amount of the utilizable funds. Amount of distributed funds represents all current year funds distribution to small enterprise businesses and cooperation. The funds are distributed as working capital loans. Utilizable funds is calculated by adding the beginning balance with loan repayments (principal and the interest repayments) and with interest income from partnership program.

Score of funds absorption table

Fund distribution

*Distribution of Funds
Fostering Partnership Funds (Note 16)*

Fund available

*Cash of Partnership Program
Beginning balance (Note 4)
Repayments from Foster Partners
Administration Service Income of
Loan*

**Level of the effectiveness of the loan
distribution (percentage fund
distribution to fund available)**

**Score of level of the effectiveness of the
loan distribution**

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20. PEMBATASAN PENGGUNAAN DANA (lanjutan)

Kep.100/MBU/2002 (lanjutan)

Program Kemitraan (lanjutan)

a. Tingkat Kolektabilitas Penyaluran Pinjaman

Indikator lain dalam penilaian kinerja program kemitraan dan bina lingkungan yaitu tingkat kolektabilitas pengembalian pinjaman yang mana memberi indikasi kemungkinan tertagihnya suatu pinjaman. Tingkat kolektabilitas pengembalian pinjaman merupakan perbandingan antara rata-rata tertimbang kolektabilitas pinjaman terhadap jumlah pinjaman yang disalurkan (saldo pinjaman). Rata-rata tertimbang kolektabilitas pinjaman adalah perkalian antara bobot kolektabilitas dengan saldo pinjaman berdasarkan kualitas pinjaman (lancar, kurang lancar, ragu-ragu dan macet). Bobot kolektabilitas dengan kualitas lancar (100%), kurang lancar (75%), ragu-ragu (25%) dan macet (0%).

Skor tingkat kolektabilitas pengembalian pinjaman adalah sebagai berikut:

Tingkat Pengembalian (%)	>70	40 s.d 70	10 s.d 40	<10	% of Collectability Level
Skor	3	2	1	0	Score

Rata-rata tertimbang kolektabilitas pinjaman per 31 Desember 2016 adalah sebagai berikut:

20. RESTRICTED FUND USAGE (continued)

Kep.100/MBU/2002 (continued)

Partnership Program (continued)

a. Collectability level of the Loan Distribution

Another performance indicator of partnership and community development program is the collectability of repayments which indicates the probability of a loan to be fully paid. The collectability level is calculated by comparing the weighted average collectability funds with distributed funds. Weighted average funds is the result of multiplying the collectability weightage with the balance of each quality of the loan (e.g: current: 100%, substandard: 75%, doubtful: 25% and troubled: 0%)

Score of loan repayments collectability level is as follows:

Weighted average amount of the collectability of the loan as of December 31, 2016 is as follows:

Kualitas Pinjaman	Saldo pinjaman (Catatan 6)/ Loan balance (Note 6)	%	(tidak diaudit) Jumlah rata-rata tertimbang/ (unaudited) Weighted Average Amount	Loan Quality
Lancar	90.749.161.619	100%	90.749.161.619	Current
Kurang Lancar	3.529.461.633	75%	2.647.096.225	Substandard
Diragukan	1.246.158.378	25%	311.539.595	Doubtful
Macet	33.842.739.054	0%	-	Troubled
Jumlah	129.367.520.684		93.707.797.439	Total
Tingkat kolektabilitas pengembalian pinjaman (prosentase jumlah rata-rata tertimbang kolektabilitas pinjaman terhadap saldo pinjaman yang disalurkan)		72,43%		Loan repayment collectability level (percentage of weighted average loan collectability to loan distribution)
Nilai tingkat kolektabilitas pengembalian pinjaman		3		Score of repayments collectability level

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2016 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENTS
As of December 31, 2016 and
For the Year then Ended
(Expressed in Rupiah)**

21. PENYELESAIAN LAPORAN KEUANGAN

Manajemen PKBL BRI bertanggung jawab terhadap penyusunan dan penyajian laporan keuangan PKBL PT Bank Rakyat Indonesia (Persero) Tbk yang telah diselesaikan dan disetujui untuk diterbitkan pada tanggal 25 Januari 2017.

21. COMPLETION OF FINANCIAL STATEMENTS

The Management of PKBL BRI is responsible for the preparation and presentation of financial statements of PKBL PT Bank Rakyat Indonesia (Persero) Tbk which has been completed and approved to be issued on January 25, 2017.

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN PENYALURAN DANA
PROGRAM BINA LINGKUNGAN
Tanggal 31 Desember 2016 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF COMMUNITY
DEVELOPMENT PROGRAM FUNDS DISTRIBUTION
As of December 31, 2016 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Penyaluran Dana Program Bina
Lingkungan Tahun 2016**

**Statement of Community Development Program
Funds Distribution Year 2016**

No.	Kantor Wilayah/ Regional Offices	Bantuan Sarana Umum/ Public Facility Donation	Bantuan Korban Bencana Alam/ Help Victims of Nature Disaster	Bantuan Pendidikan/ Aid for Education Donation	Bantuan Peningkatan Kesehatan/ Aid for Health Improvement	Bantuan Sarana Ibadah/ Improvement of Worship Facilities	Pelestarian Alam/ Nature Preservation	Bantuan Sosial Pengentasan Kemiskinan/ Social Assistance in order to Alleviate Poverty	Peningkatan Kapasitas Mitra Binaan Program Kemitraan/ Capacity Enhancement for Foster Partners	Jumlah/ Total
1	Banda Aceh	347.179.400	455.344.500	88.300.000	218.400.000	938.275.415	50.000.000	391.188.520	-	2.488.687.835
2	Bandar Lampung	274.841.000	-	544.015.000	156.500.000	462.840.000	154.250.000	350.532.000	-	1.942.978.000
3	Bandung	312.000.000	160.191.306	916.675.412	2.232.765.001	1.200.278.000	154.792.500	691.057.500	-	5.667.759.719
4	Banjarmasin	517.659.250	25.000.000	95.700.000	534.895.150	600.000.000	107.813.000	263.490.000	-	2.144.557.400
5	Denpasar	1.927.742.950	-	824.284.350	619.300.000	920.013.200	269.250.080	1.460.888.000	-	6.021.478.580
6	DKI Jakarta 1	473.782.500	3.275.000	563.100.495	536.750.000	2.838.156.000	-	212.649.150	-	4.627.713.145
7	DKI Jakarta 2	459.747.500	38.518.600	1.893.892.200	452.100.000	2.173.198.000	97.500.000	149.329.320	-	5.264.285.620
8	DKI Jakarta 3	930.191.200	49.904.000	490.000.000	1.134.486.060	443.850.000	340.001.882	482.496.400	-	3.870.929.542
9	Jayapura	3.170.512.993	-	787.491.900	306.083.500	250.000.000	24.500.000	7.762.037.335	-	12.300.625.728
10	Kantor Pusat	5.593.438.000	-	11.374.322.000	8.699.830.444	11.190.878.300	-	8.788.688.191	-	45.647.156.935
11	Makassar	2.416.790.137	44.594.000	233.215.513	679.150.000	646.730.000	-	496.520.000	54.940.000	4.571.939.650
12	Malang	1.166.801.000	19.918.750	2.002.412.500	1.232.600.001	1.308.888.100	381.250.000	289.903.820	-	6.401.774.171
13	Manado	546.290.438	45.000.000	371.488.150	592.750.000	783.000.000	-	234.537.750	-	2.573.066.338
14	Medan	327.820.000	200.000.000	668.063.000	100.000.000	1.272.804.000	30.000.000	407.700.000	-	3.006.387.000
15	Padang	892.401.000	69.795.000	231.121.000	35.000.000	150.000.000	-	622.160.000	-	2.000.477.000
16	Palembang	986.052.000	25.000.000	385.487.000	636.378.866	-	118.931.410	473.392.000	-	2.625.241.276
17	Pekanbaru	740.735.000	-	91.000.000	443.500.000	35.800.000	-	268.256.000	-	1.579.291.000
18	Semarang	514.921.700	6.000.000	661.273.300	993.645.000	230.194.900	-	562.325.000	-	2.968.359.900
19	Surabaya	2.476.615.890	37.000.000	3.048.954.175	1.151.445.000	1.204.161.515	264.078.000	92.079.000	25.855.000	8.300.188.580
20	Yogyakarta	2.387.801.000	235.240.151	1.757.120.476	2.071.941.000	528.436.200	-	1.725.147.581	-	8.705.686.408
	Jumlah/ Total	26.463.322.958	1.414.781.307	27.027.916.471	22.827.520.022	27.177.503.630	1.992.366.872	25.724.377.567	80.795.000	132.708.583.827

Lampiran/Appendix 1

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN PENYALURAN DANA
PROGRAM BINA LINGKUNGAN
Tanggal 31 Desember 2016 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF COMMUNITY
DEVELOPMENT PROGRAM FUNDS DISTRIBUTION
As of December 31, 2016 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Penyaluran Dana Program Bina
Lingkungan Tahun 2015**

**Statement of Community Development Program
Funds Distribution Year 2015**

No.	Kantor Wilayah/ Regional Offices	Bantuan Sarana Umum/ Public Facility Donation	Bantuan Korban Bencana Alam/ Help Victims of Nature Disaster	Bantuan Pendidikan/ Aid for Education Donation	Bantuan Peningkatan Kesehatan/ Aid for Health Improvement	Bantuan Sarana Ibadah/ Improvement of Worship Facilities	Pelestarian Alam/ Nature Preservation	Bantuan Sosial Pengentasan Kemiskinan/ Social Assistance in order to Alleviate Poverty	Jumlah/ Total
1	Banda Aceh	847.071.000	100.229.500	2.086.449.836	832.270.700	360.000.000	-	467.822.000	4.693.843.036
2	Bandar Lampung	1.559.350.000	-	196.297.000	530.734.000	691.215.000	215.500.000	-	3.193.096.000
3	Bandung	1.436.265.900	142.500.000	923.934.990	1.748.335.799	530.520.000	10.000.000	534.279.080	5.325.835.769
4	Banjarmasin	1.535.899.000	140.125.000	268.170.000	839.100.001	100.820.000	-	230.185.750	3.114.299.751
5	Denpasar	662.899.508	54.088.500	1.536.111.392	737.664.091	711.210.000	199.008.420	230.000.000	4.130.981.911
6	DKI Jakarta 1	581.072.500	50.777.010	189.080.000	1.239.152.500	190.189.000	119.850.100	137.085.306	2.507.206.416
7	DKI Jakarta 2	637.221.586	69.142.000	527.120.380	788.998.364	2.431.709.001	20.000.000	307.600.000	4.781.791.331
8	DKI Jakarta 3	339.760.000	40.603.600	942.510.000	814.043.053	226.684.686	-	79.195.000	2.442.796.339
9	Jayapura	447.721.000	25.000.000	318.400.000	-	350.025.000	-	51.300.000	1.192.446.000
10	Kantor Pusat	5.063.973.100	1.587.590.210	10.347.281.071	357.567.636	7.918.257.864	441.995.295	11.042.394.421	36.759.059.597
11	Makassar	3.017.900.000	24.950.000	5.498.340.456	559.150.000	1.594.000.000	165.100.000	2.069.302.047	12.928.742.503
12	Malang	6.734.491.650	74.732.000	1.913.663.600	1.033.691.000	-	126.313.900	101.700.000	9.984.592.150
13	Manado	1.325.226.500	75.000.000	367.880.000	362.550.000	1.129.347.000	120.000.000	168.550.000	3.548.553.500
14	Medan	1.642.702.400	-	1.011.294.992	2.431.900.001	-	181.448.420	-	5.267.345.813
15	Padang	310.744.500	1.440.000	183.300.000	-	70.000.000	113.588.000	682.958.500	1.362.031.000
16	Palembang	646.212.759	8.470.500	373.800.000	-	454.330.000	15.200.000	443.790.000	1.941.803.259
17	Pekanbaru	1.389.378.000	24.640.000	355.400.000	319.898.000	100.000.000	120.000.000	-	2.309.316.000
18	Semarang	2.068.700.700	88.200.000	607.656.200	735.830.000	68.000.000	194.700.280	45.674.305	3.808.761.485
19	Surabaya	571.885.000	24.998.500	1.176.065.453	2.002.410.000	64.100.000	203.424.000	165.500.000	4.208.382.953
20	Yogyakarta	578.766.970	661.540.274	2.206.247.466	2.118.738.200	394.604.000	140.745.000	6.789.531.619	12.890.173.529
	Jumlah/ Total	31.397.242.073	3.194.027.094	31.029.002.836	17.452.033.345	17.385.011.551	2.386.873.415	23.546.868.028	126.391.058.342

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2016 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2016 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2016**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2016**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurant and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
1	Banda Aceh										
	Lancar/ Current	217.087.000	326.944.200	-	-	125.416.700	4.529.098.427	568.189.552	-	150.416.800	5.917.152.679
	Kurang Lancar/ Substandard	-	-	-	-	-	99.022.826	-	-	-	99.022.826
	Diragukan/ Doubtful	-	-	-	-	-	550.500	-	-	-	550.500
	Macet/ Loss	-	121.031.845	-	-	16.300.000	1.174.840.106	112.730.967	-	5.556.800	1.430.459.718
	Sub jumlah/ Sub total	217.087.000	447.976.045	-	-	141.716.700	5.803.511.859	680.920.519	-	155.973.600	7.447.185.723
2	Bandar Lampung										
	Lancar/ Current	301.399.065	23.575.334	-	-	-	1.993.920.074	3.824.854.627	-	87.720.100	6.231.469.200
	Kurang Lancar/ Substandard	-	-	-	-	-	62.533.600	200.000.000	-	-	262.533.600
	Diragukan/ Doubtful	-	-	-	-	-	26.178.336	12.726.900	-	-	38.905.236
	Macet/ Loss	17.925.133	14.609.667	-	-	-	324.540.284	168.365.367	-	-	525.440.451
	Sub jumlah/ Sub total	319.324.198	38.185.001	-	-	-	2.407.172.294	4.205.946.894	-	87.720.100	7.058.348.487

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2016 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2016 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2016 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2016 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, Restoran, dan Hotel/ Transportation, Warehousing and Communications Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
3	Bandung									
	Lancar/ Current	650.107.695	15.277.100	5.555.200	62.500.200	4.927.399.656	2.211.613.995	-	14.581.565	7.887.035.411
	Kurang Lancar/ Substandard	2.996.500	-	-	-	102.409.896	60.550.538	-	19.442.565	185.399.499
	Diragukani/ Doubtful	-	-	-	-	32.039.026	-	-	-	32.039.026
	Macek/ Loss	166.203.900	217.759.468	-	-	1.108.159.890	2.230.592.564	-	110.075.000	3.832.790.822
	Sub jumlah/ Sub total	819.308.095	233.036.568	5.555.200	62.500.200	6.170.008.468	4.502.757.097	-	144.099.130	11.937.264.758
4	Banjarasin									
	Lancar/ Current	190.388.736	616.513.304	-	-	4.006.807.605	2.037.960.438	-	70.902.300	6.835.072.083
	Kurang Lancar/ Substandard	2.084.100	27.777.779	-	-	86.551.599	4.341.400	-	-	120.754.878
	Diragukani/ Doubtful	-	33.123.523	-	-	-	50.000.000	-	-	83.123.523
	Macek/ Loss	84.801.900	128.149.667	-	-	956.945.408	271.919.271	-	52.294.680	1.494.110.926
	Sub jumlah/ Sub total	277.274.736	805.564.273	-	-	5.050.304.612	2.364.221.109	-	123.196.980	8.633.061.410

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2016 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2016 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2016 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2016 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing/ Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
5	Denpasar										
	Lancar/ Current	372.716.022	148.292.513	-	-	1.638.936.017	876.369.222	-	-	-	3.036.313.774
	Kurang Lancar/ Substandard	-	-	-	-	36.861.313	195.965.939	-	-	-	232.827.252
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-	-
	Macet/ Loss	-	110.697.832	-	-	14.442.800	4.394.174.034	-	-	-	5.156.399.015
	Sub jumlah/ Sub total	372.716.022	258.990.345	-	-	14.442.800	5.466.509.195	-	-	-	8.425.540.041
6	DKI Jakarta 1										
	Lancar/ Current	-	-	33.333.200	-	850.521.809	-	-	-	-	883.855.009
	Kurang Lancar/ Substandard	-	-	-	-	19.167.100	-	-	-	-	19.167.100
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-	-
	Macet/ Loss	1.257.201	23.719.233	-	-	149.795.332	91.053.900	-	-	-	265.825.666
	Sub jumlah/ Sub total	1.257.201	23.719.233	33.333.200	-	1.019.484.241	91.053.900	-	-	-	1.168.847.775

Lampiran/Appendix 2

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2016 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2016 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2016 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2016 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Industries	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, dan Hotel/ Transportation, Warehousing and Communications Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
7	DKI Jakarta 2									
	Lancar/ Current	310.764.772	374.609.890	-	-	3.473.348.999	261.300.280	-	86.994.375	4.507.018.316
	Kurang Lancar/ Substandard	-	-	-	-	102.203.100	80.130.000	-	-	182.333.100
	Diragukan/ Doubtful	-	-	-	-	25.000.400	-	-	-	25.000.400
	Mace/ Loss	7.234.548	185.336.533	-	-	606.666.339	114.761.360	-	6.499.630	923.933.177
	Sub jumlah/ Sub total	317.999.320	559.946.423	-	-	4.207.218.838	456.191.640	-	93.494.005	5.638.284.993
8	DKI Jakarta 3									
	Lancar/ Current	94.484.676	44.425.268	-	-	1.380.229.326	288.361.337	-	-	1.807.500.607
	Kurang Lancar/ Substandard	-	-	-	-	-	-	-	-	-
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-
	Mace/ Loss	87.105.690	689.898.463	-	-	912.657.687	214.060.234	-	-	1.903.722.064
	Sub jumlah/ Sub total	181.590.366	734.323.731	-	-	2.292.887.013	502.421.571	-	-	3.711.222.671

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
Tanggal 31 Desember 2016 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF LOAN RECEIVABLES
PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2016 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2016 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2016 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
9	Jayapura										
	Lancar/ Current	79.584.100	16.110.800	-	-	1.155.904.445	297.634.500	-	-	70.833.400	1.620.067.245
	Kurang Lancar/ Substandard	-	-	-	-	59.055.600	48.600.000	-	-	-	107.655.600
	Diragukan/ Doubtful	-	2.747.300	-	-	-	-	-	-	-	2.747.300
	Macet/ Loss	11.921.933	354.657.634	-	-	1.050.082.529	82.275.100	-	-	13.744.003	1.562.095.233
	Sub jumlah/ Sub total	91.506.033	373.515.734	-	-	2.265.042.574	428.509.600	-	-	84.577.403	3.292.565.378
10	Makassar										
	Lancar/ Current	772.455.476	389.848.340	-	-	5.006.233.540	1.522.352.700	-	-	190.973.102	7.891.446.058
	Kurang Lancar/ Substandard	18.471.000	30.555.400	-	-	179.043.788	-	-	-	-	228.070.188
	Diragukan/ Doubtful	20.706.000	-	-	-	67.632.000	33.761.100	-	-	-	122.099.100
	Macet/ Loss	66.202.067	237.232.408	-	-	899.099.925	756.174.462	-	-	15.701.699	1.974.410.561
	Sub jumlah/ Sub total	877.834.543	657.636.148	-	-	6.152.009.253	2.312.288.262	-	-	206.674.801	10.216.025.907

Lampiran/Appendix 2

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR USAHA PROGRAM KEMITRAAN
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Untuk Tahun yang Berakhir pada Tanggal Tersebut
(Disajikan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
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PARTNERSHIP PROGRAM'S COLLECTIBILITY
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2016 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2016 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
11	Malang										
	Lancar/ Current	263.171.773	9.028.800	-	-	144.694.200	3.204.387.256	1.936.216.286	-	41.770.900	5.599.269.215
	Kurang Lancar/ Substandard	5.000.000	-	-	-	-	17.765.500	143.491.276	-	-	166.256.776
	Diragukan/ Doubtful	-	-	-	-	-	6.785.600	378.181.386	-	-	384.966.986
	Mace/ Loss	5.753.233	26.564.750	-	-	10.000.000	634.138.666	711.196.817	-	-	1.387.653.466
	Sub Jumlah/ Sub total	273.925.006	35.593.550	-	-	154.694.200	3.863.077.022	3.169.085.765	-	41.770.900	7.538.146.443
12	Manado										
	Lancar/ Current	131.944.500	123.517.556	-	-	12.499.987	979.650.630	899.832.600	-	73.750.000	2.221.195.273
	Kurang Lancar/ Substandard	-	21.656.000	-	-	-	176.318.100	138.687.680	-	-	336.661.780
	Diragukan/ Doubtful	29.921.167	-	-	-	-	191.437.712	7.000.000	-	-	228.358.879
	Mace/ Loss	164.663.038	307.416.300	-	-	-	762.812.852	373.927.400	-	21.083.900	1.629.903.490
	Sub Jumlah/ Sub total	326.528.705	452.589.856	-	-	12.499.987	2.110.219.294	1.419.447.680	-	94.833.900	4.416.119.422

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2016 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
13	Medan										
	Lancar/ Current	139.026.400	15.000.000	-	-	2.915.700	1.155.586.624	223.183.200	-	60.554.800	1.596.266.724
	Kurang Lancar/ Substandard	-	-	-	-	-	35.000.100	22.917.100	-	-	57.917.200
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-	-
	Mace/ Loss	107.477.222	117.768.867	-	-	-	396.212.044	252.132.056	-	146.727.866	1.020.318.055
	Sub jumlah/ Sub total	246.503.622	132.768.867	-	-	2.915.700	1.586.798.768	498.232.356	-	207.282.666	2.674.501.979
14	Padang										
	Lancar/ Current	484.791.900	95.679.800	-	-	-	2.887.340.350	341.035.192	-	66.666.400	3.875.513.642
	Kurang Lancar/ Substandard	44.722.500	-	-	-	-	140.941.233	-	-	-	185.663.733
	Diragukan/ Doubtful	-	27.777.600	-	-	-	18.720.997	-	-	-	46.498.597
	Mace/ Loss	10.791.832	27.904.267	-	-	-	419.322.744	564.061.564	-	-	1.022.080.407
	Sub jumlah/ Sub total	540.306.232	151.361.667	-	-	-	3.466.325.324	905.096.756	-	66.666.400	5.129.756.379

Lampiran/Appendix 2

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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**Laporan Kualitas Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2016 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2016 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainmya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
15	Palembang										
	Lancar/ Current	114.722.200	75.773.468	-	-	-	2.471.668.392	829.099.986	23.333.600	22.500.000	3.537.097.646
	Kurang Lancar/ Substandar	-	-	-	-	-	80.568.600	108.666.000	-	-	189.234.600
	Diragukan/ Doubtful	11.752.000	-	-	-	-	56.456.300	34.043.300	-	-	102.251.600
	Macet/ Loss	480.101.866	121.429.299	-	-	-	755.587.390	153.130.433	-	-	1.510.248.988
	Sub jumlah/ Sub total	606.576.066	197.202.767	-	-	-	3.364.280.682	1.124.939.719	23.333.600	22.500.000	5.338.832.834
16	Pekanbaru										
	Lancar/ Current	156.882.005	171.527.700	-	-	-	2.155.331.536	662.245.930	-	28.889.000	3.174.876.171
	Kurang Lancar/ Substandar	-	-	-	-	-	41.666.600	31.625.000	-	-	73.291.600
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-	-
	Macet/ Loss	1.766.200	70.561.633	-	-	-	402.927.570	34.312.500	-	-	509.567.903
	Sub jumlah/ Sub total	158.648.205	242.089.333	-	-	-	2.599.925.706	728.163.430	-	28.889.000	3.757.735.674

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2016 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainmya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
17	Semarang										
	Lancar/ Current	377.284.318	118.888.687	-	-	-	3.391.992.953	1.855.201.648	-	73.471.200	5.816.838.806
	Kurang Lancar/ Substandard	-	11.943.500	-	-	-	10.617.100	101.725.000	-	-	124.285.600
	Diragukan/ Doubtful	-	-	-	-	-	-	47.500.000	-	-	47.500.000
	Mace/ Loss	100.888.485	203.003.001	-	-	-	456.632.164	100.493.124	-	-	861.016.774
	Sub jumlah/ Sub total	478.172.803	333.835.188	-	-	-	3.859.242.217	2.104.919.772	-	73.471.200	6.849.641.180
18	Surabaya										
	Lancar/ Current	660.273.765	247.842.800	60.416.900	-	46.041.900	5.158.612.151	1.799.503.267	-	217.647.465	8.190.338.248
	Kurang Lancar/ Substandard	-	97.668.200	-	-	-	430.570.175	252.400.161	-	33.341.265	813.979.801
	Diragukan/ Doubtful	-	5.667.300	-	-	-	69.424.831	42.905.100	-	-	117.997.231
	Mace/ Loss	288.526.100	70.073.000	-	-	-	832.112.805	527.488.473	-	37.249.900	1.755.450.278
	Sub jumlah/ Sub total	948.799.865	421.251.300	60.416.900	-	46.041.900	6.490.719.962	2.622.297.001	-	288.238.630	10.877.765.558

Lampiran/Appendix 2

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2016 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2016 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriclture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
19	Yogyakarta										
	Lancar/ Current	434.973.047	519.543.233	-	-	-	6.179.923.763	2.793.062.669	-	93.332.800	10.020.835.512
	Kurang Lancar/ Substandard	-	82.045.400	-	-	-	62.361.100	-	-	-	144.406.500
	Diragukan/ Doubtful	-	-	-	-	-	14.120.000	-	-	-	14.120.000
	Macet/ Loss	213.723.832	678.067.089	-	-	5.221.600	2.130.058.478	2.050.241.061	-	-	5.077.312.060
	Sub jumlah/ Sub total	648.696.879	1.279.655.722	-	-	5.221.600	8.386.463.341	4.843.303.730	-	93.332.800	15.256.674.072
	Jumlah/Total	7.704.054.887	7.379.241.751	99.305.300	62.500.200	452.464.288	73.407.573.147	38.426.325.996	23.333.600	1.812.721.515	129.367.520.684

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015**

No.	Kantor Wilayah/ Regional Office	Industri/ Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurant and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
1	Banda Aceh									
	Lancar/ Current	40.566.662	34.444.800	-	-	13.541.300	1.099.825.573	231.171.652	-	1.419.549.987
	Kurang Lancar/ Substandard	-	-	-	-	41.238.578	32.135.800	-	-	73.374.378
	Diragukan/ Doubtful	-	-	-	-	2.894.067	-	-	41.666.600	44.560.667
	Mace/ Loss	-	11.988.700	-	-	81.275.000	1.161.800.906	140.662.434	16.300.000	1.412.027.040
	Sub jumlah/ Sub total	40.566.662	46.433.500	-	-	138.948.945	2.293.762.279	371.834.086	57.966.600	2.949.512.072
2	Bandar Lampung									
	Lancar/ Current	20.139.200	50.000.000	-	-	34.507.334	1.015.088.118	1.516.488.811	-	2.636.223.463
	Kurang Lancar/ Substandard	3.332.000	-	-	-	-	68.620.995	-	-	71.952.995
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-
	Mace/ Loss	17.925.133	14.609.667	-	-	68.566.667	368.622.784	209.415.367	-	679.139.618
	Sub jumlah/ Sub total	41.396.333	64.609.667	-	-	103.074.001	1.452.331.897	1.725.904.178	-	3.387.316.076

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
3	Bandung									
	Lancar/ Current	400.806.062	267.773.830	22.222.000	24.999.800	24.444.600	3.164.576.601	1.071.416.737	-	4.976.239.630
	Kurang Lancar/ Substandard	45.682.100	-	-	-	30.426.467	171.081.596	507.750.088	-	754.940.251
	Diragukan/ Doubtful	-	-	-	-	-	47.126.100	23.655.000	-	70.781.100
	Mace/ Loss	121.188.600	150.184.401	-	-	-	889.128.290	1.851.664.964	-	3.012.166.255
	Sub Jumlah/ Sub total	667.676.762	417.958.231	22.222.000	24.999.800	54.871.067	4.271.912.587	3.454.486.789	-	8.814.127.236
4	Banjarmasin									
	Lancar/ Current	140.560.600	69.428.267	-	-	131.095.545	581.451.771	410.626.764	48.573.700	1.381.736.647
	Kurang Lancar/ Substandard	10.417.300	28.660.000	-	-	52.249.429	119.251.204	8.528.903	-	219.106.836
	Diragukan/ Doubtful	-	19.300.680	-	-	16.666.400	77.090.600	24.250.287	-	137.307.967
	Mace/ Loss	102.328.467	78.698.567	-	-	91.251.000	931.373.796	271.163.184	-	1.474.815.014
	Sub Jumlah/ Sub total	253.306.367	196.087.514	-	-	291.262.374	1.709.167.371	714.569.138	48.573.700	3.212.966.464

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
5	Denpasar									
	Lancar/ Current	157.332.630	65.498.687	-	-	234.512.546	1.351.265.681	1.263.425.327	24.999.800	3.097.034.671
	Kurang Lancar/ Substandar	-	-	-	-	-	106.810.655	37.998.299	-	144.808.954
	Diragukan/ Doubtful	-	-	-	-	-	6.094.067	35.000.000	-	41.094.067
	Macet/ Loss	177.552	63.851.799	-	-	124.696.067	669.014.695	4.438.668.968	14.442.800	5.310.851.881
	Sub jumlah/ Sub total	157.510.182	129.350.486	-	-	389.208.613	2.133.185.098	5.775.092.594	39.442.600	8.593.789.573
6	DKI Jakarta 1									
	Lancar/ Current	-	8.951.335	50.000.000	-	-	266.245.634	33.333.200	-	388.530.169
	Kurang Lancar/ Substandar	-	-	-	-	-	-	-	-	-
	Diragukan/ Doubtful	1.257.201	-	-	-	-	722.600	5.554.800	-	7.534.601
	Macet/ Loss	-	-	-	-	23.719.233	149.699.132	85.499.100	-	259.117.465
	Sub jumlah/ Sub total	1.257.201	8.951.335	50.000.000	-	23.719.233	416.867.366	124.387.100	-	625.182.235

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Usaha Program
Kemitraan Tahun 2015 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri/ Processing Industries	Jasa Lainnya/ Other Industries	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
7	DKI Jakarta 2									
	Lancar/ Current	94.945.116	40.277.700	-	-	301.104.986	1.101.665.741	310.334.526	-	1.848.328.069
	Kurang Lancar/ Substandard	-	-	-	-	-	88.073.148	-	-	88.073.148
	Diragukan/ Doubtful	-	-	-	-	10.000.000	38.071.000	-	-	48.071.000
	Mace/ Loss	-	136.791.830	-	-	45.044.333	554.211.792	114.761.360	3.434.767	854.244.082
	Sub Jumlah/ Sub total	94.945.116	177.069.530	-	-	356.149.319	1.782.021.681	425.095.886	3.434.767	2.838.716.299
8	DKI Jakarta 3									
	Lancar/ Current	-	-	-	-	-	279.304.789	152.777.867	-	432.082.656
	Kurang Lancar/ Substandard	-	-	-	-	-	48.402	-	-	48.402
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-
	Mace/ Loss	87.105.680	710.945.688	-	-	-	938.892.912	240.282.634	-	1.977.226.914
	Sub Jumlah/ Sub total	87.105.680	710.945.688	-	-	-	1.218.246.103	393.060.501	-	2.409.357.972

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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
9	Jayapura									
	Lancar/ Current	25.000.200	-	-	-	25.014.826	550.782.365	185.277.300	-	786.074.691
	Kurang Lancar/ Substandard	-	-	-	-	-	127.735.349	1.166.600	-	128.901.949
	Diragukan/ Doubtful	-	-	-	-	-	44.106.034	901.619	-	45.007.653
	Macet/ Loss	11.921.933	181.152.504	-	-	194.494.833	1.100.627.061	81.108.500	49.414.034	1.618.718.865
	Sub jumlah/ Sub total	36.922.133	181.152.504	-	-	219.509.659	1.823.250.809	268.454.019	49.414.034	2.578.703.158
10	Makassar									
	Lancar/ Current	453.549.744	40.077.032	-	-	387.111.603	3.497.555.496	967.049.787	14.583.300	5.359.926.962
	Kurang Lancar/ Substandard	40.999.600	11.110.400	-	-	-	135.163.482	33.387.471	-	220.660.953
	Diragukan/ Doubtful	-	754.333	-	-	-	-	45.007.342	-	45.761.675
	Macet/ Loss	66.202.067	48.686.332	-	-	189.469.975	917.565.070	678.489.209	-	1.900.412.653
	Sub jumlah/ Sub total	560.751.411	100.628.097	-	-	576.581.578	4.550.284.048	1.723.933.809	14.583.300	7.526.762.243

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Kemitraan Tahun 2015 (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
11	Malang									
	Lancar/ Current	243.888.569	65.277.700	-	-	58.307.100	1.798.242.307	2.364.796.912	45.833.300	4.576.345.888
	Kurang Lancar/ Substandard	6.944.100	-	-	-	-	264.025.866	775.285.428	-	1.046.255.394
	Diragukan/ Doubtful	2.777.400	-	-	-	-	126.216.500	18.389.150	-	147.383.050
	Macet/ Loss	7.053.233	-	-	-	26.564.750	359.028.912	196.974.484	10.000.000	599.621.379
	Sub Jumlah/ Sub total	260.663.302	65.277.700	-	-	84.871.850	2.547.513.585	3.355.445.974	55.833.300	6.369.605.711
12	Manado									
	Lancar/ Current	56.944.500	36.143.269	-	1.030.645	129.288.791	1.427.261.357	789.990.957	29.166.787	2.469.826.306
	Kurang Lancar/ Substandard	34.672.267	-	-	-	70.555.600	229.412.809	165.326.134	-	499.966.810
	Diragukan/ Doubtful	-	-	-	-	-	7.175.268	-	-	7.175.268
	Macet/ Loss	167.963.038	226.249.700	-	-	14.790.000	588.079.124	263.764.902	-	1.260.846.764
	Sub Jumlah/ Sub total	259.579.805	262.392.969	-	1.030.645	214.634.391	2.251.928.558	1.219.081.993	29.166.787	4.237.815.148

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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
13	Medan									
	Lancar/ Current	92.539.300	115.138.700	-	-	35.948.626	1.220.320.350	219.789.267	7.916.100	1.691.652.343
	Kurang Lancar/ Substandard	-	-	-	-	-	73.357.287	137.985.600	-	211.342.887
	Diragukan/ Doubtful	-	-	-	-	-	3.998.211	46.667.200	-	50.665.411
	Macet/ Loss	107.477.222	256.713.466	-	-	7.783.267	353.296.115	211.464.856	-	936.734.926
	Sub jumlah/ Sub total	200.016.522	371.852.166	-	-	43.731.893	1.650.971.963	615.906.923	7.916.100	2.890.395.567
14	Padang									
	Lancar/ Current	122.777.800	41.666.600	-	-	121.388.300	1.211.549.224	255.576.271	-	1.752.958.195
	Kurang Lancar/ Substandard	-	-	-	-	17.333.200	22.241.200	35.802.368	-	75.376.768
	Diragukan/ Doubtful	-	-	-	-	-	80.325.214	-	-	80.325.214
	Macet/ Loss	11.391.832	31.824.068	-	-	-	284.010.030	538.234.197	-	865.460.127
	Sub jumlah/ Sub total	134.169.632	73.490.668	-	-	138.721.500	1.598.125.668	829.612.836	-	2.774.120.304

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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri/ Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, dan Komunikasi/ Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
15	Palembang Lancar/ Current	80.446.700	98.481.955	-	-	22.818.729	1.280.552.711	871.976.350	-	2.354.276.445
		4.400.000	-	-	-	-	47.913.600	29.167.200	-	81.480.800
		-	-	-	-	-	7.283.600	-	-	7.283.600
		485.211.866	109.393.999	-	-	19.632.300	735.328.890	149.579.433	-	1.499.146.488
		570.058.566	207.875.954	-	-	42.451.029	2.071.078.801	1.050.722.983	-	3.942.187.333
16	Pekanbaru Lancar/ Current	77.222.901	-	-	-	77.777.600	1.184.409.693	483.213.167	-	1.822.623.361
		-	-	-	-	-	48.360.387	4.167.162	-	52.527.549
		2.758.200	-	-	-	-	-	2.941.500	-	5.699.700
		-	32.519.833	-	-	38.041.800	376.222.427	33.871.000	-	480.655.060
		79.981.101	32.519.833	-	-	115.819.400	1.608.992.507	524.192.829	-	2.361.505.670

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Classified by Regional and Economic Sector Year 2015 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
17	Semarang									
	Lancar/ Current	408.251.870	175.415.000	-	-	91.721.855	1.547.112.974	1.533.213.570	-	3.755.715.269
	Kurang Lancar/ Substandard	-	58.054.800	-	-	-	181.693.696	4.846.774	-	244.595.270
	Diragukan/ Doubtful	-	-	-	-	-	3.332.400	113.905.764	-	117.238.164
	Macet/ Loss	100.888.485	157.514.701	-	-	-	436.349.745	95.646.350	-	790.399.281
	Sub Jumlah/ Sub total	509.140.355	390.984.501	-	-	91.721.855	2.168.488.815	1.747.612.458	-	4.907.947.954
18	Surabaya									
	Lancar/ Current	282.487.830	163.059.302	-	-	209.552.200	2.562.136.919	1.488.647.588	-	4.705.883.839
	Kurang Lancar/ Substandard	-	-	-	-	57.295.800	105.996.017	-	-	163.291.817
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-
	Macet/ Loss	261.920.692	37.249.900	-	-	-	767.050.255	511.515.717	-	1.577.736.564
	Sub Jumlah/ Sub total	544.408.522	200.309.202	-	-	266.848.000	3.435.183.191	2.000.163.305	-	6.446.912.220

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**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2015 (continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas dan Air/ Electricity, Gas and Water	Pengangkutan, Pergudangan dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Perumahan/ Housing	Jumlah/ Total
19	Yogyakarta									
	Lancar/ Current	48.888.500	10.050.960	-	-	260.832.475	1.452.184.185	624.444.559	-	2.396.400.679
	Kurang Lancar/ Substandard	-	-	-	-	15.566.800	37.703.600	52.083.100	-	105.343.500
	Diragukan/ Doubtful	-	-	-	-	-	5.084.300	-	-	5.084.300
	Macet/ Loss	274.384.432	559.298.772	-	-	105.587.767	2.176.732.179	2.002.971.528	5.221.600	5.124.196.278
	Sub Jumlah/ Sub total	323.272.932	569.349.732	-	-	381.977.042	3.671.704.264	2.679.499.187	5.221.600	7.631.024.757
	Jumlah/Total	4.722.728.584	4.207.239.277	72.222.000	26.030.445	3.504.101.749	42.655.016.591	28.999.056.588	311.552.788	84.497.948.022

Cross Reference of Annual Report Award

Subject & Explanation	Page
I. General	
1 In good and correct Indonesian, it is recommended to present the report also in English.	√
2 The annual report should be printed in good quality paper, using the font type and size that allow for easy reading	√
3 Should state clearly the identity of the company.	√
Name of company and year of the Annual Report is placed on:	√
1. The front cover;	
2. Sides;	
3. Back cover;	
4. Each page.	
4 The Annual Report is presented in the company's website.	√
II. Summary of Key Financial Information	
1 Result of the Company information in comparative form over a period of 5 financial years or since the commencement of business if the company has been running its business activities for less than 5 years.	22-23
The information contained includes:	
1. Sales/income from business;	22
2. Profit (loss).	22
a. Attributable to owners; and	
b. Attributable to non-controlling shareholders;	22
3. Total of profit (loss) and other comprehensive income:	22
a. Attributable to owners; and	
b. Attributable to non-controlling shareholders; and	22
4. Net profit (loss) per share.	22
Note: profit (loss) and other comprehensive income disclosed in total if the company doesn't have subsidiaries.	
2 Financial information in comparative form over a period of 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 years.	22
The information contained includes:	
1. Investments in associated entities;	22
2. Total assets;	22
3. Total liabilities; and	22
4. Total equity.	22
3 Financial Ratio in comparative form over a period of 3 (three) financial years or since the commencement of business if the company has been running its business activities for less than 3 (three) years.	23
The information contains 5 (five) general financial ratios and relevant to the industry.	
4 Information regarding share price in the form of tables and graphs	24
1. The information contained includes:	
a. Outstanding shares;	24
b. Market Capitalization;	24
c. Highest, lowest and closing share price;	24
d. Trading volume; and	24
2. Information presented on graphs that includes at least the closing price and trading volume of the share.	24
For each three-month period in the last two (2) financial years (if any).	

Subject & Explanation	Page
5 Information regarding bonds, sharia bonds or convertible bonds issued and which are still outstanding in the last 2 financial years	26-27
The information contained includes:	
1. The amount/value of bonds/convertible bonds outstanding;	26-27
2. Interest rate;	26-27
3. Maturity date; and	26-27
4. Rating of bonds.	26-27
III. Board of Commissioners' and Board of Directors' Report	36-57
1 Board of Commissioners' Report	26-47
Contains the following items:	
1. Assessment on the performance of the Board of Directors in managing the company and the basis of such assessment;	39-41
2. View on the prospects of the company's business as established by the Board of Directors, and the basis of such view;	45
3. Assessment of the performance of the committees under the Board of Commissioners; and	41
4. Changes in the composition of the Board of Commissioners (if any) and the reasons of the changes.	45
2 Board of Directors' Report	48-57
Contains the following items:	
1. Analysis of the company's performance, i.e. strategic policies, comparison between achievement of results and targets, and challenges faced by the company;	50-52
2. Analysis of Business prospects;	54-55
3. Implementation of Good Corporate Governance by the company;	52-53
4. Assessment on the performance of Committees under Board of Directors (if any); and	53
5. Changes in the composition of the Board of Directors (if any), and the reasons of the changes.	53-54
3 Signature of members of the Board of Directors and Board of Commissioners.	58-59
Contains the following items:	
1. Signatures are set on a separate page;	√
2. Statement that the Board of Directors and the Board of Commissioners are fully responsible for the accuracy of the annual report;	√
3. Signed by all members of the Board of Commissioners and Board of Directors, stating their names and titles/ positions; and	√
4. A written explanation in a separate letter from each member of the Board of Commissioners or Board of Directors who refuses to sign the annual report, or: written explanation in a separate letter from the other members in the event that there is no written explanation provided by the said member.	n/a
IV. Company Profile	
1 Name and address of the company	62
Includes information on name and address, zip code, telephone and/or facsimile, email, website.	
2 Brief history of the company	64-67
Includes among others: date/year of establishment, name and change in the company name, if any.	
Note: should be disclosed if the company never change the name.	
3 Field of business.	72-73
The descriptions contains the following items:	
1. The company's business activities in accordance with the last articles of associations;	√
2. The company's business activities; and	√
3. The types of products and or services produced.	√
4 Organizational structure	84-85
In the form of a chart, including the names and titles, at least until one level below the board of directors on the structure.	
5 Company Vision and Mission	68-71
The information should contain:	

Subject & Explanation	Page
1. Company vision;	68
2. Company mission;	68
3. A note that the vision and mission statements have been approved by the Board of Directors/Commissioners; and	68
4. Statement concerning the corporate culture.	69-71
6 Name, title, and brief curriculum vitae of the members of the Board of Commissioners The information should contain:	86-91
1. Name;	√
2. Title (including position in other company or institution);	√
3. Age;	√
4. Domicile;	√
5. Education (Field of Study and Institutions);	√
6. Working experience (Position, Institution/Company and Period Served); and	√
7. Appointment history as the Board of Commissioners in the Company.	√
7 Name, title, and brief curriculum vitae of the members of the Board of Directors. The information should contain:	92-97
1. Name;	√
2. Title (including position in other company or institution);	√
3. Age;	√
4. Domicile;	√
5. Education (Field of Study and Institutions);	√
6. Working experience (Position, Institution/Company and Period Served); and	√
7. Appointment history as the Board of Directors in the Company.	√
8 Number of employees (comparative in two years) and description of competence building (for example: education and training of employees). The information should contain:	104-105
1. The number of employees for each level of the organization;	104;272-273
2. The number of employees for each level of education;	104;272-273
3. The number of employees based on employment status;	104;272-273
4. The description and data of employees competencies development program that has been conducted, which also reflect equal opportunity to all employees, for each level of the organization; and	105;273
5. Expenses of employee's competencies development program incurred.	105;267
9 Composition of shareholders. Should include:	106-108
1. The details include the name of 20 largest shareholders and their percentage of ownership;	107
2. The details of shareholders and their percentage of ownership, including:	106
a. Names of shareholders having 5% or more shares;	
b. Directors and Commissioners who own shares; and	108
c. Groups of public shareholders with less than 5% ownership each.	106
10 List of Subsidiary and/or Affiliate companies The information contains, among others:	109
1. Name of Subsidiary/Affiliate;	√
2. Percentage of share ownership;	√
3. Information on the field of business of Subsidiary/Affiliate; and	√
4. Explanation regarding the operational status of the Subsidiary/Affiliate (already operating or not yet operating).	√

Subject & Explanation		Page
11	Company's group structure Company's group structure in the form of a chart, that shows subsidiaries, associated entities, joint venture and special purpose vehicle (SPV).	109
12	Chronology of shares listing. Includes among others:	110-111
	1. Chronology of shares listing;	√
	2. Types of corporate action that caused changes in the number of shares;	√
	3. Changes in the number of shares from the beginning of listing up to the end of the financial year; and	√
	4. Name of Stock Exchange where the company shares are listed.	√
13	Chronology of other securities listing. Includes among others:	26-27
	1. Chronology of other securities listing.	√
	2. Types of corporate action that caused changes in the number of securities;	√
	3. Changes in the number of securities from the initial listing up to the end of the financial year;	√
	4. Name of Stock Exchange where the company's other securities are listed; and	√
	5. Rating of the securities.	√
14	Name and address of capital market institutions and or supporting professions. The information contains, among others:	113
	1. Name and address of Share Registrar/parties administering the company's shares;	√
	2. Name and address of the Public Accountants' Office; and	√
	3. Name and address of the Securities Rating company	√
15	Award and/or certification received by the company on last fiscal year, both on a national scale and international scale. Information should include:	32-35
	1. Name of the award and or certification;	√
	2. Year of receiving the award;	√
	3. Institution presenting the award and or certification; and	√
	4. Period of validity (for certificates).	√
16	Name and address of subsidiary companies and or branch office or representative office (if any) Information should include:	79-83
	1. Name and address of business entities; and	√
	2. Name and address of branch/representative office	√
	Note: should be disclosed if there is no business entities/branches/representatives.	
17	Information presented on Company's website Should include :	115
	1. Shareholders information until individual shareholders;	√
	2. Company group structure (if any);	√
	3. Financial performance analysis;	√
	4. Annual Report (in the last 5 years); and	√
	5. Profile of the Board of Commissioners and Board of Directors.	√
V. Management Analysis and Discussion on Company Performance		117-161
1	Explanation of each business segment.	117-143
	1. Explanation of each business segment.	122-123

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2. Performance by business segments, among others:	124-143
a. Production;	124-143
b. Increase/decrease in production capacity;	124-143
c. Sales/income from business; and	124-143
d. Profitability.	124;132;139;144
2 Description of company's financial performance	162-177
Financial performance analysis which includes a comparison between the financial performance of the current year and that of the previous year, and the cause of the increase/decrease (in the form of narration and tables), among others concerning:	
1. Current assets, non-current assets, and total assets;	162-167
2. Short term liabilities, long term liabilities, total liabilities;	168-170
3. Equity;	170
4. Sales/operating revenues, expenses and profit (loss), Other comprehensive revenues, and total comprehensive profit (loss); and	171-176
5. Cash flows.	176-177
3 Discussion and analysis on the capacity to pay debts and the company's accounts receivable collectibility, by presenting the relevant ratios calculated in accordance with the type of industry of the company	178-179
Explanation on:	
1. Capacity to pay debts in long term and short term; and	178
2. Accounts receivable collectibility.	179
4 Discussion on capital structure and capital structure policies	179-180
Explanation on:	
1. Details of capital structure consisting of subordinated bonds and equity; and	180
2. Management policies of the capital structure, and the basis of the such policies.	179
5 Discussion on material ties for the investment of capital goods, on last fiscal year	180
Explanation on:	
1. The purpose of such ties;	√
2. Source of funds expected to fulfil the said ties;	√
3. Currency of denomination; and	√
4. Steps taken by the company to protect the position of related foreign currency against risks.	181
Note: Should be disclosed if the company has no material ties in investments in capital goods on last fiscal year.	
6 Discussion on investment of capital goods realized in the last fiscal year	180-181
Explanation on:	
1. Type of the investment of capital goods;	√
2. The purpose of the investment of capital goods; and	√
3. Value of the investment of capital goods realized in the last fiscal year.	√
Note: Should be disclosed if the company has no investments in capital goods realized.	
7 Information about the comparison between the target at the beginning of the fiscal year with the results achieved (realization), and the target or projected to be achieved for the coming year regarding revenue, earnings, capital structure, or others that are considered important for the company	183
Information should include:	
1. The comparison between the target at the beginning of the fiscal year with the results achieved (realization); and	183
2. The target or projected to be achieved for the coming year (at least 1 year).	183

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8	Material Information and facts that occurred after the date of the accountant's report (subsequent events). Description of important events after the date of the accountant's report including their impact on performance and business risks in the future. Note: should be disclosed if there is no significant events after the date of accountant report.	183
9	Description of the company's business prospects. Information on the company prospects in connection with industry, economy in general, accompanied with supporting quantitative data if there is a reliable data source.	257-261
10	Information on marketing aspects Information regarding the marketing of the company's products and services, among others concerning the market segment.	159-161
11	Description regarding the dividend policy and the date and amount of cash dividend per share and amount of dividend per year as announced or paid during the past two (2) years. Contains description on:	184
	1. Dividen policy;	√
	2. Amount of dividend;	√
	3. Cash dividend per share;	√
	4. Pay-out ratio; and	√
	5. The announcement date of cash dividen payment for each year.	√
	Note: if there is no dividend payment, disclose the reasons for not making a dividend payment.	
12	Management and/or Employee Stock Ownership Program implemented by the company (ESOP / MSOP) Contains description on:	185
	1. Amount of ESOP/MSOP shares and the realization;	√
	2. Time periode;	√
	3. Requirements of rightful employee and/or management; and	√
	4. Exercise price	√
	Note: should be disclosed if there is no such program.	
13	Use of proceeds from the public offering (in the event that the company is still obligated to report such use of proceeds). Contains information on:	185
	1. Total funds obtained;	√
	2. Plan for funds utilization;	√
	3. Details of funds utilization;	√
	4. Remaining balance of funds; and	√
	5. Date of General Meeting of Shareholder (or Bondholder) approval on change in the funds utilization plan (if any).	√
14	Information on material transactions with conflict of interest and/or transactions with related parties. Contains information on:	187-189
	1. Name of the transacting parties and nature of related parties;	√
	2. A description of the fairness of the transaction;	√
	3. Reason for the transaction;	√
	4. Realization of transactions during the period;	√
	5. Company policies regarding the review mechanism on the transactions; and	√

Subject & Explanation	Page
6. Compliance with related rules and regulations Note: should be disclosed if there are no such transactions.	√
15 Description of changes in regulation which have a significant effect on the company Description should contain among others: any changes in regulation and its impact on the company. Note: if there is no change in regulation which have a significant effect, to be disclosed.	190-193
16 Description of changes in the accounting policy Description should contain among others: Any revision to accounting policies, rationale and impact on the financial statement. Note: if there is no change in accounting regulation, should be disclosed.	193-194
17 Information of Business continuity Disclosure about:	195
1. Issues with significant potential to affect company's business continuity in the last fiscal year;	√
2. Management assessment on issues in number 1; and	√
3. Assumptions used by management in doing assessment. Notes: if there are no issues of significant potential to affect business continuity in the last fiscal year, should be disclosed underlying assumption which is used by management to assure that there are no issues of significant potential to affect business continuity in the last fiscal year.	√
VI. Good Corporate Governance	286-515
1 Information on the Board of Commissioners. The information should contain:	310-317
1. Description of the responsibility of the Board of Commissioners;	310-312
2. Training programs for improving the competence of the Board of Commissioner or orientation program for new member of Board of Commissioners; and	313-314
3. Disclosing the Board Charter (guidance and work procedure of the Board of Commissioners).	315
2 Information about Independent Commissioner The information should contain:	318-319
1. The criteria of Independent Commissioner; and	√
2. Statement about the independency of each Independent Commissioner.	√
3 Information on the Board of Directors. The information should include:	320-325
1. Scope of work and responsibility of each member of the Board of Directors;	322-323
2. Training programs for improving the competence of the Board of Directors or orientation program for new member of Board of Directors; and	324
3. Disclosing the Board Charter (guidance and work procedure of the Board of Directors).	325
4 Assessment on members of the Board of Commissioners and Board of Directors Includes among others:	326-331
1. The assessment process on the performance of members of the Board of Commissioners and Directors;	√
2. The criteria used in the assessment on the performance of members of the Board of Commissioners and Directors; and	√
3. The party performing the assessment.	√
5 Description of the remuneration policy for the Board of Directors that is related to the company performance Includes among others:	332-337
1. Board of Commissioners Remuneration procedures;	332-333
2. Board of Directors Remuneration procedures;	333

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3. Remuneration structure, disclosing the type and amount of short-term and long-term compensation/post service benefits for each member of the Board of Commissioners;	334-336
4. Remuneration structure, disclosing the type and amount of short-term and long-term compensation/post service benefits for each member of the Board of Directors; and	334-336
5. Performance indicators to determine the remuneration of the Board of Directors.	337
6 Frequency of Boards of Commissioners meetings, Board of Director meetings, and joint meetings Board of Commissioners and Board of Directors	338-358
Information include:	
1. Date of meetings;	√
2. Meeting participants;	√
3. Meeting Agenda.	√
for each Board of Commissioners meetings, Board of Directors meeting and joint meetings.	
Information on major shareholders and controlling shareholders, directly or indirectly, and also individual shareholders.	106;
In the form of scheme or diagram, except SOE that fully owned by the government.	469
8 Disclosure of affiliation with other members of the Board of Commissioners and Board of Directors and major and/or controlling shareholders	356-357
Includes among others:	
1. Affiliation between member of the Board of Directors and other Board of Directors members;	√
2. Affiliation between member of the Board of Directors and Board of Commissioners members;	√
3. Affiliation between member of the Board of Directors and major and/or controlling shareholders;	√
4. Affiliation between member of the Board of Commissioners and other Board of Commissioners members; and	√
5. Affiliation between member of the Board of Commissioners and major and/or controlling shareholders	√
Note: should be disclosed if there are no such affiliations.	
9 Audit Committee	368-375
Includes among others:	
1. Name and title of the members of the Audit Committee;	368-369
2. Qualification of education and work experience of Audit Committee members;	369
3. Independence of the members of the Audit Committee;	370
4. Description of tasks and responsibilities;	370
5. Brief report on the activities carried out by the Audit Committee; and	370-373
6. Frequency of meetings and the attendance of the Audit Committee.	374-375
10 Nomination and Remuneration Committee/Function	376-381
Includes among others:	
1. Name, title, and brief curriculum vitae of the members of the Nomination and/or Remuneration Committee/Function;	376-377
2. Independence of the members of the Nomination and/or Remuneration Committee/Function;	377
3. Description of the tasks and responsibilities;	377-378
4. Activities carried out by the Nomination and/or Remuneration Committee/Function;	378-379
5. Frequency of meetings and the attendance rate of the Nomination and/or Remuneration Committee/Function;	379-380
6. Statement about Nomination and/or Remuneration Committee/Function guidelines; and	380
7. Board of Directors succession policy.	380-381
11 Other committees of the company under the Board of Commissioners	382;389;390-397
Includes among others:	
1. Name, title, and brief curriculum vitae of the members of the committees;	391-392
2. Independence of the members of the committee;	393
3. Description of the tasks and responsibilities;	393

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4. Activities carried out by the committees; and	393
5. Frequency of meetings and the attendance rate of other committee.	393
12 Description of tasks and function of the Corporate Secretary.	408-412
Includes among others:	
1. Name and brief history of the position of Corporate Secretary;	70
2. Description of the tasks performed by the Corporate Secretary; and	70
3. Training programs for improving the competence of the Corporate Secretary.	70
13 Description of Annual General Meeting of Shareholders (AGMS) of the previous fiscal year	396
Includes among others:	
1. Resolutions from AGMS of the previous fiscal year;	301-305
2. Realization of previous fiscal year AGMS results; and	305-309
3. Reason if there is a decision of the AGMS has not been realized.	309
14 Description of the company's internal audit unit	418-424
Includes among others:	
1. Name of the head of audit internal unit;	418
2. Number of auditors in the unit;	421
3. Certification as an internal audit profession;	421
4. Structure or position of the internal audit unit;	418
5. Description of audit work performed; and	418-420
6. The party authorized to appoint/dismiss the head of internal audit unit.	418
15 Public accountant	425
The information should contain:	
1. How many audit periods has the accountant audited the financial statements of the company;	√
2. How many audit periods has the public accountant firm audited the financial statements of the company;	√
3. The amount of fees for the audit and other attestation services (in the event that such accountant provides other attestation services together with the audit); and	√
4. Other service provided by the accountant in addition to financial audit in the last fiscal year.	√
Note: should be disclosed if there are no other services.	
16 Description of the company's risk management	426-438
Includes among others:	
1. Description of risk management systems;	427-429
2. Description of evaluation on the effectiveness of risk management systems;	429
3. Description of risks faced by the company; and	431-432
4. Efforts to manage these risks.	432-439
17 Description of internal control systems	440-443
Includes among others:	
1. Short description of the internal control system, including financial and operational control;	440-441
2. Description of compatibility between the internal control system and internationally recognized internal control framework (COSO); and	441-443
3. Description of evaluation on the effectiveness of internal control system.	443
18 Description of corporate social responsibility activities related to environment	486-489
Contains information on, among others:	
1. Management Policies;	√

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	2. Activities conducted, environment-related activities, that relevant with operational activity of the company, such as usage of recycled materials, energy, waste treatment, etc.	√
	3. Environment-related certification.	489
19	Description of corporate social responsibility related to the workforce, work health and safety	490-495
	Contains information on, among others:	
	1. Management Policies; and	√
	2. Activities conducted health and safety-related activities, such as gender equality, equal work opportunity, work and safety facilities, employee turnover, work incident rate, training, etc.	√
20	Description of corporate social responsibility activities related to social and community development	496-509
	Contains information on, among others:	
	1. Management Policies;	√
	2. Activities conducted; and	√
	3. Cost of the activities social and community development related activities, such as the use of local work force, empowerment of local communities, aid for public social facilities, social donations, etc.	√
21	Description of corporate social responsibility activities related to responsibility to the consumer Contains information on, among others:	510-513
	1. Management Policies; and	√
	Activities conducted consumer protection related activities, such as consumer health and safety, product information, facility for consumer complaint, number and resolution of consumer complaint cases, etc.	√
22	Important legal cases faced by the Company, subsidiaries, members of the Board of Directors and/or Board of Commissioners serving in the period of the annual report.	444-4445
	Information includes among others:	
	1. Substance of the case/claim;	√
	2. Status of settlement of case/claim;	√
	3. Potential impacts on the financial condition of the company; and	√
	4. Administrative sanctions imposed on the Company, the Board of Commissioners and Board of Directors, by the related authorities (capital markets, banking and others) in the last fiscal year (or there is a statement that is not subject to administrative sanctions).	445
	Notes: in case not litigants, to be disclosed.	
23	Access to corporate information and data.	446-455
	Description on the availability of access to corporate information and data to the public, for example through website, mass media, mailing list, bulletin, analyst meeting, etc.	
24	Discussion of company code of conduct.	456-457
	Contains information on:	
	1. Content of the Code of Conduct;	√
	2. Disclosure on the relevancy of the code of conduct for all levels of the organization;	√
	3. Socialization of the Code of Conduct;	√
	4. Type of sanctions for each code of conduct violation; and	√
	5. Number of violations and sanctions given regarding code of conduct in the last fiscal year.	√
	Note: if there is no code of conduct violation in the last fiscal year, should be disclosed.	
25	Disclosure on the whistleblowing system.	458-462
	Description of the mechanism of the whistleblowing system, including:	
	1. Mechanism for violation reporting;	√
	2. Protection for the whistleblower;	√

Subject & Explanation	Page
3. Handling of violation report;	√
4. The unit responsible for handling of violation report; and	√
5. Number of received complaint and processed in the last fiscal year and the follow-up handling Note: if there are no received complaints in the last fiscal year, should be disclosed.	√
26 The diversity of the Board of Commissioners and Board of Directors composition Description of the Company's policy on diversity of the Board of Commissioners and Board of Directors composition on Education (field of study), work experience, age, and gender. Note: the reasons and consideration should be disclosed, if there are no such policy.	358-367
VII. Financial Information	
1 Statement by the Board of Directors concerning the Responsibility of the Board of Directors on the Financial Statement. Compliance with regulation regarding responsibility on the Financial Statement.	519
2 Independent auditor's opinion on the financial statement.	520-521
3 Description of the Independent Auditor in the Opinion. The description contains:	521
1. Name and signature;	√
2. Date of the audit report; and	√
3. KAP license number and Public Accountant license number.	√
4 Comprehensive financial statement. Contains all elements of the financial statement:	522-750
1. Financial Position (Balance sheet);	522-525
2. Comprehensive Profit loss statement;	526-528
3. Statement of changes in equity;	529-530
4. Statement of Cash flows;	531-532
5. Notes to the financial statement;	533-750
6. Comparative information about previous period; and	√
7. Financial position at the start of comparative periods when the company implement retrospective application of accounting policies, or re-stated its accounts of financial statements, or re-classified the accounts of its financial statements (if relevant).	√
5 Comparison of profitability. Comparison of profit (loss) from operations for the year by the previous year.	526-528
6 Cash Flow Report. Meets the following provisions:	531-532
1. Grouped into three categories of activity: operational activity, investment, and funding;	√
2. Uses a direct method reporting for cash flows for operational activity;	√
3. Separating the presentation between cash receipt and or cash expended during the current year for operational, investment, and funding activities; and	√
4. Disclosing activities that do not influence the cash flow.	√
7 Summary of Accounting Policy. Includes at least:	543-575
1. Statement of compliance to Financial Accounting Standard;	√
2. Basis for the measurement and preparation of financial statements;	√
3. Income tax;	√
4. Work compensation; and	√
5. Financial instruments.	√

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8	Disclosure on transaction with related parties.	725-733
	Disclosure of, among others:	
	1. Name of related party, and nature of relation with related party;	√
	2. Amount of transaction and its percentage to total related revenues and expenses; and	√
	3. Total balance of transaction and its percentage to total assets or liabilities.	√
9	Disclosure related to taxation	664-671
	Issues that should be disclosed:	
	1. Fiscal reconciliation and calculation of current tax;	√
	2. Explanation on the relation between tax expenses (benefit) and accounting/book profit;	√
	3. Statement that the amount of Taxable Profit as calculated through reconciliation is in accordance with the Tax Return;	√
	4. Details of deferred tax assets and liabilities recognized on the financial position (balance sheet) for each reporting period, and the amount of deferred tax expenses (benefit) recognized in the profit/loss statement in the event that the amount is not recognizable from the amount of deferred tax assets and liabilities presented on the financial position (balance sheet); and	√
	5. Disclosure of whether or not there is a tax dispute.	√
10	Disclosure related to Fixed Assets.	628-630
	Issues that should be disclosed:	
	1. Depreciation method used;	√
	2. Description of the selected accounting policies between the revaluation model and cost model;	√
	3. The methods and significant assumptions used in estimating the fair value of fixed assets (revaluation model) or disclosure of the fair value of fixed assets (cost model); and	√
	4. Reconciliation of the gross book value and accumulated depreciation of fixed assets at the beginning and end of the reporting period, showing any addition, reduction and reclassification.	√
11	Disclosures relating to operating segment	703-705
	Issues that should be disclosed:	
	1. General information which includes the factors used to identify segments that are reported;	√
	2. Information about income, assets, and liabilities of the reported segment;	√
	3. Reconciliation of total segment revenues, reported segment profit or loss, segment assets, segment liabilities and other segment material elements to the related number of the entity; and	√
	4. Disclosures at entity level, which includes information about products and/or services, geographic areas and major customers.	√
12	Disclosures relating to Financial Instruments	700-702
	Issues that should be disclosed:	
	1. The Detail of financial instruments based on the classification;	√
	2. The fair value of each class of financial instruments;	√
	3. Risk management policy;	√
	4. Explanation of the risks associated with financial instruments: market risk, credit risk and liquidity risk; and	√
	5. Risk analysis related to financial instruments quantitatively.	√
13	Publication of financial statements Issues to be disclosed include:	740
	1. The date that the financial statements is authorized to be published; and	√
	2. The party responsible to authorize the published financial statements.	√

Reference SEOJK

No. 30-SEOJK.04-2016: Annual Report for Listed Companies

Description	Page
I. GENERAL PROVISION	
1. Annual Report of a listed company is one of the most important sources as the base for investors or shareholders in making investment decision, and is a means of monitoring issuers or public company.	√
2. Along with the development of Capital Market and the growing needs of investors or shareholders regarding information disclosure, the Board of Directors and the Board of Commissioners are required to improve the quality of information disclosure through annual report.	√
3. Annual Report should be prepared in an orderly manner and should be informative to provide conveniences for the investors or shareholders in getting the information they need.	√
4. This Circular Letter of the Financial Service Agency serves a guidelines for Issuers or Public Companies that should be applied in preparing their Annual Report.	√
II. FORMAT OF ANNUAL REPORT	
1. Annual Report should be presented in the printed format and in electronic document copy.	√
2. The printed version of the Annual Report should be printed on light-colored paper of fine quality, in A4 size, bound and can be reproduced in good quality.	√
3. The Annual Report presented in electronic document format is the Annual Report converted into pdf format.	√
III. CONTENT OF THE ANNUAL REPORT	
1. General Provision	
a. Annual Report should contain at least the following information:	
1) summary of key financial information;	22-23
2) stock information (if any);	24-25
3) the Board of Directors report;	48-57
4) the Board of Commissioners report;	36-47
5) profile of Issuer or Public Company;	60-115
6) management discussion and analysis;	116-284
7) corporate governance applied by the Issuer or Public Company;	285-479
8) corporate social and environmental responsibility of the Issuer or Public Company;	480-515
9) audited annual report; and	517-748
10) statement that the Board of Directors and the Board of Commissioners are fully responsible for the Annual Report;	58-59
b. Annual Report may present the information in form of images, charts, tables, and diagrams are presented by mentioning the title and/or clear description, that is easy to read and be understood;	√
2. Describing of Content of Annual Report	
a. Summary of Key Financial Information Summary of Key Financial Information contains financial information presented in comparison with previous 3 (three) fiscal years or since commencement of business if the Issuers or the Public Company commencing the business less than 3 (three) years, at least contain:	22
1) income/sales;	22
2) gross profit;	22
3) profit (loss);	22
4) total profit (loss) attributable to equity holders of the parent entity and non-controlling interest;	22
5) total comprehensive profit (loss);	22

Description	Page
6) total comprehensive profit (loss) attributable to equity holders of the parent entity and non controlling interest;	22
7) earning (loss) per share;	22
8) total assets;	22
9) total liabilities;	22
10) total equities;	22
11) profit (loss) to total assets ratio;	23
12) profit (loss) to equities ratio;	23
13) profit (loss) to income ratio;	23
14) current ratio;	23
15) liabilities to equities ratio;	23
16) liabilities to total assets ratio; and	23
17) other information and financial ratios relevant to the Issuer or Public Company and type of industry;	23
b. Stock Information	24-25
Stock Information (if any) at least contains:	
1) shares issued for each three-month period in the last 2 (two) fiscal years (if any), at least covering:	24-25
a) number of outstanding shares;	√
b) market capitalization based on the price at the Stock Exchange where the shares listed on;	√
c) highest share price, lowest share price, closing share price at the Stock Exchange where the shares listed on; and	√
d) share volume at the Stock Exchange where the shares listed on;	√
Information in point a) should be disclosed by the Issuer, the public company whose shares is listed or not listed in the Stock Exchange;	√
Information in point b), point c), and point d) only be disclosed if the Issuer is a public company whose shares is listed in the Stock Exchange;	√
2) in the event of corporate actions, including stock split, reverse stock, dividend, bonus share, and change in par value of shares, then the share price referred to in point 1), should be added with explanation on:	110-112
a) date of corporate action;	√
b) stock split ratio, reverse stock, dividend, bonus shares, and change in par value of shares;	√
c) number of outstanding shares prior to and after corporate action; and	√
d) share price prior to and after corporate action;	√
3) in the event that the company's shares were suspended and/or delisted from trading during the year under review, then the Issuers or Public Company should provide explanation on the reason for the suspension and/or delisting; and	√
4) in the event that the suspension and/or delisting as referred to in point 3) was still in effect until the date of the Annual Report, then the Issuer or the Public Company should also explain the corporate actions taken by the company in resolving the suspension and/or delisting;	√
c. The Board of Directors Report	48-57
The Board of Directors Report should at least contain the following items:	
1) the performance of the Issuer or Public Company, at least covering:	
a) strategy and strategic policies of the Issuer or Public Company;	50-51
b) comparison between achievement of results and targets; and	51
c) challenges faced by the Issuer or Public Company;	52
2) description on business prospects;	54-55
3) implementation of good corporate governance by Issuer or Public Company; and	52-53
4) changes in the composition of the Board of Directors and the reason behind (if any);	53-54

Description	Page
d. The Board of Commissioners Report	36-47
The Board of Commissioners Report should at least contain the following items:	
1) assessment on the performance of the Board of Directors in managing the Issuer or the Public Company;	39-41
2) supervision on the implementation of the strategy of the Issuer or Public Company;	42-45
3) view on the business prospects of the Issuer or Public Company as established by the Board of Directors;	45
4) view on the implementation of the corporate governance by the Issuer or Public Company;	40
5) changes in the composition of the Board of Commissioners and the reason behind (if any); and	45
6) the frequency and procedure of providing advice to members of the Board of Directors;	38-39
e. Profile of the Issuer or Public Company	60-1158
Profile of the Issuer or Public Company should cover at least:	
1) name of Issuer or Public Company, including change of name, reason of change, and the effective date of the change of name during the year under review;	62-67
2) access to Issuer or Public Company, including branch office or representative office, where public can have access of information of the Issuer or Public Company, which include:	62
a) address;	√
b) telephone number;	√
c) facsimile number;	√
d) e-mail address; and	√
e) website address;	√
3) brief history of the Issuer or Public Company;	64-67
4) vision and mission of the Issuer or Public Company;	68-69
5) line of business according to the latest Articles of Association, and types of products and/or services produced;	72-76
6) structure of organization of the Issuer or Public Company in chart form, at least 1 (one) level below the Board of Directors, with the names and titles;	84-85
7) the Board of Directors profiles include:	92-97
a) name and short description of duties and functions;	√
b) latest photograph;	√
c) age;	√
d) citizenship;	√
e) education;	√
f) history position, covering information on:	√
(1) legal basis for appointment as member of the Board of Directors to the said Issuer or Public Company;	√
(2) dual position, as member of the Board of Directors, member of the Board of Commissioners, and/or member of committee, and other position (if any); and	√
(3) working experience and period in and outside the Issuer or Public Company;	√
g) competency enhancement education and/or training program for member of the Board of Directors during the year under review (if any); and	√
h) disclosure of affiliation with other members of the Board of Directors, members of the Board of Commissioners, and major shareholders (if any) including name of the affiliated party;	√
8) the Board of Commissioners profiles, at least include:	86-91
a) name;	√
b) latest photograph;	√
c) age;	√
d) citizenship;	√
e) education;	√

Description	Page
f) history position, covering information on:	√
(1) legal basis for the appointment as member of the Board of Commissioners who is not Independent Commissioner at the said Issuer or Public Company;	√
(2) legal bases for the first appointment as member of the Board of Commissioners who also Independent Commissioner at the said Issuer or Public Company;	√
(3) dual position; as member of the Board of Commissioners, member of the Board of Directors, and/or member of committee and other position (if any); and	√
(4) working experience and period in and outside the Issuer or Public Company;	√
g) competency enhancement education and/or training program for member of the Board of Commissioner during the year under review (if any);	314
h) affiliation with other members of the Board of Commissioners, and major shareholders (if any) including name of the affiliated party; and	356-357
i) statement of independence of Independent Commissioner in the event that the Independent Commissioner has been appointed more than 2 (two) periods (if any);	318-319
9) in the event that there were changes in the composition of the Board of Commissioners and/or the Board of Directors occurring between the period after year-end until the date the Annual Report submitted, then the last and the previous composition of the Board of Commissioners and/or the Board of Directors shall be stated in the Annual Report;	√
10) number of employees and description of distribution of education level and age of the employee in the year under review;	104-105;266-267;272-273
11) names of shareholders and ownership percentage at the end of the fiscal year, including:	106-108
a) shareholders having 5% (five percent) or more shares of Issuer or Public Company;	107
b) Commissioners and Directors who own shares of the Issuers or Public Company; and	108
c) groups of public shareholders, or groups of shareholders, each with less than 5% (five percent) ownership shares of the Issuers or Public Company;	106
12) number of shareholders and ownership percentage at the end of the fiscal year, based on:	106
a) ownership of local institutions;	√
b) ownership of foreign institutions;	√
c) ownership of local individual; and	√
d) ownership of foreign individual;	√
13) information on major shareholders and controlling shareholders the Issuers of Public Company, directly or indirectly, and also individual shareholder, presented in the form of scheme or diagram;	106
14) name of subsidiaries, associated companies, joint venture controlled by Issuers or Public Company, with entity, percentage of stock ownership, line of business, total assets and operating status of the Issuers of Public Company (if any);	109
For subsidiaries, include the addresses of the said subsidiaries;	109
15) chronology of share listing, number of shares, par value, and bid price from the beginning of listing up to the end of the financial year, and name of Stock Exchange where the Issuers of Public Company shares are listed;	110-112
16) chronology of securities listing in addition to the said security in point 15), which at least should contain the name of the Securities, year of issuance, date of maturity, bid price, and rating of the securities (if any);	26-27
17) name and address of capital market supporting institutions and/or professionals;	113
18) in the event that the capital market supporting professionals provide services on a regular basis to the Issuer or the Public Company, then information on the services provided, fee and period of assignment should be disclosed; and	113
19) awards and/or certification of national and international scales bestowed on the Issuer or Public Company during the last fiscal year (if any), covering:	32-35
a) name of award and/or certification;	√
b) organization/institution that gives the awards; and	√
c) award/certificate validity period (if any);	√
f. Management Discussion and Analysis	176-284
Management Analysis and Discussion Annual should contain discussion and analysis on financial statements and other material information emphasizing material changes that occurred during the year under review, at least including:	

Description	Page
1) operational review per business segment, according to the type of industry of the Issuer or Public Company including:	118-143
a) production, including process, capacity, and growth;	√
b) income/sales; and	√
c) profitability;	√
2) comprehensive financial performance analysis which includes a comparison between the financial performance of the last 2 (two) fiscal years, and explanation on the causes and effects of such changes, among others concerning:	162-177
a) current assets, non-current assets, and total assets;	162-167
b) short term liabilities, long term liabilities, total liabilities;	168-170
c) equity;	170
d) sales/operating revenues, expenses and profit (loss), other comprehensive revenues, and total comprehensive profit (loss); and	171-176
e) cash flows;	176-177
3) the capacity to pay debts by including the computation of relevant ratios;	178
4) accounts receivable collectability of the Issuer or Public Company, including the computation of the relevant ratios;	179
5) capital structure and management policies concerning capital structure, including the basis for determining the said policy;	179-181
6) discussion on material ties for the investment of capital goods, including the explanation on at least:	180
a) the purpose of such ties;	√
b) source of funds expected to fulfill the said ties;	√
c) currency of denomination; and	√
d) steps taken by the Issuer of Public Company to protect the position of a related foreign currency against risks;	181
7) discussion on investment of capital goods which was realized in the last fiscal year, at least include:	180-181
a) type of investment of capital goods;	√
b) objective of the investment of capital goods; and	√
c) value of the investment of capital goods;	√
8) material information and facts that occurring after the date of the accountant's report (if any);	183
9) information on the prospects of the Issuer or the Company in connection with industry, economy in general, accompanied with supporting quantitative data if there is a reliable data source;	257-261
10) comparison between target/projection at beginning of year and result (realization), concerning:	183
a) income/sales;	√
b) profit (loss);	√
c) capital structure; or	√
d) others that deemed necessary for the Issuer or Public Company;	√
11) target/projection at most for the next one year of the Issuer or Public Company, concerning:	183
a) income/sales;	√
b) profit (loss);	√
c) capital structure;	√
d) dividend policy;	√
e) or others that deemed necessary for the Issuer or Public Company;	√
12) marketing aspects of the company's products and/or services the Issuer or Public Company, among others marketing strategy and market share;	159-160
13) description regarding the dividend policy during the last 2 (two) fiscal years, at least:	25;184
a) dividend policy;	√
b) the date of the payment of cash dividend and/or date of distribution of non-cash dividend;	√
c) amount of cash per share (cash and/or non cash); and	√

Description	Page
d) amount of dividend per year paid;	√
14) use of proceeds from Public Offerings, under the condition of:	185
a) during the year under review, on which the Issuer has the obligation to report the realization of the use of proceeds, then the realization of the cumulative use of proceeds until the year end should be disclosed; and	√
b) in the event that there were changes in the use of proceeds as stipulated in the Regulation of the Financial Services Authority on the Report of the Utilization of Proceeds from Public Offering, then Issuer should explain the said changes;	√
15) material information (if any), among others concerning investment, expansion, divestment, acquisition, debt/capital restructuring, transactions with related parties and transactions with conflict of interest that occurred during the year under review, among others include:	186-189
a) transaction date, value, and object;	√
b) name of transacting parties;	√
c) nature of related parties (if any);	√
d) description of the fairness of the transaction; and	√
e) compliance with related rules and regulations;	√
16) changes in regulation which have a significant effect on the Issuer or Public Company and impacts on the company (if any); and	190-193
17) changes in the accounting policy, rationale and impact on the financial statement (if any);	193-194
g. Corporate Governance of the Issuer or Public Company	285-479
Corporate Governance of the Issuer or Public Company contains at least:	
1) the Board of Directors, covering:	300-355
a) the tasks and responsibilities of each member of the Board of Directors;	322-323
b) statement that the Board of Directors has already have board manual or charter;	325
c) procedure, legal basis, structure, and amount of remuneration of each member of the Board of Directors, relation between remuneration and performance of the Issuer or Public Company;	332-337
d) the policies and the frequency of the meeting of the Board of Directors, including the joint meeting with Board of Commissioners, and attendance of member of the Board of Directors in the said meeting;	338-355
e) information on the resolution from the AGM of the previous 1 (one) year, covering:	300-305
(1) AGM resolutions that were realized during the fiscal year; and	√
(2) explanation for the unrealized resolution;	√
f) information regarding the AGM resolution in the year under review, including:	305-309
(1) AGM resolutions that were realized during the fiscal year; and	√
(2) explanation for the unrealized resolution;	√
g) assessment on the performance of the committee under the Board of Directors;	325
2) the Board of Commissioners, among others include:	310
a) duties and responsibilities of the Board of Commissioners;	310-312
b) statement that the Board of Commissioner has already have the board manual or charter;	315
c) procedure, legal basis, structure, and amount of remuneration for each member of Board of Commissioners;	332-337
d) policies and frequency of meeting of the Board of Commissioners, including meeting with the Board of Directors, and attendance of each member of the Board of Commissioners in the said meetings;	338-355
e) policies of the Issuer or Public Company regarding the assessment on the performance of the Board of Directors and Board of Commissioners and the implementation, at least covering:	326-331
(1) procedure for the implementation of performance assessment;	326-327
(2) criteria for assessment; and	328-330
(3) assessor;	331
f) assessment on the performance of the committees under the Board of Commissioners; and	315
g) in the event that the Board of Commissioners does not establish the Nomination and Remuneration Committee, than should contain at least:	376-381
(1) reason not to establish the committee; and	√

Description	Page
(2) procedure of nomination and remuneration performed in the year under review;	√
3) Sharia Supervisory Board, for Issuer or Public Company that conduct business based on sharia law, as stipulated in the articles of association, at least containing:	√
a) name;	√
b) duty and responsibility of Sharia Supervisory Board; and	√
c) frequency and procedure in providing advice and suggestion, as well as the compliance of Sharia Principles by the Issuer or Public Company in the Capital Market;	√
4) Audit Committee, among others covering:	368-375
a) name and position in the committee;	369
b) age;	369
c) citizenship;	369
d) education background;	369
e) history of position; including:	369
(1) legal basis for the appointment as member of the committee;	369
(2) dual position, as member of Board of Commissioners, member of Board of Directors, and/or member of committee, and other position (if any); and	369
(3) working experience and period in and outside the Issuer or Public Company;	369
f) period and terms of office of the member of Audit Committee;	368
g) statement of independence of the Audit Committee;	370
h) policies and implementation of the frequency of meeting of the Audit Committee and attendance of member of Audit Committee;	374
i) education and/or training during the year under review (if any); and	375
j) the activities of the Audit Committee in the year under review, in accordance with the Audit Committee Charter;	370-373
5) other committee of the Issuer or the Public Company formed to support the function and duty of the Board of Directors and/or the Board of Commissioners, such as Nomination and Remuneration Committee, containing:	376-397
a) name and position in the Committee;	376-377;382-383;390-392
b) age;	
c) citizenship;	
d) education background;	
e) history of position, including:	
(1) legal basis for the appointment as member of the committee;	
(2) dual position, as member of Board of Commissioners, member of Board of Directors, and/or member of committee, and other position (if any); and	
(3) working experience and period in and outside the Issuer or Public Company;	
f) period and terms of office of the member of Audit Committee;	
g) description of duty and responsibility;	
h) statement that the Committee has already have the Charter;	380;386;394
i) statement of independence of the Committee;	377;383;393
j) policies and frequency of meeting of the committee, and attendance of each member of the committee in the said meetings;	379-380;388-389;396-397
k) education and/or training during the year under review (if any); and	380;389;397
l) brief description on the activities of the committee;	378-379;384-387;393-396
6) Corporate Secretary, including:	408-412
a) name;	408
b) domicile;	408

Description	Page
c) history of position, including:	480
(1) legal basis for the appointment as Corporate Secretary; and	408
(2) working experience and period in and outside the Issuer or Public Company;	408
d) education background;	408
e) education and/or training during the year under review; and	410
f) brief description on the implementation of duties of the Corporate Secretary in the year under review;	408-412
7) Internal Audit Unit, among others including:	418-424
a) name of Head of Internal Audit Unit;	418
b) history of position, including:	418
(1) legal basis for the appointment as Head of Internal Audit Unit; and	418
(2) working experience and period in and outside the Issuer or Public Company;	418
c) qualification or certification as internal auditor (if any);	421
d) education and/or training during the year under review;	422
e) structure and position of Internal Audit Unit;	418
f) description of duties and responsibilities;	420
g) statement that the Internal Audit Unit has already have Internal Audit Unit charter; and	420
h) brief description on the implementation of duty of Internal Audit Unit during the year under review;	422-423
8) description on internal control system adopted by the Issuer or Public Company, at least covering:	440-443
a) financial and operational control, and compliance to the other prevailing rules; and	√
b) review on the effectiveness of internal control systems;	√
9) risk management system implemented by the company, at least includes:	426-439
a) general description about the company's risk management system the Issuer or Public Company;	426-429
b) types of risk and the management; and	431-432
c) review the effectiveness of the risk management system applied by the Issuer or Public Company;	429-431
10) important cases faced by the Issuer or Public Company, subsidiaries, current members of the Board of Commissioners and the Board of Directors, among others include:	444-445
a) substance of the case/claim;	√
b) status of settlement of case/claim; and	√
c) potential impacts on the condition of the Issuer or Public Company;	√
11) information about administrative sanctions imposed to Issuer or Public Company, members of the Board of Commissioners and the Board of Directors, by the Capital Market Authority and other authorities during the last fiscal year (if any);	445
12) information about codes of conduct of the Issuer or Public Company, includes:	456-457
a) key points of the code of conduct;	√
b) socialization of the code of conduct and enforcement; and	√
c) statement that the code of conduct is applicable for the Board of Commissioners, the Board of Directors, and employees of the Issuer of Public Company;	√
13) information about corporate culture (if any) of the Issuer or Public Company;	70-71
14) description of employee or management stock ownership program of the Issuer or Public Company, among others contains:	185
a) number of share and/or option;	√
b) period;	√
c) requirement for eligible employee and/or management; and	√
d) exercised price;	√

Description	Page
15) description of whistleblowing system at the Issuer or Public Company (if any), among others include:	458-462
a) mechanism for violation reporting;	458
b) protection for the whistleblower;	459
c) handling of violation reports;	459
d) unit responsible for handling of violation report; and	462
e) results from violation report handling, at least includes:	462
(1) number of complaints received and processed during the fiscal year; and	√
(2) follow up of complaints;	√
16) Implementation of the Guidelines of Corporate Governance for Public Companies for Issuer issuing Equity-based Securities or Public Company, including:	470-479
a) statement regarding recommendation that have been implemented; and/or	√
b) description of recommendation that have not been implemented, along with the reason and alternatives of implementation (if any);	√
h. Social and Environmental Responsibility of the Issuer or Public Company	480-515
1) Information on social and environmental responsibility of the Issuer or Public Company that covers policies, types of programs, and cost, among others related to:	√
a) environment, among others:	486-489
(1) the use of environmentally friendly and recyclable materials and energy;	√
(2) the waste treatment systems of the Issuer or Public Company;	√
(3) mechanism for filling complaint on environmental issues; and	-
(4) environmental certifications;	-
b) employment practices, occupational health and safety, among others:	490-495
(1) gender equality and equal work opportunity;	√
(2) work and safety facilities;	√
(3) employee turnover;	√
(4) work incident rate;	√
(5) education and/or training;	√
(6) remuneration; and	√
(7) mechanism for filling complaint on employment issues;	√
c) social and community development, among others:	496-509
(1) the use of local work force;	√
(2) empowerment of local communities among others through the use of raw material produced by the community or by providing education;	√
(3) improvement of public social facilities and infrastructure;	√
(4) other form of donation; and	√
(5) dissemination of the policies and procedures of anti-corruption at the Issuers or Public Company, and training on anti-corruption (if any);	√
d) products and/or services responsibilities, among others:	510-515
(1) consumers' health and safety;	√
(2) products and/or services information; and	√
(3) facilities, number, and resolution of consumer complaint.	√
2) In the event that the Issuer or the Public Company imparts information on social and environmental responsibility as referred to in point 1) in separate report such corporate social and environmental responsibility report, or sustainability report, then the Issuers or the Public Company is excluded from disclosing information on social and environmental responsibility in Annual Report; and	√
3) The said report in point 2) should be submitted to the Financial Service Authority along with the Annual Report;	√
i. Audited Annual Financial Statement	√

Description	Page
Financial Statements included in Annual Report should be prepared in accordance with the Financial Accounting Standards in Indonesia and audited by an Accountant. The said financial statement should be included with statement of responsibility for financial report as stipulated in the legislations in the Capital Markets sector governing the responsibility of the Board of Directors on the financial report or the legislations in the Capital Markets sector governing the periodic reports of securities company in the event the Issuer is a Securities Company; and	√
j. Letter of Statement of the Board of Directors and the Board of Commissioners regarding the Responsibility for Annual Reporting	√
Letter of statement of the Board of Directors and the Board of Commissioners regarding the responsibility for Annual Reporting should be prepared according to the format of letter of statement of member of Board of Directors and the Board of Commissioners regarding the responsibility for Annual Reporting as attached in the Attachment, which is an integral part of this Circulation Letter of the Financial Services Authority.	√

Reference SEOJK

No. 43-SEOJK.03-2016: Annual Report for Conventional Commercial Banks

Description	Page
IV. ANNUAL REPORT PUBLICATION	
1. General Provision	
a. Financial statements in the Annual Report should be presented both individually and consolidated with Subsidiaries for 1 (one) Fiscal Year.	√
b. In the event the bank has no Subsidiary the consolidation column can be dispensed.	√
c. Financial statements in the Annual Report is presented in the form of comparison, in accordance with financial accounting standards.	√
d. If there is a new accounting standard in reporting position, the comparison position refer to financial accounting standard about accounting policy, accounting estimation changes, and errors.	√
e. The Bank's Annual Report should be prepared in Bahasa Indonesia. In the event that the Annual Report is also made in a language other than in Bahasa Indonesia, either on the same or a separate document, then the Annual Report referred to should contain the same information. In cases where there is any different interpretation due to the transfer of language, the financial statement in the Indonesian language shall become the reference.	√
f. Financial statements in annual report must be audited by Public Accountant. The financial statements must state the Public Accountant office name, auditor's name (partner in charge), and auditor's opinion.	√
g. Annual Report should be presented in the Bank's website and reported to Financial Services Authorities.	√
2. Scope of Annual Report	
Annual Publication Report include:	
a. General Information	
General Information in Annual Report should at least include:	
1) composition of the Board of Directors, the Board of Commissioners, and executive officers including their positions and CV;	86-101
2) composition of Shareholders, including the names and the number of shares;	106-109
3) Bank business development and Bank business group including Sharia Business Unit (if any) among other:	22-23;116-261;522-748
a) summary on important financial data should at least include net interest income, operating income, profit before tax, net profit, earnings per share, earning assets, third party funds, fund borrowings, total cost of funds, capital, number of shares of issued and fully paid up capital; and	√
b) performance and financial ratios, the coverage of which mentioned in point III.2.b.	√
4) strategy and management policy used by the Bank's management, include Sharia Business Unit (if any);	116-261
5) management report providing information regarding Bank management include Sharia Business Unit (if any), at least include:	116-261;36-55
a) organization structure;	84-85
b) main activities;	72-73
c) information technology;	274-281
d) type of product and services offered including micro, small and medium enterprise lending (UMKM);	74-77
e) interest rates of funds and provision of funds;	182
f) economic development and market target;	118-121
g) local and foreign network and business partners;	78-83
h) number, type, and locations of offices;	82
i) ownership of the Board of Directors, Commissioners and shareholders in the bank business group;	108
j) important changes occurring in the bank and bank business group during the year under review;	36-55;116-261
k) forecasted important; and	195;257
l) human resources, including the number, educational structure, training and development.	104-105

Description	Page
b. Annual Financial Statements	520-748
1) Financial Report, at least consists of:	
a) Statement of Financial Position (Balance Sheet);	522-525
b) Statement of Income and Other Comprehensive Income;	526-528
c) Statement of Changes in Equity;	529-530
d) Statement of Cash Flows; and	531-533
e) Notes to the Financial Statements, including information on commitments and contingencies.	534-748
2) Additional Disclosure for Bank that is a Part of a Business Group	
a) Bank should add information in Annual Publication Report regarding:	739-747
(1) Consolidated financial statements of the Parent Entity which include the financial statements of all entities of the business group in financial sector; or	√
(2) Consolidated financial statements of the Parent Entity which include the financial statements of all entities of the business group in financial and non financial sector, in the event that there is no consolidated financial statements mentioned in point (1).	√
b) Consolidated financial statements of the Parent Entity as mentioned in point a) should at least contain:	
(1) Statement of Financial Position (Balance Sheet);	739-741
(2) Statement of Income and Other Comprehensive Income;	742-743
(3) Statement of Changes in Equity; and	744-745
(4) Commitment and Contingency Report.	723
3) Public Accountant's opinion which contains opinion of financial statements.	520-521
c. Financial performance, consisting of:	
1) calculation of Capital Adequacy Ratio (CAR);	177;198;243
2) quantity and quality of Earning Assets and Allowance for Impairment Losses (CKPN), which at least information grouping:	165-166
a) financial instruments;	√
b) provision of funds to Related Parties;	√
c) loans to Micro, Small and Medium Enterprises (SMEs) debtors;	√
d) loans classified as special mention (including restructured loans and property loans); and	√
e) Allowance for Losses on Assets (PPA) that should be maintained based on financial instruments.	√
3) bank financial ratio, at least include:	177
a) Capital Adequacy Ratio (CAR);	√
b) Return on Asset (ROA);	√
c) Return on Equity (ROE);	√
d) Operating Expenses to Operating Income ratio;	√
e) Percentage of violation and lending in Excess of Legal Lending Limit;	√
f) Net Open Position ratio (NOP); and	√
g) Liquidity Coverage Ratio (LCR) individual and consolidated.	√
4) spot and derivative transactions.	182;614;723
d. Capital disclosure and risk management implementation	196-256
1) Capital disclosure and risk management implementation by the bank at least include information about risk profile and possible loss faced by the Bank, and risk management as stated in the regulation on capital and risk management.	√
2) Capital disclosure and risk exposure disclosure and risk management implementation aims to enhance transparency to the public by determining minimum requirements of disclosure, so that the public can assess the risk profile and capital adequacy of the Bank.	√
3) The Bank should have written policy approved by the Board of Directors regarding the disclosures to be reported and internal controls in the disclosure process.	√
4) Disclosure of capital and risk management implementation, among others:	196-198
a) Capital disclosure, at least cover:	
(1) Qualitative disclosures, among others information about:	

Description	Page
(a) capital structure, covering explanation on the equity instruments issued by the bank including: characteristics, duration of instrument, callable feature, features step-up, yield rate, and rating (if available); and	180
(b) capital adequacy, covering explanations on the approach used by the Bank in assessing capital adequacy to support current and future activities.	180
[2] Quantitative disclosures covering capital structure of the Bank.	
b) Risk exposure and risk management disclosure, at least include:	
(1) Disclosure on the Bank's Risk Management in general, including:	
(a) active supervision of the Board of Commissioners and the Board of Directors;	196-256
(b) adequacy of risk management policies and procedures, and determination of risk management limits;	
(c) adequacy of risk identification, measurement, monitoring and mitigation processes as well as risk management information system; and	
(d) comprehensive internal control system.	
(2) Disclosure on risk exposure and implementation of Bank risk management in particular, covering:	
(a) Credit Risk;	199-256
(b) Market Risk;	
(c) Liquidity Risk;	
(d) Operational Risk;	
(e) Legal Risk;	
(f) Reputation Risk;	
(g) Strategic Risk; and	
(h) Compliance Risk.	
(3) Disclosure of Credit Risk as referred to in point IV.2.d.4).b).(2).(a) above, which includes:	
(a) general disclosure, consist of:	
i. qualitative disclosure:	
ii) information regarding the application of Credit Risk management including Credit Risk management organization, Credit Risk management strategies for activities that have a significant credit risk exposure, credit concentration risk management policies and Mechanism for Credit Risk measurement and control;	199
iii) definition of overdue receivables and impaired receivables; and	
iv) description on the approach used for the Allowance for Loan Impairment Losses (CKPN), individually and collectively, as well as the statistical methods used in the calculation of CKPN.	
ii. quantitative disclosure:	
i) disclosure on Net Receivables by Region;	204-205
ii) disclosure on Net Receivables by Contractual Maturity;	200-203
iii) disclosure on Net Receivables by Economic Sector;	206-209
iv) disclosure on Receivables and Provisioning by Region;	210-211
v) disclosure on Receivables and Provisioning by Economic Sectors; and	212-215
vi) details on Movements of Allowances for Impairment Losses.	214-215
(b) disclosure of Credit Risk using the standardized approach, which consists of:	
i. qualitative disclosure:	
i) information regarding the use rating in the calculation of Risk Weighted Assets (RWA) for credit risk;	216
ii) category of portfolios that use the rating;	
iii) rating agency; and	
iv) disclosure of counterparty Credit Risk, including:	
- types of mitigation instruments commonly accepted/delivered by the Bank;	

Description	Page
<ul style="list-style-type: none"> - methodology of calculating internal capital adequacy related to counterparty credit risk in the internal of the Bank; and 	216
<ul style="list-style-type: none"> - methodology of determining credit limits related to counterparty credit risk as stipulated in the application of risk management for commercial Banks. 	216
ii. quantitative disclosure:	
i) disclosure of net receivables by Portfolio and Rating Category; and	216
ii) disclosure on counterparty Credit Risk, among others consist of net receivables arising from the exposure of:	
<ul style="list-style-type: none"> - over the counter derivative transactions; 	216-217
<ul style="list-style-type: none"> - repo transactions; and 	216-217;218-219
<ul style="list-style-type: none"> - reverse repo transactions, 	218-219;220-221
as stipulated in the guidelines for the calculation of Risk Weighted Assets (RWA) for Credit Risk using the standardized approach	
(c) disclosure on Credit Risk mitigation using the standardized approach, comprising:	
i. qualitative disclosure:	
i) information regarding the bank's policy for the main types of collateral accepted;	220-221
ii) policies, procedures, and processes to assess and manage collateral;	
iii) main warrantors/guarantors and their credit worthiness; and	
iv) information on concentration level arising from the use of Credit Risk mitigation techniques.	
ii. quantitative disclosure:	
i) disclosure of Net Receivables based on Risk Weighting after Credit Risk Mitigation; and	22-223
ii) disclosure of Net Receivables and Credit Risk Mitigation Techniques.	224-229
(d) disclosure of asset securitization, which consists of:	
i. qualitative disclosure:	
i) general disclosure of risk management, which includes objective of asset securitization, the effectivity of securitization activities in transferring the Bank's credit risk to other party's over any transaction that underlay the asset securitization activities, the Bank's functions in asset securitization activity, and an explanation of the Bank's involvement in those functions;	230-231
ii) summary of accounting policies for asset securitization activities, which include, transactions treated as sales or funding, recognition of gains from securitization activities, and assumptions used to assess the presence or absence of on going involvement in the securitization activity, including changes from the previous period and the impact of those changes; and	
iii) names of the rating used in asset securitization activities and asset securitization exposures rated by the said agency.	
ii. quantitative disclosure:	
i) securitization transaction disclosure; and	
ii) securitization Transaction Activity Summary in which the Bank Acts as the Originator.	
(e) quantitative disclosure of Credit Risk RWA calculation using standardized approach.	
(4) Disclosure of Market Risk as referred to in point IV.2.d.4).b).(2).(b), above using standardized, comprised of:	
(a) Qualitative disclosure:	
i. information regarding the application of risk management, including:	243
i) Market risk management organization;	
ii) trading book and banking book portfolio management, as well as the valuation methodology used; and	
iii) market risk measurement mechanism for monitoring and periodic risk and for capital adequacy calculations, both on banking book and on trading book.	
ii. trading book and banking book portfolio which were taken into account in the Capital Adequacy Ratio (CAR);	

Description	Page
iii. disclosure of information on Interest Rate Risk in Banking Book (IRRBB) including the assumptions used in the monitoring of IRRBB, such as non-maturity deposits and the prepayment information, as well as the frequency of measurement of IRRBB, as stipulated in the provisions regarding the application of risk management for Commercial Banks; and	243
iv. measures and plans to anticipate Market Risk on foreign currency transactions, because of changes in exchange rates and of fluctuations of interest rates, including descriptions of all fundings and contracts without protection or hedging, and debts with floating rate or not determined in advance.	
(b) Quantitative disclosure:	
i. Market Risk Disclosures using Standardized Measurement Methods	244
The disclosure referred to as stipulated in the guidelines for the use of a standard method in the calculation of CAR for Commercial Bank, taking into account the Market Risk.	
ii. Disclosure of Interest Rate Risk in the Banking Book (IRRBB) Exposure	-
The disclosure of IRRBB exposure, namely the increase or decrease in economic value and earnings against the movements in interest rates based on the gap report format prepared by the Bank to meet the provisions concerning the assessment on the soundness of commercial banks and the application of risk management for Commercial Banks.	
(5) Disclosure of Liquidity Risk as referred to in point IV.2.d.4).b).(2).(c) above include:	
(a) Qualitative disclosures:	
i. information on the implementation of risk management for liquidity risk, including:	246
i) Liquidity Risk management organization;	
ii) funding strategy;	
iii) Liquidity Risk mitigation techniques including early warning indicators of liquidity problems, and emergency funding plan; and	
iv) the mechanisms of measurement and stress testing and control Liquidity Risk;	
ii. general overview of the Bank's liquidity conditions, based on the calculation of the LCR during the year under review, for banks that are required to prepare and publish LCR report, as stipulated in the Financial Services Authority Regulation on liquidity coverage ratio for Commercial Bank.	
(b) Quantitative disclosure:	
i. Disclosure of Rupiah and Forex Maturity Profile; and	246-253
ii. Disclosure of LCR;	-
The said disclosure is applied only for Banks that are required to prepare and publish LCR report, as stipulated in the Financial Services Authority Regulation on liquidity coverage ratio for Commercial Bank.	
(6) Disclosure of Operational Risk as mentioned in point IV.2.d.4).b).(2).(d) above, include:	
(a) Qualitative disclosure, which include information regarding the application of risk management for Operational Risk, including:	244
i. Operational Risk management organization;	
ii. mechanism used by the Bank for identifying and measuring operational risk; and	
iii. mechanism for operational risk mitigation.	
(b) Quantitative disclosure with coverage refer to provisions on the calculation of ATMR for Operational Risk using Basic Indicator Approach (BIA)	245
(7) Disclosure of Legal Risk as referred to in point IV.2.d.4).b).(2).(e) above includes qualitative disclosure on risk management for Legal Risks which include:	254
(a) Legal Risk management organization; and	
(b) Legal Risk control mechanism.	
(8) Disclosure of Reputation Risk as referred to in point IV.2.d.4).b).(2).(f) above includes qualitative disclosure on risk management for Reputation Risks which include:	256
(a) Reputation Risk management organization, including the implementation of risk management for Reputation Risk by related units (Corporate Secretary, Public Relation, and related Business units);	
(b) policies and mechanisms to improve the quality of services to customers and other stakeholders to control Reputation Risk; and	
(c) Risk Reputation management under critical situation.	

Description	Page
(9) Disclosure of Strategic Risk as referred to in point IV.2.d.4).b).(2).(g) above includes qualitative disclosure on risk management for Strategic Risks which include:	254-255
(a) Strategic Risk management organization;	
(b) policies that allow the Bank to identify and respond the changes in external and internal business environment; and	
(c) mechanist to measure the progress of the business plan.	
(10) Disclosure of Compliance Risk as referred to in point IV.2.d.4).b).(2).(h) above includes qualitative disclosure on risk management for compliance risks which include:	255
(a) Compliance Risk management organization;	
(b) risk management strategies and effectiveness of risk management implementation for Compliance Risk, particularly in order to ensure the policies and procedures are in compliance with the applicable standards in general, applicable rules and/or legislation; and	
(c) mechanism for monitoring and controlling Compliance Risk.	
5) In the event of change in information that is prone to rapid change, among others, related to changes in economic conditions, technology, regulations, and internal policies of the Bank/business group, then the Bank should disclose the risk exposure and other related matters that are applied by the Bank as referred to in point IV. 2.d.4).b) in the Bank's website on a quarterly basis.	
e. Specific Disclosure of Bank which become the part of Business Group and/or its Subsidiaries, at least consisting of:	
1) Structure of the Bank business group, consisting of:	106-108
a) business group structure, among other include the bank, subsidiaries, affiliates, financial holding company, and/or parent company to the ultimate shareholder;	
b) structure of the management relationship in the Bank's business; and	
c) Shareholders acting on behalf of other shareholders (shareholders acting in concert). The definition of a shareholder acting on behalf of other shareholders is individual shareholders or companies/legal entities who have the common goal of controlling the Bank, based or not based on agreement.	
2) Transactions between the bank and related parties in the Bank's business group, taking into account the following matters:	187-189
a) information of transactions with Related Parties conducted by the Bank or any company or legal entity in the Bank business group working in the field of finance;	
b) Related Party is party as stipulated in the applicable statement of Financial accountancy standard;	
c) types of transactions with Related Party are, among others:	
(1) cross shareholding;	
(2) transactions from one business group acting for the interest of other business groups;	
(3) management of short term liquidity in business group;	
(4) provision of funds distributed or received by another company in one business group;	
(5) exposure to majority shareholder in the form of loans, commitments and contingency; and	
(6) buying or selling of assets with another company in a business group, including repurchase agreements (repo).	
3) Transactions with Related Parties which conduct by every entities in the Bank's business group working in the field of finance;	
4) Funds provision, commitment or other equal facilities of each company or legal entity belonging to one business group with the Bank on a debtor already obtaining fund provisions from the Bank;	
5) Consolidated capital disclosure, risk management applied by the Bank, at least include description on type of risk, potential loss and risk mitigation, as referred in point IV.2.d.; and	
6) Prohibition, restriction and/or other significant barriers to transfer funds or in order to meet the required capital by the Authority (regulatory capital) between the Bank and other entities in the group.	
f. Other disclosures in accordance with other Financial Accounting Standards which has not been included in point a through e.	
3. The Bank, in preparing its Annual Publication Report should refer to Annual Report Guidelines for Conventional Commercial Bank – Annual Publication Report (Annual Report) which is the attachment and integral part of this Financial Services Authorities Circular Letter.	v

Description	Page
4. Specific Report which is Submitted to Financial Services Authority on an Annual Basis for Banks that are a Part of a Business Group and/or that Own Subsidiaries regarding:	v
a. Annual report of Parent Entity that covers:	
1) annual report of all entities in business groups engaging in financial business; or	
2) annual report of all entities in business groups engaging in financial and non-financial business, in the event that there is no annual report referred to in point 1).	
In the event that the Parent Entity does not prepare the said annual report, Bank should submits annual consolidated financial statements of the Parent Entity covering all entities in the group engaging in financial business or annual consolidated financial statements of the Parent Entity covering all entities in the group engaging in financial and non-financial business, which have been audited by a Public Accountant.	
b. Annual report of Controlling Shareholders with majority share ownership pr annual report of entities which directly controls the Bank	
In the event that the Controlling Shareholders or entity does not prepare the said annual report, the Bank is required to submit certain report in the form of annual financial statement of controlling shareholders or entity which have been audited by a public accountant.	
c. Annual report of Subsidiaries	
In the event that the Subsidiary does not prepare the said annual report, the Bank is required to submit certain report in the form of annual financial statement of Subsidiary which have been audited by a Public Accountant.	
d. Annual report of head office for branch offices located overseas.	

Annual Report

2016

**Contributing to the Nation
Developing Leading MSMEs in the Digital Era**



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