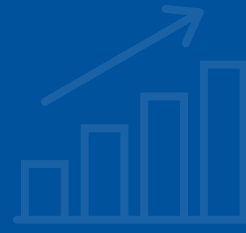




Continuously Fostering
and Empowering Micro and
Small Enterprises
Deepening Their Role
For The Nation

ANNUAL REPORT

2019



Continuously Fostering and Empowering Micro and Small Enterprises Deepening Their Role For The Nation

BRI has forged a long-standing history of providing banking and financial services to the small-scale economic segment in Indonesia. In 2019, the Bank reached its 124th year of operations, unwavering in its commitment to catering to the needs of micro, small, and medium enterprises (MSMEs). It is likely that BRI is one of the few banks in the world that consistently endeavors to provide the best services to this particular segment and to ultimately drive the people's economy, as evident from the growing number of MSME customers that graduate to a higher segment every year. Honoring BRI's antecedents and its upcoming 125th anniversary in 2020, this year's annual report carries the theme of 'continuously growing and empowering micro and small enterprises, deepening their role for the nation'.

BRI has put many actions in place and will continue to do so to realize its vision of being the Most Valuable Bank in Southeast Asia and Home to the Best Talent. It has proven capacity as a development agent and as a financial intermediary institution. Amid credit and third-party funds slowdown in 2019, BRI was able to maintain a higher than industry growth in both aspects.

BRI's strong commitment to providing the best services and to deliver optimal results has taken the Bank to the next level of performance. BRI successfully maintained its position as Indonesia's largest bank with Rp1,416.8 trillion in assets in 2019. In the same year, the Bank brought home numerous acclaims from reputable, independent institutions for its products and services. BRI also proactively supported the government's programs, such as programs on financial inclusion, channeling of subsidized micro loans (KUR), and the disbursement of non-cash social assistance. These positive results are attributed to BRI's discipline in implementing the principles of sustainable finance and good corporate governance.

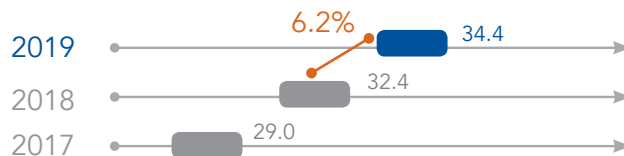
Solid Performance Growth



In 2019, BRI Successfully disbursed KUR to more than

4 million borrowers
with total disbursement of
Rp87,9 trillion

Profit (Rp Trillion)



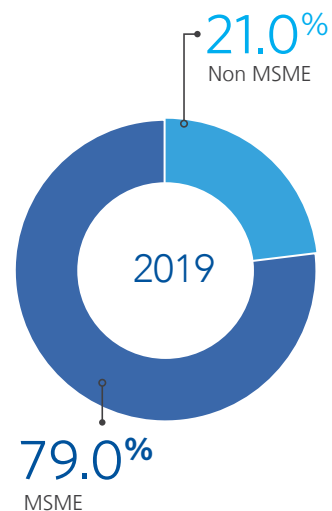
Net profit reached Rp34.4 trillion in 2019,
or grew **6.2%** year on year

Non MSME

Rp191.1
Trillion

MSME

Rp716.3
Trillion



NPL Gross

BRI **2,62%** (Bank only)

Bank BRI credit quality is on a manageable level as reflected by 2.62% Gross NPL.





Equity grew

12.7%

reaching Rp208.8 trillion



Recovery income
increased by

13.8%

to reach Rp7.1 trillion



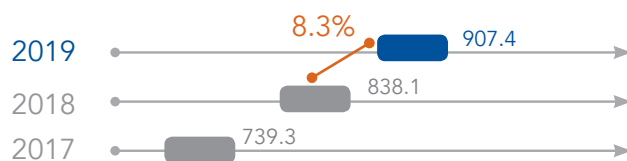
Third Party Funds*
reached

Rp996.4 trillion

in 2019, or increased
by 7.9% year on year

**exclude Temporary Syirkah Fund

Loans (Rp Trillion)



Loans reached Rp907.4 trillion in
2019,
or increased **8.3%** year on year



Fee & Commission
income rose by

20.7%

to reach Rp14.5 trillion

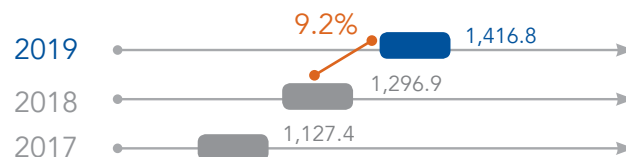


e-channel and
e-banking Fee
increased by

53.2%

reached
Rp4.9 trillion

Assets (Rp Trillion)



Total assets reached Rp1,416.8 trillion
in 2019,
or grew **9.2%** year on year

PT Bank Rakyat Indonesia (Persero) Tbk recorded positive and sustainable performance growth in 2019. This accomplishment was resulted from BRI's commitment in empowering MSMEs as the national economic backbone.

BRI as an Agent of Development through People's Economy



Disbursement of People's Business Loan (KUR)

4 Million Debtors

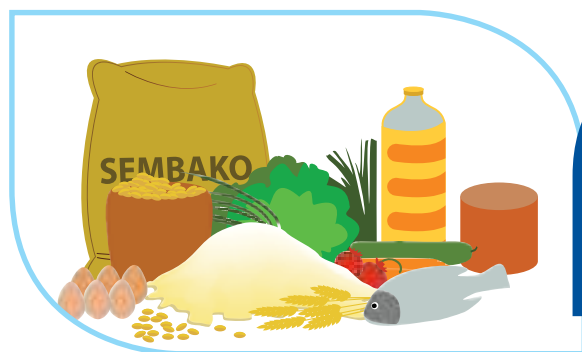
In 2019, Rp87.9 trillion of KUR was disbursed, to 4 million debtors. Of the total KUR disbursement, Rp.75.7 trillion or 86.1% of them were for the micro segment. Thus, since 2015, Bank BRI has succeeded in disbursing KUR with a total value of Rp323.4 trillion to more than 16.6 million MSME communities throughout Indonesia.



Family Hope Program (PKH)

3.7 million Beneficiaries

Successfully participate in disbursing PKH to 3.7 million family of beneficiaries in 265 Regencies/Cities. BRI PKH disbursement increased from Rp6.08 trillion in 2018 to Rp13.3 trillion in December 2019.



Non-Cash Food Assistance (BPNT)

5.44 million Beneficiaries

Contribute to the government poverty eradication program through BPNT program disbursement for 5.44 million beneficiaries across 265 Regencies/Cities amounted to Rp4,84 trillion in 2019.

For 124 years the Bank has been present as an Agent of Development in Indonesian people's lives with the spirit to sincerely **empowering people's economy through banking and financial service.**



In 2019, Providing financial service access for the public through BUMDes as BRILink Agent with 22,654 accounts, 8,662 agents and 4.8 million (January-December 2019). The nominal of BUMDes transaction reaches Rp4.5 trillion.



The SOE synergy program aims to provide land area for farming, farmer's land right for farming at around the forest, and banking services access. The services include KUR funding, subsidy on agriculture production facilities, and mentoring on intensive processing of forest land in order to enhance the welfare of communities around the forest areas.

With the spirit of heartfelt services, and considering the key roles of MSME in the nation economic development, BRI ceaselessly provides mentoring, financial access and financing to the MSME communities.

MSME Empowerment



Deliver through financing, mentoring, training sessions, go-export and through government programs.

SOE Creative House (RKB)



Number of Member RKB 329.969 member | Number of Training 4.133

SOE collaboration of Digital Economy Ecosystem through MSME mentoring to enhance the MSMEs' capacity and capability. BRI has 54 RKB across Indonesia.

BRIncubator

1.9 Million Micro Debtors Upgraded



MSME assistance, empowerment and modernization, to foster MSME business productivity, create technopreneurs, and encourage MSMEs to reach the next level.



BRI Microfinance Center (BMC)

Research and consultation institution including network to foster MSMEs' business development, specifically micro financing to enable rapid growth and capability to compete in the global market.

Indonesia Mall

5 e-commerce | >350,000 Visitors



Market expansion for MSMEs product through e-commerce channels in the country and overseas. BRI Indonesia Mall received the award from The Asian Banker, a recognition of the Bank's efforts in increasing the income of MSMEs communities to 40%.

BRILIAN PRENEUR UMKM EXPORT 2019

2019 BRILian Preneur recorded USD33.5 million Value of transactions.

The MSME communities gathering and exhibition of MSME products on 20 – 22 December 2019 at the Assembly Hall JCC Jakarta. The event was complemented with Art Installation, Talk Show, Business Matching, Archipelago Coffee Festival and Barista Competition.





**Empowering the MSME
for People's Economic
Progress**

Enhancing the Financial Inclusion and Literacy

BRI is active and committed to enhance the financial inclusion and literacy programs to alleviate the community's limitation in banking and financial access to enable better progress of people's economy.



Disbursement covering 66% villages throughout Indonesia

66%

BRILink Agents

Develop the community as BRILink Agent, achieved a total of 422,160 Agents spread across 49,184 villages, or 66% of total villages in Indonesia. Reached 521 million of transaction volume with transaction value of Rp673 trillion in 2019.



4.6 million Policy Holders

28.6%

Micro Insurance

The micro insurance for accident, healthcare and passing provided by BRI to the low-income society as financial issue protection. The financial literacy is illustrated by an increase of insurance policy holders at 28,6%, or rose by 4,6 million policy holders during 2019.



teman Simpedes

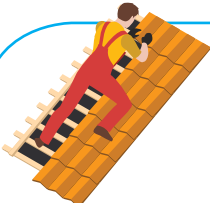
Disbursed to 1,370 BRI Units & 2,750 BRILink Agents

An effort to encourage the public to use banking products through additional facilities from BRI Simpedes Savings accounts of locked safe-deposit-box that customers use as a means of saving money, which can only be opened using Universal Key held by BRILink Agents. The money collected at Teman Simpedes is then routinely deposited to the customer's Simpedes BRI Savings account through BRILink Agent.

In the initial stages, 110 thousand units of Teman Simpedes were disbursed at 1,370 BRI Units and 2,750 BRILink Agents.

Enthusiasm and Contribution in Corporate Social Responsibility through BRI Peduli 2019

BRI's enthusiasm and contribution for the community development and environmental conservation is carried out through social and environmental development activities as part of the Bank's active participation in corporate social responsibility.



Renovation/construction of 144 schools/religious schools.




Construction of facilities and infrastructure for 57 Special Needs Schools.



Training sessions for 10,000 MSMEs in 100 points of location across Indonesia.



Socialization on the awareness of the dangerous of drugs to 1,900 students and teachers of Senior High Schools/Vocational Schools/ equivalents in 19 locations across Indonesia.




Construction of 389 religious facilities across Indonesia.



Granting of 64,000 basic food packages across Indonesia.




Sharing happiness with BRI through Break the Fast program and Assistance for 7,300 orphanage children.



Assistance of 104 units of ambulance.



Provide facilities and infrastructure for 19 universities.



Renovation of 310 uninhabitable houses.



BRI spirit towards Indonesia BRILian is presented by providing digital innovation onto the people's economy to create a faster, cheaper, convenience and safe transaction

Bringing Innovation through **Digital Banking**

Faster and easier service access through Reliable Digital Banking



Digitizing Core

Exploitation

Digitize existing services and transactions (Business Process)

- Optimize Existing Channels
- Integrated Digitized Operation
- Simplified and Standardized System

AgenBRILink
 Layanan Transaksi Keuangan Tanpa Kantor
 Branchless Banking Initiatives for Micro



Digital based loan underwriting

BRI mobile
 Advanced Mobile Banking

Boost Productivity & Unleash The Potential



Digital Ecosystem

Exploitation

Build ecosystem to offer products and services beyond core business

- Digital Platform for Business
- Build New Business Model
- Partnership with Fintech (Application Programming)

IndonesiaMall
 BRI Official Online Store

BRI api
 Digital partnership & Collaboration

investree
 BRI Digital Loan Partnership

BRI Bill
 B2B2C Integrated Billing System

BRI Mola
 LPG Gas 3kg ordering system



BRI School Management System



BRIStore
 Supply chain platform for trading ecosystem

Leveraging New Liquidity, New Opportunities, New Source of Growth



New Digital Propositions

Exploitation

Create and launch an independent greenfield digital bank in Indonesia

- Mobile First channel
- Fully Digital for Untapped Market
- Build New Digital Capability



Big Data Analytics



Credit CardlessProduct



The First Bank with ISO Certificate in Big Data

Tap the Untapped Embedded in Customer Life

BRI^{mo}

The latest BRI Mobile application data-based with the latest UI/UX and features that can be used by both BRI Customers and Non-Customers of Branchless method with a choice of current accounts and Savings for each of its features



It has been used by

2.2 million people
a year following the launched.

Product Vision



Product

Efforts to rejuvenate savings products and transaction features via BRI Mobile to provide new experiences for existing and new BRI customers.



Innovation

Perform the Digital Attacker of Innovative Banking Products is an urgency for the development of New BRI Mobile



Application

Mobile applications that are in line with the digital era. Same Banking Application user experience and user interface for the convenience of customers. Application that can access all banking services with choices of different funds source.



Award

Become the Best Mobile Application in South East Asia



Branchless Banking Initiatives for Micro

Easy and fast personal
loan application with
total download of

117,391
times





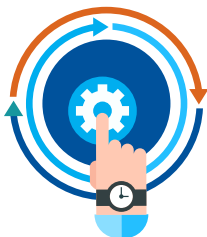
K O N S U M E R

BRISPOT Consumer has processed more than

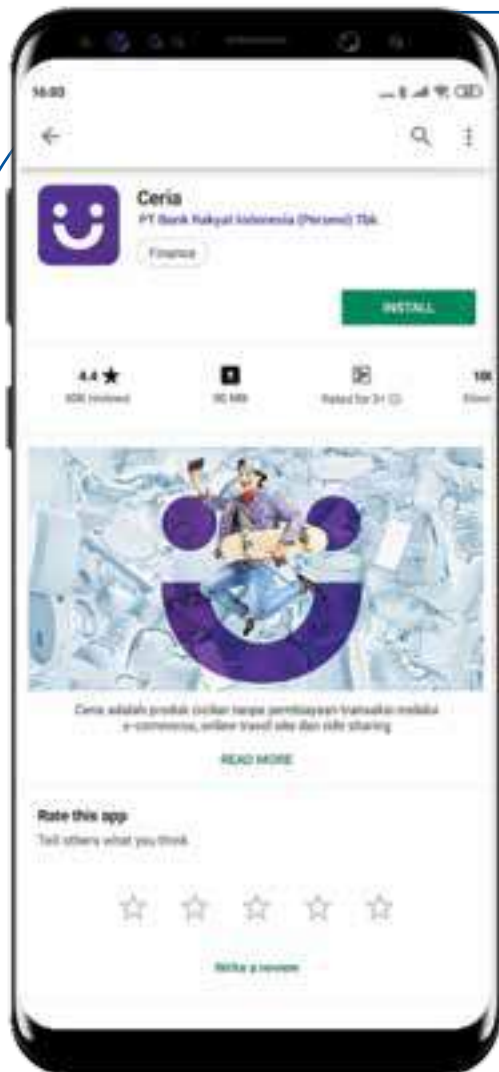
147 thousand Borrowers

Bank BRI continues to strive to realize the vision to be the “Leading Consumer Banking in Indonesia”. Including by conducting Business Process Re-Engineering supported by the development of BRISPOT Consumer as an application platform for consumer business banking services and facilities.

BRISPOT Consumer digitizes the whole end-to-end consumer business processes at BRI and innovating business processes that provide customer experience for BRI Customers. Android & web-based application platform are used by employees as business process tools for all consumer financial facilities and services both savings and loans such as mortgages, motor-vehicles financing, BRIGUNA loans, Credit Cards, and support planning activities, checking portfolio, dashboard, cross-selling (Frontliner), to Customer Relationship Management (CRM) services.



The BRISPOT Consumer platform provides simple, mobile business processes that can be used anytime, anywhere.



CERIA (Cheerful)

CICIL (Installment) CEPAT (Fast) CERIA (Cheerful)

Make Shopping More Cheerful

What Is Ceria?

Ceria is a cardless installment product for financing transactions through e-commerce, online travel sites, and ride sharing

- Apply for fast credit! In only 60 minutes.
- Attractive ceilings, starting at Rp500 thousand - Rp20 million.
- Low interest and free monthly administration fees
- Convenient payment with 1-12 month installments.
- Application from Bank BRI for safety & comfort because it is registered and supervised by OJK.

Benefits of Using Ceria



Fast

The application process takes less than 60 minutes. The process of registering personal data, photo of ID Cards, identification photos, all are done digitally



Secure

CERIA is a digital loan product issued by BRI registered and supervised by the Financial Services Authority.



Affordable

No administration fees. Low interest rate: 1.42% flat per month. Credit limit of Rp500 thousand - Rp20 million, revolving (in accordance with the use and payment of bills) Installment period 1-12 months.



Promotion

Lots of fun and interesting promos for users.

BRI DIGITAL BANKING JOURNEY



2017 Teras BRI Kapal Bahtera Seva II (Halmahera) and Teras BRI Kapal Bahtera Seva III (Labuan Bajo)



2014

BRILink



2015

Teras BRI Kapal Bahtera Seva I (The Thousand Islands)



2016

e-Pasar BRI, BRIsat



2013

- Self Service Banking (Hybrid Banking)
- T-Bank



2012

E-Buzz BRI & BRIZZI



2009

System migration from BDS to BRINETS Web, introduction of Internet banking



2006

BRI Credit Cards



2007

BRINETS Core Banking Development



2008

Cash Management System for SOEs



2018

BRI Banking
Virtual Assistant
(SABRINA),
BRISPOT Mikro,
BRIAPI, Indonesia
Mall

2019

BRImo, BRISPOT Konsumer,
Pinang, Ceria, Ekosistem Digital
(BRImola, Junio Smart, BRI Bill,
BRI Store, etc).



TABLE OF CONTENTS



PERFORMANCE HIGHLIGHTS

- 22 Financial Performance Highlights 2019
- 24 Financial Highlights
- 28 Shares Price Information
- 31 Bonds, Sukuk or Convertible Bonds Outstanding
- 34 Other Funds Resources Information
- 34 Corporate Actions
- 35 Dividend Payout
- 36 Event Highlights



COMPANY PROFILE

- 68 Company Identity
- 69 Meaning of Logo
- 70 BRI in Brief
- 75 Core Business according to the Articles of Association
- 76 Products and Services
- 80 Operational Areas
- 82 Milestones
- 84 Organization Structure
- 86 Visi, Mission and Core Values
- 88 Corporate Culture
- 94 Board of Commissioners' Profile
- 102 Board of Directors' Profile
- 114 Senior Executive Vice President (SEVP) Profile
- 115 Employee Demographics
- 118 Shareholders Composition
- 122 Corporate Structure
- 123 Subsidiaries and/or Associates
- 125 Share Listing Chronology
- 131 Other Share Listing Chronology
- 138 Names and Address of Supporting Institutions & Professions
- 140 Awards and Certifications
- 148 Certifications
- 150 BRI Ratings
- 151 Office Address and/or Representative Office
- 154 Subsidiary Company
- 155 Office Address and/or Representative Office
- 156 Workshop and Training of the Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit
- 164 Sertifikasi Manajemen Risiko Anggota Dewan Komisaris Dan Direksi



MANAGEMENT DISCUSSION & ANALYSIS

- 168 Economy and Industrial Review
- 173 REVIEW OF BANKING INDUSTRY & BRI
- 176 Bank Strategic Plan
- 179 Bank BRI for Indonesia
- 186 Operation Preview Per Business Segment
- 188 Micro Business
- 195 BRILINK Service
- 198 Program Business
- 202 Retail Business
- 203 Small, Retail & Medium Loans Business Products
- 205 Small, Retail & Medium Loans Business Performance In 2019
- 207 Consumer Loans, Retail Deposits, And Retail Banking Services Business
- 211 Retail Deposits Business
- 214 Retail Deposits Business Development Strategy In 2020
- 221 Corporate Business
- 222 Soe Corporate Business Loans, Institution Funds And Transaction Banking
- 224 Institution Funds And Transaction Banking Business
- 228 Non Soe Corporate Business Loans
- 230 Syndication And Non-Bank Financial Institution Services Business
- 232 International Business, Treasury And Capital Market Supporting Services Business
- 235 Treasury Business
- 238 Capital Market Supporting Business
- 241 Subsidiaries
- 266 Financial Review
- 326 Human Capital Development
- 344 Information Technology & Operations
- 370 Operations
- 372 Fixed Assets Management & Procurement
- 375 Procurement of Goods and Services



MANAGEMENT REPORTS

- 42 Board of Commissioners' Report
- 52 Board of Directors' Report
- 64 Statement of Accountability of 2019 Annual Report by the Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk
- 65 Statement of Accountability of 2019 Annual Report by the Board of Directors PT Bank Rakyat Indonesia (Persero) Tbk

Table of Contents



CORPORATE GOVERNANCE

384	Corporate Governance	496	Board of Directors	721	Procurement of Goods & Services – Fixed Assets Management
388	GCG Roadmap	499	Scope of Duties	723	Gratuity Control Program
390	Governance Policy	500	Criteria, Appointment and Termination	734	Creditor Rights Protection Policy
391	Governance Structure Mechanisms And Relations	503	Board of directors' committees performance assesment	734	Customer Protection Policy
400	Information Techno Governance	504	Board of Directors Diversity Policy	728	Conflict of Interest
402	Gcg Evaluation and Assessment In 2019	504	Board of Directors Composition and Changes in 2019	729	Prevention of Insider Trading
407	Corporate Governance Practices Based on Financial Services Authority Rules	506	Board of Directors Independency	731	Other Policies
424	General Meeting of Shareholders	506	Disclosure of Affiliates Relations	733	Transparency of Financial and Non Financial Conditions
426	GMS Convention In 2019	507	Disclosure of Board of Directors Concurrent Position	733	Funding to Related Parties and Large Exposure
429	Convention of Annual GMS and Extraordinary Gms In 2019	511	GCG Assessment 2019 for the Board of Commissioners & Directors	739	Integrated Governance Annual Report
445	Board of Commissioners	513	Remuneration Policy of ohe Board of Commissioners and Directors		
445	Duties and Responsibilities	526	Board of Commissioners and Directors Meetings		
449	Criteria, Appointment, Termination and Resignation of Member of The Board of Commissioners	540	Information of Major and Controlling Shareholders		
453	Prohibition of the Board of Commissioners	540	Disclosure on Affiliates Relationship		
454	Board of Commissioners Assesment Criteria	541	Board of Commissioners Supporting Organs		
454	Board of Commissioners Diversity Policy	544	Audit Committee		
454	Board of Commissioners Composition and Changes in 2019	566	Nomination and Remuneration Committee		
457	Segregation of Duties	585	Risk Management Oversight Committee		
457	Board of Commissioners Independency	598	Integrated Governance Committee		
457	Affiliated Relation	610	Board of Directors' Committees		
458	Concurrent Position Policy and Implementation	636	Corporate Secretary		
460	Shares Ownership & Changes in 2019	648	Investor Relations		
461	Conflict of Interest Management	651	Internal Audit Unit		
461	Independent Commissioners	665	Accountant Public		
463	Board of Commissioners Orientation, Training and Development Programs	667	Compliance Function		
465	Board of Commissioners Training And Competency Development	672	Anti Money Laundering & Counter Terrorism Financing Program		
465	Board of Commissioners Oversight In 2019	678	Risk Management		
479	Board of Commissioners Recommendations in 2019	702	Internal Control System		
482	Board of Commissioners Performance Assessment	711	The Company Litigation		
494	Performance Assessment of the Board of Commissioners Supporting Committees	714	Information Access Corporate Data		
		716	Code of Conduct		
		718	Corporate Culture		
		718	Whistleblowing System		
		721	Diversity Policy of the Board of Commissioners and Board of Directors Composition		
		721	Anti Corruption Policy & Procedures		



CORPORATE SOCIAL RESPONSIBILITY

878	Corporate Social Responsibility
888	Environmental Sustainability
893	Corporate Social Responsibility For Employment, Health And Safety
	Tanggung Jawab Sosial
899	Corporate Social Responsibility Towards Social And Community Development
914	Partnership Program
924	Corporate Responsibility Towards Consumers



CONSOLIDATED FINANCIAL STATEMENTS 2019

930	Consolidated Financial Statements 2019
-----	--

01 PERFORMANCE HIGHLIGHTS



In 2019, BRI successfully recorded loan growth of Rp907.4 trillion, grew 8.3% compared to Rp838.1 trillion in 2018.

The largest contribution was derived from micro small and medium enterprise (MSME) loans that reached 79,0% of BRI total loans. This achievement is in line with BRI's aspiration to accelerate the growth of MSMEs segment.





PERFORMANCE HIGHLIGHTS

FINANCIAL PERFORMANCE HIGHLIGHTS 2019



Assets

Assets of

Rp1,416.8
trillion

increased by 9.2% yoy in 2019, from Rp1,296.9 trillion in the previous year



Liabilities

Liabilities of

Rp1,183.2
trillion

in 2019, increased by 8,5% yoy from Rp1,090.7 trillion in the previous year



Equity

Equity of

Rp208.8
trillion

grew 12.7% yoy in 2019 from Rp185.3 trillion in the previous year



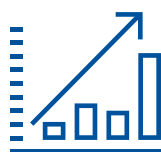
Third Party Funds*

Third Party Funds amounted to **Rp996.4** trillion

in 2019, rose by 7.9% yoy from Rp923.3 trillion in the previous year

*) Excludes Temporary Syirkah Funds

Financial Performance Highlights 2019



Net Income

Income for the Year at

Rp34.4 trillion

grew 6.2% yoy in 2019 from Rp32.4 trillion in the previous year



Interest and Sharia Income

Interest and Sharia Income

at **Rp121.8** trillion

rose by 9.1% yoy in 2019 from Rp111.6 trillion in the previous year



Other Operating Income

Other Operating Income

at **Rp28.4** trillion

increased by 21.4% yoy in 2019 from Rp23.4 trillion in the previous year



Operating Income

Operating Income at

Rp43.4 trillion

grew 4.1% yoy in 2019 from Rp41.7 trillion in the previous year



Interest Expense and Sharia Expense

Interest Expense and Sharia

Expense at **Rp40.0** trillion

up by 18.1% yoy in 2019 from Rp33.9 trillion in the previous year



Other Operating Expense

Other Operating Expense

at **Rp44.9** trillion

up by 7.9% in 2019 from Rp42 trillion in the previous year



PERFORMANCE HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Rp Million

Consolidated Statement Of Financial Position	2015	2016	2017*)	2018*)	2019
ASSETS					
Cash	28,771,635	25,212,226	24,798,037	27,421,625	30,219,214
Current Accounts with Bank Indonesia	61,717,798	55,635,946	58,155,479	71,159,442	71,416,449
Current Accounts with Other Banks	8,736,092	11,280,795	6,132,512	12,677,355	10,237,736
Placements with Bank Indonesia and Other Banks	49,834,664	78,248,833	55,156,762	87,018,051	116,854,727
Securities = Net	124,890,535	132,086,000	186,938,838	184,284,052	195,840,173
Export Bills and Notes Receivable - Net	7,280,883	11,580,175	16,166,724	32,808,148	33,744,522
Government Recapitalization Bonds	3,815,958	3,318,434	3,317,840	1,505,273	1,130,306
Securities Purchased Under Agreement to Resell	845,125	1,557,370	18,011,026	9,396,553	22,582,244
Derivatives Receivable	-	103,907	162,912	485,810	210,396
Loans - Net	547,318,355	621,286,679	684,046,917	779,626,717	839,067,353
Sharia Receivables and Financing - Net	16,261,754	17,256,787	17,287,612	19,681,260	25,021,168
Finance Lease Receivables - Net	-	2,070,300	2,385,483	3,321,846	4,104,096
Acceptances Receivable	5,163,471	5,692,583	5,693,425	11,643,003	9,346,063
Investment in Associated Entities - Net	269,130	11,718	83,100	460,096	745,304
Fixed Assets - Net	8,039,280	24,524,133	24,752,035	26,914,859	31,432,629
Deferred Tax Assets - Net	1,983,774	2,539,713	3,286,732	5,114,653	4,541,298
Other Assets - net	13,497,858	12,396,074	21,072,055	23,379,549	20,265,162
Total Assets	878,426,312	1,004,801,673	1,127,447,489	1,296,898,292	1,416,758,840
LIABILITY, TEMPORARY SYIRKAH FUNDS, AND EQUITY					
Liabilities					
Liabilities Due Immediately	5,138,562	5,410,313	6,584,201	8,462,958	7,549,312
Deposits From Customers	654,026,286	737,863,408	821,884,395	923,309,860	996,377,825
Deposits From Other Banks Financial Institutions	11,165,073	2,229,538	5,593,367	9,131,158	17,969,829
Securities Sold Under Agreement to Repurchase	11,377,958	7,302,398	12,136,684	37,379,394	49,902,938
Derivatives Payable	445,753	347,217	200,858	332,343	184,605
Acceptances Payable	5,163,471	5,692,583	5,693,425	11,643,003	9,346,064
Taxes Payable	1,497,262	956,553	569,016	153,833	185,443
Marketable Securities Issued	10,521,103	24,800,781	30,619,658	31,190,216	38,620,837
Fund Borrowings	35,480,358	35,013,680	29,408,694	40,457,429	30,921,771
Estimated Losses on Commitments and Contingencies	1,242	895	2,134	1,222	609,493
Liabilities for Employee Benefits	8,063,738	9,479,930	12,194,261	11,789,366	10,662,581
Other Liabilities	7,392,766	10,498,804	13,794,513	15,339,787	19,359,606
Subordinated Loans and Marketable Securities	56,468	1,008,510	986,450	1,473,515	1,465,366
Total Liabilities	750,330,040	840,604,610	939,667,656	1,090,664,084	1,183,155,670
Temporary Syirkah Funds					
Mudharabah demand deposits	-	-	139,535	293,264	4,080,803
Mudharabah saving deposits	696,198	983,121	1,270,484	1,659,109	2,025,354
Mudharabah time deposits	14,272,895	15,679,845	18,362,036	19,006,504	18,712,677
Total Temporary Syirkah Funds	14,969,093	16,662,966	19,772,055	20,958,877	24,818,834
Total Equity	113,127,179	147,534,097	168,007,778	185,275,331	208,784,336
Total Liabilities, Temporary Syirkah Funds, and Equity	878,426,312	1,004,801,673	1,127,447,489	1,296,898,292	1,416,758,840

*) After account reclassifying

Financial Highlights

Rp Million

Consolidated Statement Of Profit Or Loss And Other Comprehensive Income	2015	2016	2017	2018	2019
Total Interest and Sharia Income	85,434,037	94,015,994	102,912,375	111,582,804	121,756,276
Total Interest and Sharia Expense	(27,154,270)	(28,576,804)	(29,894,281)	(33,917,032)	(40,048,971)
Net Interest and Sharia Income	58,279,767	65,439,190	73,018,094	77,665,772	81,707,305
Premium income - Net	0	278,710	385,414	945,722	1,010,728
Total Other Operating Income	13,855,484	17,287,857	19,271,287	23,425,430	28,439,130
Provision for allowance for impairment losses on financial assets - net	(8,891,305)	(13,700,241)	(16,994,115)	(17,792,693)	(21,556,319)
Reversal of (provision for) Alliance for estimated losses on commitments and contingencies - net	(844)	347	(1,239)	912	(608,271)
Provision for allowance for impairment losses on non-financial assets - net	(8,056)	(103,705)	(258,524)	(528,982)	(595,015)
Total Other Operating Expenses	(31,275,696)	(35,156,837)	(38,614,076)	(41,990,284)	(44,965,625)
Operating Income	31,959,350	34,045,321	36,806,841	41,725,877	43,431,933
Non Operating Expense (Income) - Net	534,668	1,714	216,395	27,817	(67,880)
Income Before Tax Expense	32,494,018	34,047,035	37,023,236	41,753,694	43,364,053
Tax Expense	(7,083,230)	(7,761,784)	(7,978,187)	(9,335,208)	(8,950,228)
Income For The Year	25,410,788	26,285,251	29,045,049	32,418,486	34,413,825
Other comprehensive income					
Items not to be reclassified to profit or loss					
Remeasurement of defined benefit plans	555,776	159,569	61,655	601,819	(1,291,782)
Income tax related to item not to be reclassified to profit or loss	0	(530,727)	(15,414)	(150,455)	322,945
Revaluation surplus arising from premises and equipments	(138,944)	14,315,527	-	-	3,316,985
Items to be reclassified to profit or loss					
Differences arising from the translation of foreign currency financial statements	(7,399)	(25,579)	30,709	(4,349)	(64,820)
Unrealized (loss) gain on available-for-sale securities and Government Recapitalization Bonds	(1,264,123)	1,658,696	2,286,250	(5,141,381)	3,696,914
Income tax related to items to be reclassified to profit or loss	316,032	(416,966)	(527,459)	1,216,705	(895,470)
Other Comprehensive Income For the Year - After Tax	(538,658)	15,160,520	1,835,741	(3,477,661)	5,084,772
Total Comprehensive Income For The Year	24,872,130	41,445,771	30,880,790	28,940,825	39,498,597
Income For The Year Attributable To:					
Equity holders of the Parent Entity	25,397,742	26,234,256	28,997,141	32,351,133	34,372,609
Non-controlling interest	13,046	50,995	47,908	67,353	41,216
Total	25,410,788	26,285,251	29,045,049	32,418,486	34,413,825
Total Comprehensive Income For The Year Attributable To					
Equity holders of the Parent Entity	24,861,081	41,384,558	30,808,443	28,910,721	39,403,628
Non-controlling interest	11,049	61,213	72,347	30,104	94,969
Total	24,872,130	41,445,771	30,880,790	28,940,825	39,498,597
Basic Earnings For The Year Per Share Attributable To Equity Holders Of The Parent Entity (Full Rupiah)	1,030.43	214.04	236.93	264.66	281.31



PERFORMANCE HIGHLIGHTS

Financial Highlights

FINANCIAL RATIO (BANK ONLY)	2015	2016	2017*)	2018*)	2019*)
Liquidity					
LDR	86.88%	87.77%	87.44%	88.96%	88.64%
Credit Quality					
NPL Gross	2.02%	2.03%	2.12%	2.16%	2.62%
NPL Nett	1.22%	1.09%	0.88%	0.92%	1.04%
NPL Coverage	151.15%	170.34%	195.54%	200.61%	166.59%
Profitabilitas					
NIM	7.85%	8.00%	7.92%	7.45%	6.98%
BOPO	66.69%	68.69%	69.14%	68.40%	70.10%
CER	41.28%	41.26%	41.15%	41.02%	40.26%
ROA	4.19%	3.84%	3.69%	3.68%	3.50%
ROE	29.89%	23.08%	20.03%	20.49%	19.41%
Capital					
CAR Total	20.59%	22.91%	22.96%	21.21%	22.55%
CAR Tier 1	16.76%	21.91%	21.95%	20.15%	21.52%

*) After account reclassifying

COMPLIANCE	2015	2016	2017	2018	2019
Percentage of Legal Lending Limit Violation					
- Related parties	Nil	Nil	Nil	Nil	Nil
- Non-related Parties	Nil	Nil	Nil	Nil	Nil
Percentage of Lending in Excess of Legal Lending Limit					
- Related parties	Nil	Nil	Nil	Nil	Nil
- Non-related Parties	Nil	Nil	Nil	Nil	Nil
Reserve Requirement - Rupiah	9.31%	6.94%	6.52%	7.16%	6.15%
Reserve Requirement - Foreign Currency	8.43%	8.03%	8.15%		8.07%
Net Open Position	2.33%	6.67%	4.22%	3.73%	1.91%

The financial figures presented above represent BRI's consolidated financial statements with subsidiaries for 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; statements for 2016: PT BRISyariah, PT Bank Agroniaga Tbk, BRI Remittance Co. Ltd, PT Asuransi Jiwa Bringin Jiwa Sejahtera and PT BRI Multifinance Indonesia; and statements for 2017: PT BRISyariah, PT Bank Agroniaga Tbk, BRI Remittance Co. Ltd, PT Asuransi Jiwa Bringin Jiwa Sejahtera dan PT BRI Multifinance Indonesia; for 2018: PT Bank BRISyariah, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd Hongkong, PT Asuransi BRILife, PT BRI Multifinance Indonesia, PT Danareksa Sekuritas and PT BRI Ventura Investama; and for 2019: PT Bank BRISyariah Tbk, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd Hongkong, PT Asuransi BRILife, PT BRI Multifinance Indonesia, PT Danareksa Sekuritas, PT BRI Ventura Investama and PT Asuransi Bringin Sejahtera Arthamakmur.

Financial ratios use bank data only.

*) In 2016 and 2019 there were increases in assets and equity due to fix assets revaluation of Rp14.3 trillion and Rp3.3 trillion.

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Hangout
Selalu Ada
Promo Seru



Dapetin promo seru di tempat hangout dengan aplikasi BRI mo. Nikmati Promo seru yang pas buat gaya hidupmu di tempat dan saat yang tepat dengan hapemu.

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PERFORMANCE HIGHLIGHTS

SHARES PRICE INFORMATION

SHARES PRICE INFORMATION

BRI Stock Market Prices, Volume, and Capitalization in 2015 - 2019

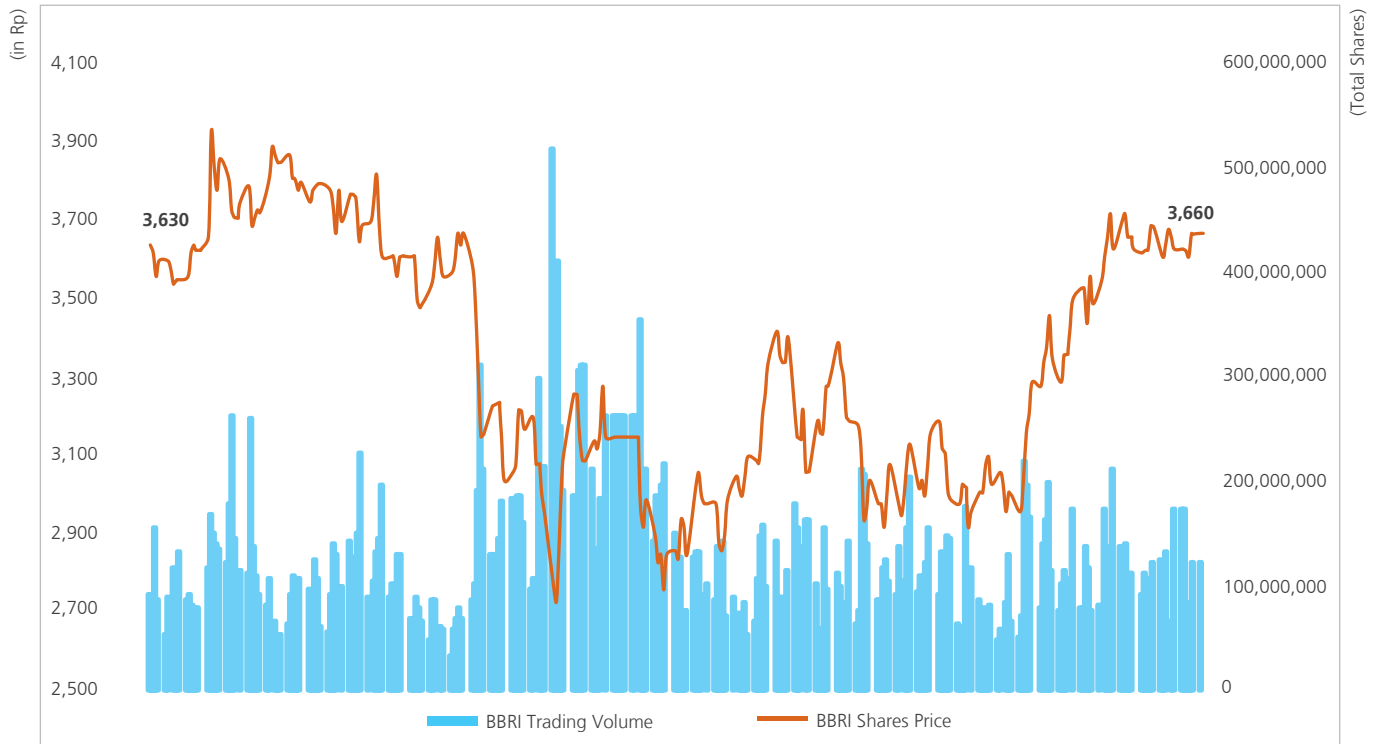
Year	Share Price				Total Outstanding Shares	Transaction Volume (Share)	Market Capitalization (Rp Trillion)
	Opening	Highest	Lowest	Closing			
2015	2,305	2,690	1,595	2,285		34,957,535,000	
Quarter 1	2,305	2,655	2,265	2,655	24,669,162,000	8,290,667,000	327.48
Quarter 2	2,655	2,690	2,010	2,070		9,697,584,500	255.33
Quarter 3	2,070	2,180	1,595	1,730		9,290,696,500	213.39
Quarter 4	1,745	2,340	1,710	2,285		7,678,587,000	281.85
2016	2,280	2,595	1,905	2,335		32,143,440,000	
Quarter 1	2,280	2,460	2,085	2,285	24,669,162,000	8,417,654,500	281.85
Quarter 2	2,260	2,260	1,905	2,160		8,472,383,500	266.43
Quarter 3	2,180	2,450	2,140	2,440		8,073,172,000	300.96
Quarter 4	2,440	2,595	2,085	2,335		7,180,230,000	288.01
2017	2,350	3,720	2,315	3,640		23,211,823,300	
Quarter 1	2,350	2,650	2,315	2,595	24,669,162,000	5,965,294,500	320.08
Quarter 2	2,595	3,060	2,485	3,050		5,359,020,000	376.20
Quarter 3	3,000	3,150	2,860	3,055		5,878,135,000	376.82
Quarter 4	3,055	3,720	3,025	3,640	123,345,810,000 ^{*)}	6,009,373,800	448.98
2018	3,690	3,920	2,720	3,660		28,131,320,100	
Quarter 1	3,690	3,920	3,530	3,600	123,345,810,000	7,159,651,000	444.04
Quarter 2	3,500	3,660	3,720	2,840		8,999,924,100	350.30
Quarter 3	2,890	3,410	2,830	3,150		7,056,550,400	388.53
Quarter 4	3,150	3,710	2,910	3,660		6,966,375,800	451.44
2019	3,610	4,730	3,580	4,400		28,131,320,100	
Quarter 1	3,610	4,140	3,580	4,120	123,345,810,000	6,650,751,600	508.18
Quarter 2	4,140	4,730	3,660	4,360		7,125,444,800	537.79
Quarter 3	4,400	4,560	4,000	4,120		5,934,903,000	508.18
Quarter 4	4,120	4,470	3,810	4,400		6,691,041,300	542.72

*) On November 10, 2017, Bank BRI took a corporate action by exercising a stock split at a ratio of 1: 5. All the above share prices have been adjusted to the prices after the 2017 stock split.

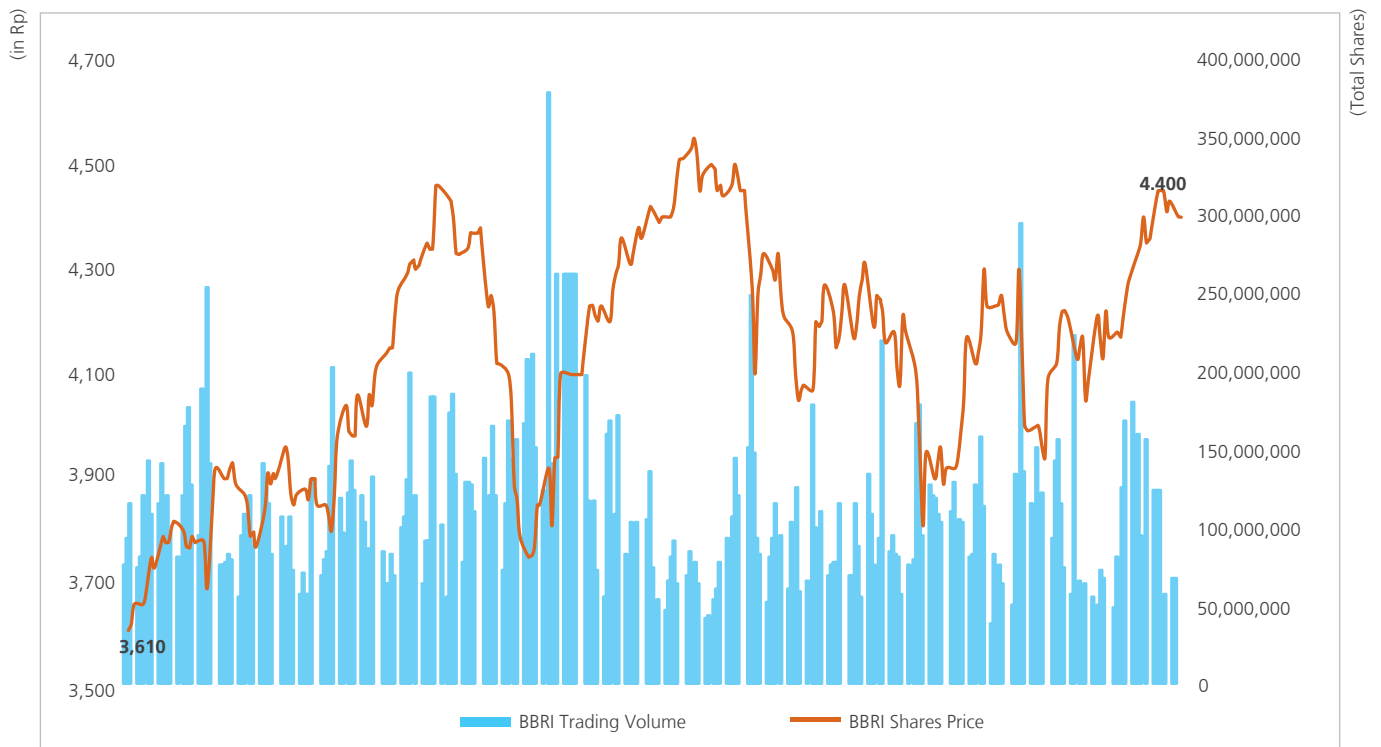
At the end of 2019, BRI's shares were able to record a positive performance. On a year-on-year basis, BRI shares gained 20.22% with a closing price of Rp4,400 per share compared to the 2018 closing price of Rp3,660.

BRI shares were able to outperform several stock indexes in Indonesia, such as the Jakarta Composite Index (JCI) which rose only by 1.70% (year on year) and JAKFIN (financial company stock index index) which rose by 15.22% (year on year).

BRI Share Price Transactions and Volume Movements in 2018



BRI Share Price Transactions and Volume Movements in 2019

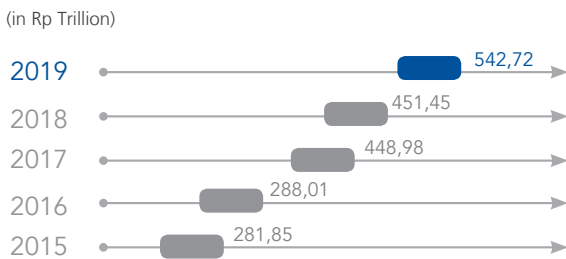




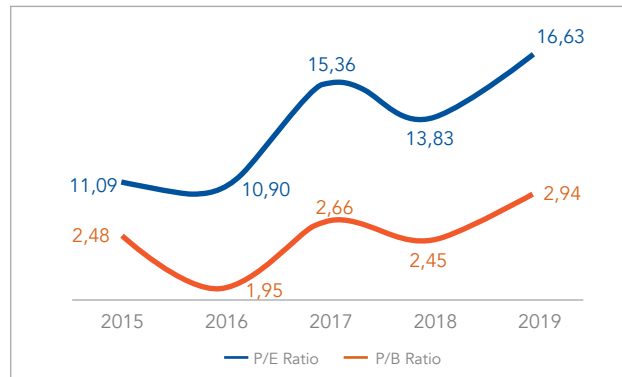
PERFORMANCE HIGHLIGHTS

Shares Price Information

BRI's market capitalization in 2015-2019



BRI Shares Performance Indicators in 2015-2019



Capital Market Condition and BRI Shares Performance In 2019

Throughout 2019, the Indonesian capital market is relatively stagnant, amidst the dynamic and challenging global economic conditions. The Jakarta Composite Index (JCI) grew 1.70% yoy to reach the level of 6,299.54, improved than the index at the end of 2018 which was corrected by -2.54% (yoy).

The upward trend in the JCI was driven by various positive sentiments from within the country, including strong domestic economic growth, controlled inflation, a downward trend in benchmark interest rates, and an increase in Indonesia's credit rating by S&P which triggered capital inflows into the domestic market.

Nevertheless, JCI growth was still relatively limited in line with the weakening global economic conditions due to the uncertainty of the US and China trade wars and the increasing geopolitical tension in several emerging market countries.

In line with maintained domestic economic conditions, in 2019 BRI also recorded good performance. BRI loans grew by 8.3% yoy, higher than the banking industry of 6.1% yoy, while growth in third party funds was 8.1% yoy, better than the industry average of 6.6% yoy. BRI also managed to maintain credit quality where NPL was maintained at 2.6% (Bank Only).

During the same period, BRI's share price recorded a positive and better performance than the market, growing 20.2% yoy to reach the level of Rp4,400, with the highest and lowest daily trading stock prices in 2019 reaching Rp4,730 at 18 April 2019 and Rp3,580 on 3 January 2019.

BRI's market capitalization reached Rp542.72 trillion at the end of 2019. This position made BRI the third largest market capitalization in Southeast Asia, better than the previous year which was in fourth position.

BONDS, SUKUK OR CONVERTIBLE BONDS OUTSTANDING

Bonds Outstanding

No	Description	Currencies	Issuance Date	Maturity	Total Bonds (Million)	Offering Price	Tenor (Month)	Interest Rates	Payment Status	Ratings			Trustees	Issuance Main Purpose
										2019	2018	2017		
1	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-C	IDR	25 Jul'15	3 Jul'20	Rp1,420,000	100% of the total bonds	60	9.50	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Loan disbursement with prudential banking and good corporate governance principles
2	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-C	IDR	19 Jan'16	4 Feb'21	Rp2,823,500	100% of the total bonds	60	9.60	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Loan disbursement with prudential banking and good corporate governance principles
3	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-C	IDR	4 Mei'16	25 Mei'21	Rp701,000	100% of the total bonds	60	8.70	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Loan disbursement with prudential banking and good corporate governance principles
4	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-C	IDR	2 Des'16	1 Des'21	Rp193,000	100% of the total bonds	60	8.20	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Loan disbursement with prudential banking and good corporate governance principles
5	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-D	IDR	2 Dec'16	1 Des'23	Rp477,000	100% of the total bonds	84	8.65	Current	AAA by Pefindo	AAA oleh Pefindo	AAA oleh Pefindo	PT Bank Negara Indonesia (Persero) Tbk	
6	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-E	IDR	2 Dec'16	1 Des'26	Rp2,350,000	100% of the total bonds	120	8.90	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	
7	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-B	IDR	12 Apr'17	11 Apr'20	Rp1,743,500	100% of the total bonds	36	8.10	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Loan disbursement with prudential banking and good corporate governance principles
8	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-C	IDR	12 Apr'17	11 Apr'22	Rp925,000	100% of the total bonds	60	8.30	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	
9	Bank BRI Shelf Registration Bonds II Phase II Year 2017	IDR	11 Apr'17	11 Apr'27	Rp1,300,500	100% of the total bonds	120	8.80	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	
10	Bank BRI Shelf Registration Bonds II Phase III Year 2017 Series-A	IDR	24 Agu'17	24 Aug'20	Rp980,500	100% of the total bonds	36	7.60	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Developing Bank's business through loan disbursement with prudential banking and good corporate governance principles.
11	Bank BRI Shelf Registration Bonds II Phase III Year 2017 Series-B	IDR	24 Agu'17	24 Aug'22	Rp1,652,500	100% of the total bonds	60	8.00	Current	AAA oleh Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	
12	Bank BRI Shelf Registration Bonds II Phase III Year 2017 Series-C	IDR	24 Agu'17	24 Aug'24	Rp2,517,000	100% of the total bonds	84	8.25	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	
13	Bank BRI Shelf Registration Bonds II Phase IV Year 2018 Series-A	IDR	22 Feb'18	21 Feb'23	Rp1,837,000	100% of the total bonds	60	6.65	Current	AAA by Pefindo	AAA by Pefindo	-	PT Bank Negara Indonesia (Persero) Tbk	Developing Bank's business through loan disbursement with prudential banking and good corporate governance principles.
14	Bank BRI Shelf Registration Bonds II Phase IV Year 2018 Series-B	IDR	22 Feb'18	21 Feb'25	Rp605,000	100% of the total bonds	84	6.90	Current	AAA by Pefindo	AAA by Pefindo	-	PT Bank Negara Indonesia (Persero) Tbk	



PERFORMANCE HIGHLIGHTS

Bonds, Sukuk or Conversion Bonds Outstanding

Bonds Outstanding

No	Description	Currencies	Issuance Date	Maturity	Total Bonds (Million)	Offering Price	Tenor (Month)	Interest Rates	Payment Status	Ratings			Trustees	Issuance Main Purpose
										2019	2018	2017		
15	Bank BRI Shelf Registration Bonds III Year 2018	IDR	27 Jun'18	26 Jun'23	Rp500,000	100% of the total bonds	60	7.70	Current	AA by Pefindo	AA by Pefindo	-	PT Bank Negara Indonesia (Persero) Tbk	Strengthening capital structure according to POJK Recovery Plan and calculated as Tier 2 Capital and will further utilize for increasing earning assets.
16	Senior Unsecured Notes Due 2023	USD	16 Jul'18	20 Jul'23	USD500	99.696% of the total bonds	60	4.63	Current	Baa2 by Moodys BBB- by Fitch Rating	Baa2 by Moodys BBB- by Fitch Rating	-	Bank of New York Mellon, London Branch	Strengthening general funding structure.
17	Sustainable Bond (Senior Unsecured Notes) Due 2024	USD	28 Mar'19	28 Mar'24	USD500	99.713% of the total bonds	60	3.95	Current	Baa2 by Moodys BBB- by Fitch Rating	-	-	Bank of New York Mellon, London Branch	Funding Eligible Projects according to the Sustainability Framework
18	Bank BRI Shelf Registration Bonds III Phase I Year 2019 Series-A	IDR	7 Nov'19	17 Nov'20	Rp737,850	100% of the total bonds	370 days	6.50	Current	AAA by Pefindo	-	-	PT Bank Negara Indonesia (Persero) Tbk	<i>Developing Bank's business through loan disbursement with prudential banking and good corporate governance principles.</i>
19	Bank BRI Shelf Registration Bonds III Phase I Year 2019 Series-B	IDR	7 Nov'19	7 Nov'20	Rp2,089,350	100% of the total bonds	36	7.60	Current	AAA by Pefindo	-	-	PT Bank Negara Indonesia (Persero) Tbk	
20	Bank BRI Shelf Registration Bonds III Phase I Year 2019 Series-C	IDR	7 Nov'19	7 Nov'24	Rp2,172,800	100% of the total bonds	60	7.85	Current	AAA by Pefindo	-	-	PT Bank Negara Indonesia (Persero) Tbk	

Bonds Issuance and Due Date

No	Bonds	Currencies	Issuance Date	Maturity	Total Bonds (Million)	Tenor (Month)	Coupon/Discount Rate	Ratings	Rating Agencies	Issuance Main Purpose
1	Subordinate Notes due 2013	USD	25 Sept'03	30 Oct'13	USD 150	120	7.75	B3	Moodys	Strengthening Capital Structure
2	Bank BRI Subordinated Bonds I Year 2004	IDR	9 Jan'04	9 Jan'14	Rp500,000	120	13.50	AA+	Pefindo	Strengthening Capital Structure
3	Bank BRI Subordinated Bonds II Year 2009	IDR	22 Des'09	22 Des'14	Rp2,000,000	60	10.95	AA+	Pefindo	Strengthening Capital Structure
4	Senior Notes due 2018	USD	28-Mar-13	28-Mar-18	USD500	60	2.95	Baa3	Moodys	Loan disbursement with prudential banking and good corporate governance principles
5	Bonds I Phase 1 Year 2015 Series-A	IDR	25 Jun'15	7 Jul'16	Rp650,000	370 days	8.40	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
6	Bank BRI Shelf Registration Bonds I Phase 1 Year 2015 Series-B	IDR	25 Jun'15	3 Jul '18	Rp925,000	36	9.20	AAA	Pefindo	

Bonds, Sukuk or Conversion Bonds Outstanding

Bonds Issuance and Due Date

No	Bonds	Currencies	Issuance Date	Maturity	Total Bonds (Million)	Tenor (Month)	Coupon/Discount Rate	Ratings	Rating Agencies	Issuance Main Purpose
7	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-A	IDR	19 Jan'16	8 Feb'17	Rp808,000	370 days	8.50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
8	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-B	IDR	19 Jan'16	4 Feb'19	Rp1,018,500	36	9.25	AAA	Pefindo	
9	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-A	IDR	4 Mei'16	30 Mei'17	1,212,000,000,000	370 days	7.50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
10	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-B	IDR	4 Mei'16	25 Mei'19	2,437,000,000,000	36	8.20	AAA	Pefindo	
11	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-A	IDR	2 Des'16	6 Des'17	616,000,000,000	370 days	7.25	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
12	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-B	IDR	2 Des'16	1 Des'19	964,000,000,000	36	8.00	AAA	Pefindo	
13	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-A	IDR	12 Apr'17	16 Apr'18	1,131,000,000,000	370 days	7.20	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles

Sukuk Information

As of 31 December 2019, BRI did not issue any sukuk bonds.

Convertible Bond Information

As of 31 December 2019, BRI did not issue any convertible bonds

Bonds, Sukuk and Convertible Bonds Information with Early Repayment

As of 31 December 2019, BRI did not exercise any early repayments of bonds.



PERFORMANCE HIGHLIGHTS

OTHER FUNDS RESOURCES INFORMATION

Medium Term Note (MTN) Issuance and Due Date

Description	Issuance Date	Tenor (month)	Currency	Value (Rp million)	Maturity Date	Interest Rates (%)	Payment Status
MTN BRI PHASE I YEAR 2014 SERIES A	10/10/2014	370 days	IDR	300,000	15/10/2015	8,75	Paid
MTN BRI PHASE I YEAR 2014 SERIES B	10/10/2014	24	IDR	60,000	10/10/2016	9,25	Paid
MTN BRI PHASE I YEAR 2014 SERIES C	10/10/2014	36	IDR	360,000	10/10/2017	9,5	Paid
MTN BRI PHASE II YEAR 2014	24/12/2014	12	IDR	520,000	24/12/2015	8,9	Paid
MTN BRI PHASE I YEAR 2016	16/9/2016	370 days	IDR	1,925,000	21/9/2017	7,4	Paid

Description	Issuance Date	Tenor (Month)	Currency	Value (Rp million)	Maturity Date	Interest Rates (%)	Payment Status
NCD BRI Year 2014 Series A	2/12/2014	3	IDR	165,000	2/3/2015	8,00	Paid
NCD BRI Year 2014 Series B	2/12/2014	6	IDR	790,000	2/6/2015	8,60	Paid
NCD II Bank BRI Phase I Year 2015 Series A	22/4/2015	3	IDR	595,000	22/7/2015	7,10	Paid
NCD II Bank BRI Phase I Year 2015 Series B	22/4/2015	6	IDR	1,020,000	22/10/2015	8,00	Paid
NCD II Bank BRI Phase I Year 2015 Series C	22/4/2015	9	IDR	265,000	22/1/2016	8,10	Paid

CORPORATE ACTIONS

28 March 2019:

Senior Unsecured Notes Due 2024 (Sustainability Bond BRI Year 2019), due on 28 March 2024, with a nominal value of USD500,000,000 and coupon rate at 3.95%, as well as Baa2 rating from Moodys and BBB- Fitch.

26 September 2019

The takeover of PT Asuransi Bringin Sejahtera Artamakmur ownership ("BRINS") at 90% at Rp1.04 Trillion.

7 November 2019:

7 November 2019: BRI Shelf Registration Bonds III Phase I Year 2019 Series-A, due on 17 November 2020, with a nominal value of Rp737,850,000,000 and coupon rate at 6.50%. Rated as AAA from Pefindo.

BRI Shelf Registration Bonds III Phase I Year 2019 Series-B, due on 7 November 2022, with a nominal

value of Rp2,089,350,000,000 and coupon rate at 7.60%. Rated as AAA from Pefindo.

BRI Shelf Registration Bonds III Phase I Year 2019 Series-C, due on 7 November 2024, with a nominal value of Rp2,172,800,000,000 and coupon rate at 7.85%. Rated as AAA rating from Pefindo.

DIVIDEND PAYOUT

GMS Target	Payout Date	Year	Dividend Payout Ratio (%)	Dividend (Rp Billion)	Dividend Per Share*
2004	23 July 2004	2003	75.01	990	8.42
2005	5 July 2005	2004	50	1,816	15.29
2006	10 July 2006	2005	50	1,904	15.62
2007	2 July 2007	2006	50	2,129	17.30
2008	7 July 2008	2007	50	2,419	19.63
2009	3 July 2009	2008	35	2,085	16.92
2010	15 July 2010	2009	30	2,192	13.21
2011	15 June 2011	2010	20	2,294	14.01
2012	15 May 2012	2011	20	3,017	24.46
2013	15 April 2013	2012	30	5,556	45.05
2014	14 May 2014	2013	30	6,348	51.47
2015	22 April 2015	2014	30	7,272	58.96
2016	22 April 2016	2015	40	7,619	62.33
2017	13 April 2017	2016	40	10,478	82.72
2018	4 April 2018	2017	45	13,048	106.75
2019	13 June 2019	2018	50	16,176	132.17

*) All dividend figures have been adjusted to Stock Split 1: 2 in January 2011 and 1: 5 in October 2017

The dividend amount is stipulated in the AGMS as the company main organ. The dividend payout for the financial year 2018 has been stipulated at the AGMS 2019 amounted to Rp16,176 billion or 50% dividend payout

ratio. In determining the ratio, the management has the right to propose the dividend amount by taking into consideration the sustainable business growth projection and taking into account the capital adequacy ratio (CAR).

By implementing Basel III since January 2015 which has been fully completed in January 2019, BRI aims to maintain CAR level at above 17-18%.

TEMPORARY SUSPENSION OF SHARES TRANSACTION OR DELISTING

Until the publication of this 2019 Annual Report, BRI has not experienced or received any suspension or delisting on the Company's shares



PERFORMANCE HIGHLIGHTS

EVENT HIGHLIGHTS

31 January



Bank BRI and PT. Pupuk Indonesia held the event, Spirit of Millennials: Green Festival at the Jakarta Convention Center attended by President of RI Joko Widodo, aimed to attract the engagement and interest of millennials on eco-friendly lifestyle, urban farming and agriculture in Indonesia.

13 March



Sharing knowledge between BRI Vice President Director Sunarso and public relations practitioners in the SOE public relations national forum congress and meeting with the theme of "Public Relations in the Perspective of the BOD".

21 March



Bank BRI received prestigious award from The Asian Banker as the Best Retail Banking in Indonesia and Best Digital Banking in Indonesia held in Dubai at the ceremonial night event of International Excellence in Retail Financial Services Award 2019.

20 February



Bank BRI's sharing session with 1,200 students of Padjajaran University in the General Study Event organized by SOE regarding BRI business strategy, and comprehensive profile.

25 February



Bank BRI and General Consulate of RI organized training for entrepreneurs to become MSME player of export oriented. Jennifer Isaacson as a craft business and curator from the US was invited to the event for a coaching clinic for 30 selected entrepreneurs.

27 February



Bank BRI launched BRIimo apps of data-basis with UI/UX and new feature to be used by customers/non-customers, one of the features was easy log in by using finger print and face ID recognition.

4 April



Bank BRI received the Best of the Best Company from SOE Marketeers Award 2019.

15 April



Bank BRI's commitment in fostering low carbon economy development was delivered by facilitating environmentally friendly low carbon emission vehicle financing through Motor Vehicle Loans (KKB).

Event Highlights

16 April



Bank BRI foster the government efforts on halal tourism, in which the launch of Moslem District Destination was attended by the President of RI Joko Widodo.

21 April



Bank BRI organized inspirative talkshow in commemorating Kartini Day, with the speakers consisting of BRI Commissioner Rofikoh Rokhim, BRI Consumer Director Handayani, BRI HC Director R. Sophia Alizsa and Maudy Koesnaedi with more than 250 participants of BRI female millenials.

24 April



With the micro segment digitalization, Bank BRI achieved a profit of Rp8.20 trillion.

21 May



Bank BRI organized break the fast together for 3,500 orphanage children, which was attended by all commissioners, directors, and SEVP of BRI, involving more than 70 orphanage foundations from across jabodetabek areas.

28 May



Bank BRI organized going-home together in conjunction with Eid Al-Fitr Day 1440 H/2019.

29 May

Bank BRI received The Best Managed Bank in Indonesia Award from The Asian Banker.



3 July



Bank BRI received 3 Prestigious Awards from the Corporate Governance Asia, which were Asia's Best CEO (Investor Relations), Asia's Best CFO (Investor Relations), and Best Investor Relations Company.

30 July



Bank BRI and OJK organized an event with the theme of Student Actions and Savings 2019, which was attended by Minister of Technology Research and Higher Education, Minister of Economic Affairs, OJK Board of Chairman, BRI Consumer Director, etc.



PERFORMANCE HIGHLIGHTS

Event Highlights

14 August



Bank BRI MSME loan grew 13% at the first half of 2019.

15 August



Bank BRI successfully received 4 awards simultaneously at the IDX Channel Innovation Award 2019 as The Best Innovative Company in Finance Sector, The Best Innovation, The Best CEO, and The Best Millenials Investor Choice.

2 September



Bank BRI convened the Extraordinary General Meeting of Shareholders (EGMS) in Jakarta dated 2 September 2019. The meeting presented BRI's Quarter III financial performance and changes of the company's management, namely: President Director Sunarso, Vice President Director Catur Budi Harto, Institutional Relations Director Agus Noorsanto, HC Director Herdy Rosadi Harman, Risk Management Director Agus Sudiarto, and Compliance Director Azizatul Azhimah.

19 August



Bank BRI awarded appreciation to the national paskibraka team 2019 that has raised the nation flag at the state palace for the nation 74th Anniversary.

23 August



Bank BRI expanded the cooperation with many state and private universities for Certified Student Apprentice Program.

11 November



Bank BRI and NOAH entered into cooperation for 1 year, where in every NOAH concert the super app from BRI, BRIMO will be introduced.

14 November



Bank BRI won the 3rd place in the Annual Report Award 2018 of SOE Financial Listed category.

23 November



Fostering the art and creative industry, Bank BRI organized Lala Love musical theatre at the Park of BRI Head Office.

28 November



At the annual meeting of Bank Indonesia, Bank BRI was awarded as the Best SOE Bank and the Best Bank that supports the deepening of money market.

Event Highlights

4 September



In commemorating the National Customer Day, Bank BRI gives the appreciation to the customers visited the Work Units as a form of customer loyalty appreciation.

11 September



Bank BRI grants assistance through CSR BRI Peduli for environment and general facilities to the communities in Ranu Pane lake surrounding areas, Lumajang, East Java. The assistance was given by dredging and widening of ranu pane lake areas located at the foot of Semeru mountain, planting of 5,000 seedlings of pine trees at the surrounding areas of protected semeru mountain and revitalizing climbing shelters.

13 September



Bank BRI received the Best Operating Model Master award through the product of BRILink agent from IDC.

11 October



Bank BRI and Grab launched the e-scooter (Grabwheels) that create eco-friendly business areas by fostering the Go Green program to minimize global warming.

1 December



Bank BRI held the BRILian Run 2019 Surabaya series. The event was part of BRI's 124th Anniversary activities.

16 December



Bank BRI celebrates its 124th birthday. This year's anniversary takes the theme "Untuk Indonesia BRILian" (For BRILian Indonesia) and the celebration was held in the BRI Head Office building area.

20-22 December



In order to empower Indonesian MSMEs, Bank BRI held the "UMKM Export BRILian Preneur 2019" (MSME Export BRILian Preneur 2019) at the JCC Assembly Hall, Jakarta, followed by no less than 150 MSMEs under the guidance of Bank BRI.

22 December



65,000 people made up of BRI Bank employees and their families in the Greater Jakarta area attended the BRILian Family Festival (BRIFEST) which was the culmination of Bank BRI's 124th Anniversary activities that was held at the Jakarta Convention Center (JCC).

02

MANAGEMENT REPORTS



BRI consistently focuses on developing business in MSME Segment. By the end of 2019, BRI's MSME Loan has reached Rp716.3 Trillion or 79% of Total Loan. This achievement is aligned with Bank's aspiration to improve the MSME loan composition to at least 80% of total loan, in 2022.





Andrinof A. Chaniago
President Commissioner/Independent Commissioner

BOARD OF COMMISSIONERS' REPORT

THE BANK CONSOLIDATED ASSETS, WHICH BY THE END OF 2019 STOOD AT RP1,416.8 TRILLION, HAS POSITIONED BRI AS INDONESIA'S LARGEST FINANCIAL CONGLOMERATE. MOREOVER, ITS NET PROFIT OF RP34.4 TRILLION WAS THE HIGHEST IN THE FINANCIAL INDUSTRY, A POSITION THE BANK HAS BEEN MAINTAINING FOR THE PAST 15 CONSECUTIVE YEARS.

Assalamu'alaikum Wr. Wb.

Allow us to first extend our gratitude to God Almighty for His blessings and favour. We are pleased to report that PT Bank Rakyat Indonesia (Persero) Tbk (BRI) was able to sustain its best performance in 2019 and adapted to the myriad of changes in the banking sector. The Board of Commissioners wishes to express our appreciation to the Management for the Bank's accomplishments throughout the year. Amid the subdued global economy and moderate domestic economy, BRI still able to maintain its performance above the industry growth.

The Board of Commissioners believes this success was inseparable from the trust of all customers and stakeholders, which has driven the Bank in its continuous pursuit of service improvement and delivery of the best solutions for all customers. Stakeholders and shareholders' trust is the underlying foundation of the Bank's present and future growth.



The Bank also maintains increasingly strong capital that reflected from the Capital Adequacy Ratio of

22.8%

far above the regulator's benchmark.



MANAGEMENT REPORTS

Board of Commissioners' Report

By acquiring and becoming the majority shareholder of a general insurance company PT Asuransi Bringin Sejahtera Artamakmur (BRINS), the Bank now has eight subsidiaries, thereby making its financial conglomerate even more solid with comprehensive capabilities in financial services.

MANAGEMENT PERFORMANCE ASSESSMENT

We used the annual work plan and the Bank Business Plan in carrying out the Management performance assessment submitted by the Board of Directors for the approval of the Board of Commissioners. Overall, the Management has delivered outstanding performance in 2019 in managing the Bank amid the dynamic economic landscape. The Management is also in a consistent direction for the achievement of the Bank's objectives in 2022.

The Bank's consolidated assets, which by the end of 2019 stood at Rp1,416.8 trillion, has positioned the Bank as Indonesia's largest financial conglomerate. Moreover, its net profit of Rp34.4 trillion was the highest in the financial industry, a position the Bank has been maintaining for the past 15 successive years. The Bank was also able to optimize its intermediary role in 2019 with sound liquidity and credit quality as indicated by maintained non-performing loan (NPL) ratio. Capital-wise, the Bank's position was strong with 22.8% of capital adequacy ratio (CAR), which was well above the regulatory requirement. Overall, in 2019 the Bank achieved positive growth performance across all key indicators.

The Bank also takes a role as an agent of development. We are proud to report that this role was well reflected in the programs, both the Bank's own and joint initiatives that are aimed to improve and empower the people's economy. In 2019, the Bank disbursed a total of Rp87.9 trillion of micro loans under the People Business Loan (KUR) program to over 4 million borrowers, distributed

3.2 million Farmer Cards (*Kartu Tani*), disbursed Family Hope Program (*Program Keluarga Harapan-PKH*) to around 3,7 million households identified as extremely in poverty, and non-cash food assistance (BPNT) to 5.4 million beneficiaries families (KPM), and provided financial access to the community through Village-Owned Enterprises (BUMDES) that reached 22,654 accounts, 8,662 agents, and more than 4 million transactions. The Bank also continued to foster the digital economy ecosystem by mentoring 318,093 MSMEs in 53 of BRI's State-Owned Enterprise's Creative Houses (RKB). Through this initiative, BRI supported by the Financial Services Authority (OJK), established a BRIncubator as a vehicle to coach, empower, and help modernizing the participating MSMEs. BRIncubator seeks to create new 'technopreneurs' and facilitate MSMEs to be well-literate businesses that are able to scale up. As part of the Bank's focus on MSMEs, BRI organized the BRIllianpreneur MSME Export 2019 – an MSME gathering event, product expo, and training forum for 10,000 MSMEs carried out simultaneously in 100 locations across Indonesia.

BRI has also been supporting the national financial literacy and inclusion program spearheaded by OJK by actively developing its branchless banking service. BRI today has 422,160 BRILink agents throughout Indonesia. The Bank also saw an increase of 28.6% in the number of policyholders of AM-KKM BRI (micro insurance that covers accident, illness, and death) to 4.6 million, and provided additional facility of Teman Smpedes to 110 thousand account holders.

BRI's role for the Indonesian society is also delivered through the Bank's corporate social responsibility

Board of Commissioners' Report

programs. For years, the Bank has been implementing the programs with consistency and continuity in terms of activity and budget.

Various social empowerment and environmental preservation actions are executed under seven clusters of BRI's social and environmental program, namely Indonesia Peduli (social), Indonesia Cerdas (education), Indonesia Sehat (health), Indonesia Membangun (development), Indonesia Takwa (religious affairs), Indonesia Lestari (environment), and Indonesia Sejahtera (welfare). Named "BRI Peduli", the program also represents BRI's commitment and contribution for Indonesia's attainment on the Sustainable Development Goals (SDGs).

As the main entity in the Bank Rakyat Indonesia financial conglomerate, the Bank has been successful in building the synergy in all aspects and grows the performance of its subsidiaries through strong business plan and effective monitoring. In 2019, the Board of Commissioners has approved corporate actions that included increasing capital participation and cash injection to subsidiaries, company acquisition, and other strategic measures. By acquiring and becoming the majority shareholder of a general insurance company PT Asuransi Bringin Sejahtera Artamakmur (BRINS), the Bank now has eight subsidiaries, thereby making its financial conglomerate even more solid with comprehensive capabilities in financial services. The decision represented a step closer towards becoming an integrated financial solution to all customer segments with varied needs that the Bank envisions to accomplish in 2020.

There were also new products and activities launched by the Bank in 2019, to enrich its business model and refine its business process in order to maintain existing customers and reach new ones, including millennials, not just as an intermediary institution, but also as the reliable, trusted, and efficient payment system provider. Backed by powerful information technology system that allows the Bank to develop digital banking services across products, BRI will be even more competitive in responding to increasingly complex demands and rapid

changes. Along with human resource management enhancement that prioritizes competency and corporate values (Integrity, Professionalism, Trust, Innovation and Customer-Centric), we believe BRI will able to stay ahead in the market and grow sustainably. Awards and recognitions for the Bank from credible organizations in and outside of Indonesia bolster this confidence.

ACTIVE OVERSIGHT

Pursuant to the Articles of Association of BRI and prevailing laws and regulations, the Board of Commissioners has the duties and responsibilities to oversee policies and the management of the Bank's business carried out by the Board of Directors, including the oversight on the implementation of the Bank's corporate plan, work plan, and Articles of Association as well as prevailing regulations.

The Board of Commissioners also provides relevant recommendations to the Bank. In doing so, the Board of Commissioners has the support of the Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, and Integrated Governance Committee. The structure and composition of these committees observe the existing regulations. To guide its actions, the Board of Commissioners has in place the Board Charter that is updated from time to time as considered necessary.

RISK MANAGEMENT AND GOOD CORPORATE GOVERNANCE

The achievement of business performance, solid implementation of its role as a development agent, and strong CSR focus are supported by its sound and prudent risk management. The Bank carries out a risk self-assessment across all functional activities, which took place in the fourth quarter of 2019 with composite score of 2, or 'low to moderate' risk level. The total score combines the 'low to moderate' assessment result of inherent risks and the 'satisfactory' result of risk management quality.



MANAGEMENT REPORTS

Board of Commissioners' Report

The Bank observes prevailing regulations and best practices in risk management and has in place sufficient risk management information system to ensure assessment accuracy on both inherent risks and CAR. Risk parameters and limits determined for each risk in the 2019 assessment reflected prudence, risk appetite, and risk tolerance, which was measured and several risk management quality aspect were also refined. The Bank has the Risk Management Committee that identifies and discusses risks in the meeting held quarterly and the results are informed to the relevant Directors.

In terms of good corporate governance (GCG), the Bank's governance structure, governance process, and governance outcome ensure compliant day-to-day operations, measured by 11 (eleven) GCG factors identified in relevant regulations. The Bank also adopts general and banking GCG principles and best practices, including Principles of Corporate Governance from the Organization for Economic Co-operation Development (OECD), the ASEAN Corporate Governance Scorecard (ACGS), Indonesian GCG Guideline, and Indonesian Banking GCG Guideline issued by the National Committee for Governance Policies (KNKG).

The Bank's general policy on risk management and GCG are continuously reviewed and improved to reflect the changes in the demand and challenges encountered by the Bank. For the last several years, the Bank has also been working with other parties to assess and obtain feedback of its risk management and GCG practices. Both issues are also discussed not just within the Bank, but also with subsidiaries in the Bank Rakyat Indonesia financial conglomerate.

IMPLEMENTATION OF COMPLIANCE FUNCTION

The Bank is always committed to ensure its compliance with the policies, laws and regulations, and guidelines, systems, and procedures in any of its activities. Together with the Board of Directors, the Board of Commissioners tirelessly reminds the Bank of the importance of

having sound compliance practices across all levels and functions in the organization, and to build such practice through continuous improvement and outreach. The Bank seeks to stay within the rules and prevent consequences, such as monetary fines due to faulty reporting as the result of human errors and inadequate system.

INTERNAL CONTROL

The first, second, and third lines of defense as part of the Bank's internal control are working effectively to provide adequate assurance. With respect to internal control the Bank's business units, operating units, and supporting units, are equipped with manuals and adequate system. Risk management unit also monitors compliance and provides feedback, while the internal control unit is delivering sound supervision and audit activities.

The Board of Commissioners receives regular report of audit findings from audit authority, public accountant, or the internal audit unit (IAU) and the Bank's follow-up actions. The Board monitors ongoing or delayed actions through the Audit Committee to make sure that all actions are met according to audit recommendations. Audit findings also help the Bank in evaluating its audit compliance and effectiveness as well as to select and assign the Bank's public auditor as regulated in the Bank's Articles of Association.

ANTI-FRAUD AND GRATIFICATION CONTROL STRATEGIES

Fraud cases in the past one-year were known to be perpetrated by Bank's internal staff members, external individuals, and the collaboration of both parties. Fraud methods were increasingly varied, enabled by conventional and modern technologies. The Board of Commissioners and Board of Directors placed close attention to the frequency of event and the resulting losses. Such event posed a threat to the Bank's

Board of Commissioners' Report

reputation and trust, as the Bank and its customers were affected by such conduct.

The Board of Commissioners and Directors serious attention on fraud prevention and fraud control measures continue to be done through the improvement of four interdependent strategic pillars, namely prevention; detection; investigation, reporting, and sanction; as well as monitoring, evaluation, and follow-up. The Bank develops an IT-based early detection system that incorporates various approaches and methodologies. Together, they provide for the Bank the mechanisms to learn of the employees' profile and customers, the Know Your Employee and Know Your Customer policies, which are crucial in this effort. At the same time, the Bank works with law enforcement authorities and imposes punishments to perpetrators, which the Bank expects to drive zero fraud.

In terms of gratification, pursuant to the law, the Bank prohibits giving and receiving gifts from anyone in any form. The Bank will continue to promote its commitment to prohibiting gratification, including by issuing announcements to all employees especially during festive seasons. Moreover, the Bank has established BRI Gratification Control Unit that provides information and receives gratification report. In the future, BRI is looking towards developing big data driven fraud detection system.

MANAGEMENT OF THE WHISTLEBLOWING SYSTEM

The Board of Commissioners believes that the whistleblowing system (WBS) has an important role in driving good corporate governance. BRI has this system in place and has set up various reporting channels (telephone, SMS, email, and website). In 2019, the Board of Commissioners recommended the establishment and monitoring of a dedicated WBS for financial reporting. The IAU is tasked to ensure that the WBS is soundly executed. WBS has been proven effective as shown by the significant number of reports and cases developed from this system. The Board of Commissioners

regularly supervises and ensures that WBS is effective and appropriate follow-up actions are taken by, among others, using IAU report. For the Board of Commissioners, WBS is part of the integrity culture and awareness at the workplace.

WORK PLAN 2020

The Board of Commissioners approved the Bank's 2020 Work Plan, formulated based on relevant macro assumptions and government, Bank Indonesia, and OJK projections, which the Board views as achievable. The Board of Commissioners finds the plan also supports the Bank's role as an agent of development with a strong focus on people's economy, for example through business incubation activities, capacity building for MSMEs, channeling of government programs, and financial inclusion activities.

The Board of Commissioners is confident the Bank can meet its financial and non-financial performance targets, especially considering the Bank's solid track record and reliable strategic initiatives that directly answer to the Bank's annual destination statement. Becoming an integrated financial solution provider is the Bank's destination statement in 2020, which is highly relevant with the Bank's profile as a financial conglomerate with eight subsidiaries. This destination is also part of the larger corporate plan that supports BRI's vision of becoming the Most Valuable Bank in South East Asia and Home to the Best Talent by 2022.

RECOMMENDATIONS

Considering the success and achievements in 2019, and targets set out for the 2020 Work Plan, including to take into account the economic outlook, rapid industry changes and stakeholders' increasingly complex demand, the Board of Commissioners considers adequate rooms to foster the Bank's performance by:

- Constantly innovating its business model and processes as well as strengthening the bank's core values in order to respond to digital challenges and provide smart solutions;



MANAGEMENT REPORTS

Board of Commissioners' Report

- Focusing on building strong information and technology systems in bri and subsidiaries in an integrated manner in order to improve product and service quality, ensuring fast, efficient, and secure financial services;
- Focusing on building competent human capital, providing performance-based remuneration, and optimizing capability building budget, which tracks with the government's vision of having quality human resource;
- Driving digital banking transactions to improve the bank's funding structure and expanding the current account-savings account (casa) market share to lower cost of fund and raise fee-based income;
- Improving business synergy with and between subsidiaries to grow subsidiaries' contribution to bank rakyat indonesia financial conglomerate;
- Improving prudential banking, reducing non-performing loan ratio, being more selective in credit restructuring, and improving the recovery of written-off loans;
- Controlling operational and credit risks, and
- Improving the effectiveness of social and environmental programs, making sure that program beneficiaries can grow and scale-up. Responding to the government's goal of having quality human capital, the bank may need to consider emphasizing its education programs.

CHANGES IN THE BOARD OF COMMISSIONERS STRUCTURE

In 2019, two changes occurred in the Bank's Board of Commissioners structure. Firstly, Mr. Gatot Trihargo was elected as Commissioner of PT Pertamina (Persero), thus ending his tenure in BRI as Vice President Commissioner as of 29 April 2019. Furthermore, the Annual General Meeting of Shareholders (AGMS) held on 15 May 2019 confirmed and honorably discharged Mr. Trihargo as Vice President Commissioner as well as Mr. Mahmud as Independent Commissioner. The AGMS then appointed two members, Mr. Wahyu Kuncoro as Vice President Commissioner and Mr. Hendrikus Ivo as Independent Commissioner.

On 2 September 2019, the Bank held an Extraordinary Meeting of Shareholders (EGMS), where the meeting endorsed the appointment of Ms. Loeke Larasati Agustina as Commissioner. Lastly, on 18 November 2019, Mr. Kuncoro ended his tenure as Vice President Commissioner due to his new appointment as Vice President Director of PT Pegadaian (Persero).

The Board of Commissioners wishes to thank Mr. Gatot Trihargo, Mr. Mahmud, and Mr. Wahyu Kuncoro for their dedication and contribution while serving as BRI Board of Commissioners members. Their qualifications and extensive experience in the financial and banking industry make their ideas and insights highly valuable in any role they held with the Board, whether as member of the Nomination and Remuneration Committee, Risk Management Committee, and Integrated Governance Committee.

As such, pursuant to the regulations, the structure of the Board of Commissioners as of 31 December 2019 consists of President Commissioner/Independent Commissioner, four Independent Commissioners, and three Commissioners.

BOARD OF COMMISSIONERS

President Commissioner/ Independent Commissioner	Andrinof A. Chaniago
Independent Commissioner	A. Fuad Rahmany
Independent Commissioner	A. Sonny Keraf
Independent Commissioner	Rofikoh Rokhim
Independent Commissioner	Hendrikus Ivo
Commissioner	Nicolaus Teguh Budi Harjanto
Commissioner	Hadiyanto
Commissioner	Loeke Larasati Agoestina*

*) Effective after passing the Fit and Proper Test from OJK

Board of Commissioners' Report

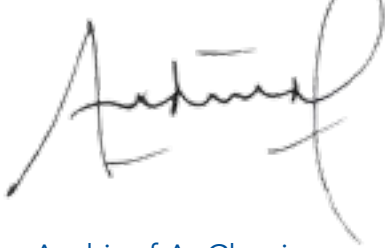
CONCLUSION

On behalf of the Board of Commissioners, we would like to extend our appreciation to the shareholders, customers, business partners, all stakeholders, and the public at large for their trust and support. We also express our highest appreciation to our employees, from those at the head office, to those that have been supporting our widespread branches and units across Indonesia. Thank you for your dedication and hard work for the Bank and in maintaining public trust. The Board of Commissioners confident the Bank will continue delivering sustainable growth and perform to the best of its abilities in the future.

Yours Sincerely.

Wassalamu'alaikum Wr. Wb.

On Behalf of the Board of Commissioners



Andrinof A. Chaniago

President Commissioner/Independent Commissioner

BOARD OF COMMISSIONERS



1. Hendrikus Ivo
Independent Commissioner

2. Nicolaus Teguh Budi Harjanto
Commissioner

3. Rofikoh Rokhim
Independent Commissioner

4. A. Sonny Keraf
Independent Commissioner



5.

5. Andrinof A. Chaniago
President Commissioner/Independent



6.

6. Loeke Larasati Agoestina
Commissioner



7.

7. A. Fuad Rahmany
Independent Commissioner



8.

8. Hadiyanto
Commissioner



Sunarso
President Director

BOARD OF DIRECTORS' REPORT

THROUGHOUT 2019, BRI SUCCEEDED IN RECORDING SOLID AND SUSTAINABLE OPERATIONAL AND FINANCIAL PERFORMANCE THAT OUTPACED THE NATIONAL BANKING INDUSTRY AVERAGE. BRI MAINTAINED ITS PERFORMANCE IN LINE WITH ITS COMMITMENT TO CONTINUOUSLY GROWING AND EMPOWERING MICRO AND SMALL ENTERPRISES, DEEPENING THEIR ROLE FOR THE NATION.

**Assalamu'alaikum Wr Wb,
Dear esteemed stakeholders,**

Our gratitude to God Almighty for the grace and protection He has provided hence BRI succeeded in delivering positive and sustainable performance. In its 124th anniversary, Bank BRI continues to solidify its roles in empowering Indonesia's Micro, Small and Medium Enterprises (MSMEs) through various initiatives. Let us now continue with a summary of BRI's performance and the landscape that defined 2019.

**MACRO ECONOMIC
CONDITIONS**

The slowdown in the global economy continued in 2019. This can be seen

from the growth rate estimate of 2019 by only approximately 3.0%, down from 3.6% in 2018.

In response to this decline, various central banks around the world changed their monetary policy position from contractive to expansive as manifested in the decrease of interest rate benchmark in 2019. The United States' Central Bank, the Fed, for instance, lowered the Fed Fund Rate (FFR) by 75 bps to 1.50-1.75% at the end of 2019. In contrast, in early 2018, the institution continued normalizing its benchmark interest rate by increasing it four times to 2.25-2.50%.



Contributing
35.8%

to the Bank's total loans portfolio, Micro loans growth was in line with the Bank's target to continue increase micro share to 40% in 2022.



MANAGEMENT REPORTS

Board of Directors' Report

In 2019, KUR
Loan was
recorded at

Rp87.9 trillion
to more than 4
million borrowers

Apart from that, positive development of trade tariffs agreement between the US and China has decreased the risks of global financial markets and has a positive impact on the economic development of developing countries through the inflows of foreign funds.

Despite the pressures from the global economic situation in 2019, Indonesia maintained its resiliency and was projected to grow by 5%, albeit this was lower than 5.17% in 2018. Low inflation rate, which reached its lowest point in the past decade at 2.72%, contributed to this stability.

For Indonesia, the most significant pressure to its economy in 2019 came from the trade balance. Indonesia's export and import performance was inevitably affected by the persistently tepid global economy that in turn influenced international trade volume. This could be examined from negative export growth at -6.9% (yoy) and the deeper decrease in import by -9.5% (yoy). Consequently, deficit in balance of payment and current accounts continued in 2019.

In line with the measures taken by other central banks, which in general opted for expansive and consistent pre-emptive actions to stay ahead of the curve, Bank Indonesia (BI) in 2019 reduced the interest rate benchmark (BI 7-Day

Repo Rate/BI7DRR) by 100 bps to 5% and the Statutory Reserves by 1% to 5.5%.

Even though the intermediary function of national banking system appeared to be under pressure in 2019. Financial system stability was reflected in the banks' high Capital Adequacy Ratio (CAR) of approximately 23.3% and non-performing loan (NPL) ratio that remained low at 2.5% (gross) or 1.2% (net).

Meanwhile, credit growth in the banking industry was down to 6.1% (yoy) in 2019 from 11.8% (yoy) in 2018. In addition, the decline also occurred in the acquisition of Third-Party Funds (TPF). At the end of 2019, the growth of TPF was stagnant at 6.6% (yoy) compared to 6.5% growth (yoy) in 2018. With TPF outgrew loan performance, the loan-to-deposit ratio (LDR) decreased slightly to 93.6% from 94.0% in 2018.

PERFORMANCE, TARGET ACHIEVEMENTS AND STRATEGIES

Overall, BRI demonstrated consistent growth from year to year and outpaced the industry. BRI's total consolidated assets in 2019 reached Rp1,416.8 trillion or an annual growth of 9.2% year-on-year (yoy) from Rp1,296.9 trillion in 2018. Meanwhile, BRI's loan growth

Board of Directors' Report

reached 8.3% (yoy) or 907.4 trillion from Rp838.1 trillion in 2018 with non-performing loan (NPL) at a manageable level of 2.80%.

The biggest contribution to BRI's loan growth remained its core business in the Micro, Small and Medium Enterprises (MSMEs) market. In 2019, the Micro Business segment grew 13% reaching Rp329.5 trillion compared to Rp291.6 trillion in 2018.

Micro Business growth proved to be the highest among other Business Segments and able to disburse to more than 10 million micro customers. Contributing 35.8% to the Bank's total loans portfolio, the growth was in line with the Bank's target to continue augment micro share to 40% in 2022.

A significant driver of this growth was BRI's success in disbursing people business loans (KUR) in 2019, totaling to Rp87.9 trillion, to over 4 million KUR customers, thereby outstanding KUR BRI by the end of 2019 stood at Rp84.9 trillion. This achievement placed BRI as the largest KUR disbursement agent in Indonesia with a portfolio of 62.2% of the total national KUR disbursement target in 2019 amounted to Rp141.3 trillion. Moreover, we are pleased to note that there were 290 thousand borrowers who successfully upgraded in 2019.

Meanwhile, Retail Business Segment reached Rp338.9 trillion, an increase of 5.9% compared to Rp319.9 trillion in 2018. While, the value of Consumer loans (bank only) amounted to Rp140.5 trillion, grew 7.4% (yoy) compared to Rp130.8 trillion in 2018.

BRI was thus able to increase financing to the MSME segment amounted to Rp719.9 trillion, equivalent to 79% of BRI's total loans portfolio in 2019 and significantly increased compared to previous share of 77.0% in 2018. This is in line with BRI's aspiration to improve the share of MSME loans to at least 80% of BRI's total loans portfolio in 2022.

In addition to the MSME Segment, BRI also disburses loans to Corporate segment reaching Rp191.1 trillion in 2019. The share of this segment declined compared BRI total loans portfolio. Meanwhile, the growth level of corporate segment tended to stagnant with 2.04% growth level. BRI's targets for this segment is to increase its profitability by expanding the scope of banking services that can be enjoyed by BRI's corporate customers and that directly support the growth of value-chain businesses, namely low-cost funds, fee-based income, and other financial services such as insurance, securities and so forth.

On funding, BRI was able to collect Third-Party Funds (TPF) at Rp996.4 trillion, grew 7.9% from Rp923.3 trillion in 2018 with Current Account Savings Account (CASA) ratio at 58.53%.

To create alternative funding sources that can support the Bank's loans expansion, especially in the MSME segment, BRI has been taking different measures. Other than the issuance of Rupiah-denominated shelf bonds, in 2019 BRI issued the first Global Sustainability Bond in Indonesia amounted to USD500 million. This issuance also represented BRI's commitment as part of the First Movers on Sustainable Banking.

In terms of capital, BRI's total equity reached Rp208.8 trillion, or grew 12.7% on an annual basis. In addition, Other Operating Fee & Income grew 21.4% (yoy) to Rp28.4 trillion, operating income grew 4.1% to Rp43.4 trillion from Rp41.7 trillion in 2018, and net profit rose by 6.2% to Rp34.4 trillion from Rp32.4 trillion in 2018.

On September 2019, BRI has completed the acquisition process of PT BRI Asuransi Bringin Sejahtera Artamakmur (BRINS) with share ownership of 90%. This acquisition will make BRI as financial group in Indonesia that are able to provide an Integrated Financial Solution for its customers.



MANAGEMENT REPORTS

Board of Directors' Report

Target Achievements*

NO	Performance Indicators (Bank Only)	Target	Realization	Achievements
1	Total Assets (in Rp billion)	1,350,666.4	1,343,077.9	99.4%
2	Loans (in Rp billion)	900,265.2	859,558.3	95.5%
3	Deposits (in Rp billion)	996,268.4	969,750.0	97.3%
4	Net Profit (in Rp billion)	36,115.4	34,028.7	94.2%
5	FBI (in Rp billion)	13,332.4	14,293.4	107.2%
6	LDR	90.36%	88.64%	101.9%
7	NPL Gross	2.16%	2.62%	82.4%
8	NPL Nett	1.17%	1.04%	112.5%
9	NIM	7.16%	6.98%	97.5%
10	CER	42.72%	40.26%	106.1%
11	CAR	21.22%	22.55%	106.3%
12	BBRI Market Cap Growth against Jakfin	15.2%	20.2%	132.7%

*Bank Only

As seen from the company's targets as stated on the table, 6 (six) performance indicators, which are FBI, LDR (liquidity), Net NPL (Assets Quality), CER (Efficiency), CAR (Capital), and Market Cap Growth (Market Cap) were reached or outpaced its targets. While other indicators such as Total Assets, Loans, Deposits, Net Profit, Gross NPL, Net Interest Margin (NIM), and CAR did not fully met the target, however with small differences compared to the targets. If compared to the banking industry performance, BRI has consistently able to record higher growth on these indicators. BRI market shares on loans and deposits also continued to increase respectively by 15.30% and 16.16% at the end of 2019 from 15.09% and 15.95% in 2018.

This achievement and considering different challenges ahead, especially those triggered by the rapid changes in digital technology and customer preferences, BRI will continue to innovate in a programmed, planned and measured manner under the Corporate Transformation framework.

Since 2016, BRI has developed transformation blueprint, called BRIVolution that essentially shows the Bank's readiness to Transform Digitally and Culturally in order to realize the Bank's vision of being "The Most Valuable Bank in South East Asia and Home to the Best Talent".

DIGITAL TRANSFORMATION

Digital transformation aims to digitize the Company's business processes to be more efficient as well as discovering new business models in order to create new values. Digital transformation is carried out through three frameworks, which are:

- First: Digitizing Core, BRI has a "Super Apps" to serve BRI customers namely BRImo,
- Second: "Digital Ecosystem", in which BRI began to enter the emerging digital ecosystem,
- Third: New Digital Proposition, where the Bank creates new business model breakthroughs for "Go Smaller, Go Shorter and Go Faster".

CULTURAL TRANSFORMATION

Cultural transformation speaks to the professional mindset and behavior of the human capital that have to

Board of Directors' Report

be suitable with the digital era and customer-centric. In the Cultural Transformation, the Bank will develop a new Human Capital System in order to improve performance, work productivity, and motivate all BRILian Individuals to design their own success.

Cultural Transformation focuses on three pillars, which are:

- Great People, employees who are able to deliver continuous growth by overcoming all business challenges,
- Great Culture, a strong corporate culture, and
- Great Organization, as a vehicle that leads the Bank to achieve its business targets.

As a prelude to the implementation, BRI has kicked-off the Culture Transformation Movement at the end of 2019 in conjunction with its 124th anniversary. This movement aims to invite all BRILian Individuals across all levels to move towards transformation.

CORPORATE VALUE CREATIONS

BRI's commitment to ceaselessly growing and empowering small enterprises, deepening their role for the nation, could be seen from the various "graduating" MSME programs and BRI's support for multiple government programs. This is a Value Creation of BRI in empowering MSMEs and fostering people's economy.

BRI's role is prominent in the disbursement of KUR since the program was enacted in 2015, now reaching a total of Rp323.4 trillion to more than 16.6 million MSMEs communities. BRI's support for people's economic empowerment is also demonstrated by its success in increasing the economic capacity of KUR debtors. Cumulatively, over 1.9 million debtors of the Micro KUR segment succeeded in upgrading and increasing their capacity, and are now eligible to receive Loans and/or Commercial Loans.

BRI has always been committed to participate in realizing financial inclusion in Indonesia. This is reflected from the 9,618 BRI operating networks supported by 4 (four) BRI's

vessel-based service BRI Teras Kapal that serve customers in remote places, such as Thousand Islands, Labuan Bajo, South Halmahera and Anambas of Riau Islands which is located in the most disadvantaged, frontier and outermost regions of Indonesia.

BRI's consistency in opening access to financial services to the people of Indonesia wherever they are is also shown by the increasing number of BRILink Agents. In 2019, BRILink Agents have reached 422,160 agents and transactions reached 521 million with the volume of financial transactions reaching Rp673 trillion. The high value of these transactions shows that the existence of bank agents increasingly being trusted by the public.

In addition, to bring financial access closer to farmers, BRI has disbursed more than 3.03 million farmer cards (*kartu tani*). In 2019, BRI also disbursed non-cash social assistance to the conditional cash transfer program, Family Hope Program (*Program Keluarga Harapan*) reaching 3.76 million beneficiaries and non cash food assistance to 5.44 million beneficiaries.

Committed to growing and empowering the MSME segment, BRI has actively established 54 Creative House of SOE (RKB) and 1 Teras BRI Kapal functioned as RKB with total MSME trainings of 4.133 times and mentoring members of more than 328,000 MSME communities at the end of 2019. BRI also collaborates with the Ministry of Cooperatives & SMEs, Ministry of Home Affairs.

BRI also provides mentoring to village-owned enterprises (BUMDES) in 437 cities/regencies that, combined, manage a total of 22.654 accounts. In an effort to bring One Stop Services to villages, BRI synergizes with other SOEs to establish a SOE Shop where BUMDES can operate as BRILink agents, official food outlets (RPK) of the National Logistics Bureau, Pertashop, fertilizer agents, and provide Wifi Corner. By synergizing with other SOEs, BRI hopes to improve village economy through BUMDES.



MANAGEMENT REPORTS

Board of Directors' Report

BUSINESS AND ECONOMIC OUTLOOK

Global economic condition in 2020 is forecasted to improve. IMF in the World Economic Outlook 2019 predicts the global economy growth of 3.4% or improved compared to 2019 projection of 3.0%.

This trend is stemmed by the tensions in the world trade, Brexit settlement, continued accommodative monetary policies, such as easing of monetary policy and purchase of assets securities and bonds, as well as stable economic conditions of developing countries. On the other hand, the projection of weakening economic growth in China, the US and European Countries in 2020 shall also be anticipated.

In the midst of abating global economic growth, BRI believes that the national economy in 2020 will be improving compared to 2019. The Indonesian economy is expected to grow 5.10-5.35% in 2020, slightly higher compared to 2019 which BRI estimated reaching 5.05-5.20%. This is supported by improved growth of household spending and private sector investment, as well as more effective government spending.

In addition, the monetary stance and macro-prudential policy of Bank Indonesia (BI) in 2020 is predicted to remain accommodative. As such, there is room for the Central Bank to reduce interest rates 2-3 times to 4.25%-4.50%. Adding to that, countercyclical Fiscal Policy and Government measures to improve the ratio of Current Account Deficit (CAD) will foster economic growth and maintain Rupiah stability. BRI estimates the 2020 CAD will be relatively stable at around 2.6%-2.9% against Gross Domestic Product (GDP).

In line with the improving domestic economic conditions, national banking credit growth is estimated to be higher. Bank BRI estimates bank loans and deposits in 2020 will grow respectively by 10.0%-12.0% (yoy) and 7.5%-9.5%, (yoy).

The improvement of national economy and banking as well as the potential to develop MSME businesses in Indonesia remains large, which renders positive business prospects for BRI in the future. However, the continued challenges in the global economic environment have

pushed BRI to continue being selective in determining strategies that enable to capture existing business opportunities. In addition, there are several issues that the Bank needs to anticipate going forward, including the full implementation plan of Basel III, PSAK 71, PSAK 72, PSAK 73, Qanun implementation and others.

Considering the above matters and in coherent with its corporate plan, BRI is introducing the theme of Integrated Financial Solution in 2020. The theme summarizes the aspirations of BRI to become a Service Provider and Integrated Financial Solution (End-to-End Financial Solution) in accordance with the customer needs and life journey.

In realizing its 2020 theme, BRI will be focusing on increasing cross selling of products and services along with its subsidiaries by utilizing the BRI Group network, data analytics and digital marketing. With this strategy, the Company's business prospects provide optimism for sustainable business growth and generate added value for its stakeholders.

CORPORATE GOVERNANCE

BRI remains consistent in implementing Good Corporate Governance (GCG) and ensuring an improvement in quality in GCG application. This can be seen from the governance outcome that is increasing from year to year. Both operational and financial performance showed continuous growth as a result of GCG implementation.

The application of the principles of good corporate governance is a commitment shared by all members of the Board of Commissioners and Directors, as well as all BRI employees (BRILiaN people). Performing duties according to the responsibilities outlined in the rules and policies of the Bank and compliance with applicable laws and regulations has always been a guideline for every individual at BRI.

Compliance with governance certainly contributes to BRI's performance achievement throughout 2019. As such, BRI strives to improve the implementation of this aspect from year to year. In 2019, we strengthened the governance through:

- Signing of GCG commitments by all BRILiaN people,

Board of Directors' Report

- Disseminating the anti-fraud strategy implementation in the BRI Performance Improvement Forum
- Revitalizing policies and adding a whistleblowing system reporting channel to the company website, and
- Signing commitments to control graft and improving governance of financial conglomeration.

In measuring its performance in the field of governance, BRI conducts a self-assessment and follows an assessment carried out by an independent external party. From the 2019 Corporate Governance Performance Index (CGPI), we received a score of 90.75 with the title of Most Trusted Company. In addition, based on an evaluation conducted by the Indonesian Institute for Corporate Directorship (IICD), BRI received the Best Overall Good Corporate Governance Award.

In terms of reporting, since 2013, BRI has prepared a Sustainability Report which is guided by the Global Reporting Initiative (GRI) framework. BRI's social responsibility also includes workers and customers. Due to good industrial relations management and high employee satisfaction, BRI recorded a very low employee turnover rate of 2.29%, down from the previous year of 2.97% or far below the industry turn over level which reached 12%.

Indonesia's Sustainable Financial Initiative was designed to implement the Regulation of Financial Service Institution No.51/POJK.03/2017 on July 27, 2017 on Application of Sustainable Finance to Financial Services Institution, Issuer and Publicly Listed Companies. In addition, as one of the banks that helped form this initiative, BRI has developed Sustainable Financial Action Plan (RAKB) in 2019.

The preparation of the RAKB also indicates that BRI's performance achievements are oriented towards Sustainable Development Goals (SDGs). Based on the realization carried out over the past year, BRI produced the 2019 Sustainability Report that was provided in conjunction with the Bank's Annual Report Book.

CORPORATE SOCIAL RESPONSIBILITY

BRI's commitment to continue to prioritize services to the public is not only demonstrated through banking business activities, but also through the implementation of social responsibility. BRI's social responsibility towards social and community development is manifested in the form of the Community Development Program called the 'BRI Peduli' Program.

BRI Peduli' activities carry the concept of 3P (People, Planet, Profit).

- People: a company's commitment to take parts in improving the community prosperity,
- Planet: corporate responsibility towards environment and biodiversity, and
- Profit: a company's activities to continually improve profitability from business operations advancement

BRI implements the three concepts into 7 (seven) sectors under BRI Peduli assistance programs, namely:

1. INDONESIA PEDULI, the social assistance sector for victims of natural disasters,
2. INDONESIA CERDAS, the education assistance sector, can be in the form of training, infrastructure and educational facilities development
3. INDONESIA SEHAT, the health improvement sector,
4. INDONESIA MEMBANGUN, public infrastructure and/or facilities development sector, which is communicated by its title
5. INDONESIA TAKWA, worship facilities sector,
6. INDONESIA LESTARI, nature conservation sector,
7. INDONESIA SEJAHTERA, social assistance in the context of poverty alleviation.

In total, BRI disbursed Rp219 billion in 2019 for the implementation of BRI Peduli activities. BRI also observes the Financial Services Authority Regulation No.51/POJK.03/2017 on Application of Sustainable Finance to Financial Services Institution, Issuers and Public Companies. As a commercial bank in the BUKU 4 category, BRI is expected to have implemented sustainable principles by January 2019.



MANAGEMENT REPORTS

Board of Directors' Report

CHANGES IN THE BOARD OF DIRECTORS COMPOSITION

The Extraordinary General Meeting of Shareholders (EGMS) on January 3, 2019, decided to honorably discharge Kuswiyoto as Director of Corporate Banking, added a nomenclature of Vice President Director, and appointed Sunarso to fill the new nomenclature.

As such, since the closing of the EGMS on January 3, 2019, the composition of the BRI Directors is as follows:

Board of Directors Composition Period of 3 January 2019 – 2 September 2019

Name	Position	Legal Basis of Appointment
Suprajarto*	President Director	AGMS dated 15 March 2017
Sunarso	Vice President Director	EGMS dated 3 January 2019
Supari	Director of Micro Business	AGMS dated 22 March 2018
Priyastomo	Director of Small, Retail and Medium Business	AGMS dated 23 March 2016
Handayani	Director of Consumer	EGMS dated 18 October 2017
Ahmad Solichin Lutfiyanto	Director of Network and Services	AGMS dated 22 March 2018
Haru Koesmahargyo	Director of Finance	AGMS dated 19 March 2015
Indra Utoyo	Director of Information Technology and Operations	AGMS dated 15 March 2017
Sis Apik Wijayanto	Director of Institutional and SOE Relations	AGMS dated 23 March 2016
R. Sophia Alizsa	Director of Human Capital	EGMS dated 18 October 2017
Mohammad Irfan	Director of Risk Management	AGMS dated 19 March 2015
Ahmad Solichin Lutfiyanto	Director of Compliance	AGMS dated 22 March 2018

*) Effective until 28 August 2019

Furthermore, BRI held an Extraordinary General Meeting of Shareholders (EGMS) on September 2, 2019. The meeting agreed to ratify and to honorably discharge Suprajarto as President Director, Osbal Saragi Rumahorbo as Director of Network and Services, Sis Apik Wijayanto as Director of Institutional Relations, R. Sophia Alizsa as Director of Human Capital, and Mohammad Irfan as Director of Risk Management.

The EGMS also appointed Sunarso as President Director, Catur Budi Harto as Vice President Director, Agus Noorsanto as Director of Institutional and SOE Relations, Agus Sudiarto as Director of Risk Management, Herdy Rosadi Harman as Director of Human Capital, Azizatun Azhimah as Director of Compliance, and new assignment to Ahmad Solichin Lutfiyanto as Director of Network and Services, Supari as Director of Micro Business and Priyastomo as Director of Small, Retail and Medium Business.

Board of Directors' Report

As such, since the closing of EGMS on September 2, 2019, the composition of the BRI Board of Directors is as follows:

Name	Position	Legal Basis of Appointment
Sunarso	President Director	EGMS 03 January 2019 as Vice President Director and EGMS 2 September 2019 reassigned as President Director
Catur Budi Harto	Vice President Director	EGMS dated 2 September 2019
Haru Koesmahargyo	Director of Finance	AGMS dated 19 March 2015
Priyastomo	Director of Small, Retail and Medium Business	AGMS dated 23 March 2016
Indra Utoyo	Director of Digital, Information Technology and Operations	AGMS dated 15 March 2017
Supari	Director of Micro Business	AGMS dated 22 March 2018
Handayani	Director of Consumer	EGMS dated 18 October 2017
Herdy Rosadi Harman	Director of Human Capital	EGMS dated 2 September 2019
Ahmad Solichin Lutfiyanto	Director of Network and Services	AGMS dated 22 March 2018
Agus Noorsanto	Director of Institutional and SOE Relations	EGMS dated 2 September 2019
Agus Sudiarto	Director of Risk Management	EGMS dated 2 September 2019
Azizatun Azhimah	Director of Compliance	EGMS dated 2 September 2019

APPRECIATION

On behalf of the Board of Directors, I would like to express our highest appreciation to all BRI employees for their commitment and dedication. We also would like to wish our appreciation to the Board of Commissioners for their directions. We also want to convey our appreciation to all customers, business partners, shareholders, and all stakeholders for their continuous support to BRI. The synergy of BRI and all related parties is our energy source to fostering and empowering small enterprises to increasingly deepening their meaningful roles for the nation.

Wassalamu'alaikum Wr. Wb.

On Behalf of the Board of Directors



Sunarso
President Director

BOARD OF DIRECTORS



1. Herdy Rosadi Harman
Director of Human Capital

2. Priyastomo
Director of Small, Retail
and Medium Business

3. Indra Utoyo
Director of Digital, Information
Technology and Operations

4. Handayani
Director of Consumer

5. Sunarso
President Director

6. Agus Noorsanto
Director of Institutional and SOE
Relations



7. Catur Budi Harto
Vice President Director

8. Supari
Director of Micro Business

9. Azizatul Azhimah
Director of Compliance

10. Ahmad Solichin
Lutfiyanto
Director of Network and
Services

11. Haru Koesmahargyo
Director of Finance


12. Agus Sudiarto
Director of Risk Management

STATEMENTS OF ACCOUNTABILITY FOR 2019 ANNUAL REPORT BY THE BOARD OF COMMISSIONERS OF PT BANK RAKYAT INDONESIA (PERSERO) TBK

We, the signatories, hereby stated that all information contained in the 2019 Annual Report of PT Bank Rakyat Indonesia (Persero) Tbk has been comprehensively presented and that we are fully accountable for the accuracy of the contents of PT Bank Rakyat Indonesia (Persero) Tbk Annual Report.

This statement is made truthfully.
Jakarta, 27 January 2020

BOARD OF COMMISSIONERS



Andrinof A. Chaniago
President Commissioner/Independent



A. Fuad Rahmany
Independent Commissioner



A. Sonny Keraf
Independent Commissioner



Rofikoh Rokhim
Independent Commissioner



Hendrikus Ivo
Independent Commissioner



Nicolaus Teguh
Budi Harjanto
Commissioner



Hadiyanto
Commissioner

STATEMENTS OF ACCOUNTABILITY FOR 2019 ANNUAL REPORT BY THE BOARD OF DIRECTORS OF PT BANK RAKYAT INDONESIA (PERSERO) TBK

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This statement is made truthfully.
Jakarta, 27 January 2020

BOARD OF DIRECTORS



Sunarso
President Director



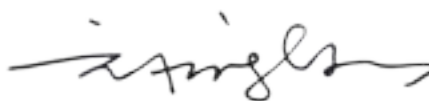
Catur Budi Harto
Vice President Director



Haru Koesmahargyo
Director of Finance



Priyastomo
Director of Small, Retail, and Medium
Business



Indra Utoyo
Director of Digital, Information
Technology and Operations



Supari
Director of Micro Business



Handayani
Director of Consumer



Herdy Rosadi Harman
Director of Human Capital



Ahmad Solichin Lutfiyanto
Director of Services and Network



Agus Noorsanto
Director of Institution and SOE



Agus Sudiarto
Director of Risk Management



Azizatun Azhimah
Director of Compliance

03

COMPANY PROFILE



BRI aims to realize the financial inclusion by building a financial ecosystem with a nationwide scope. As such, BRI integrates its whole network operations.

This consists of

- ✓ Branch Offices
- ✓ Special Branch Offices
- ✓ Overseas Branch Offices
- ✓ Sub-branch Offices
- ✓ BRI Units
- ✓ Cash Offices
- ✓ Teras BRI
- ✓ Teras Mobile
- ✓ Kapal Teras BRI

Total numbers of work units

9,618

as well as more than

227,000

e-channel networks

including

3,809 CRM_s

19,184 ATM_s

204,386 EDC_s

100 Self Service Banking and

20 Hybrid Machines

BRILink agent networks

422,160





COMPANY PROFILE

CORPORATE IDENTITY

 <p>Name of Company PT Bank Rakyat Indonesia (Persero) Tbk</p>	 <p>Line of Business Banking</p>	
 <p>Business Segment Micro Business Retail Business Corporate Business Subsidiary Business</p>	 <p>Legal Establishment Regulation No. 21 Year 1968</p>	 <p>Issued and Fully Paid-In Capital Rp6,167,290,500,000</p> <hr/>  <p>Authorized Capital Rp15,000,000,000,000</p>
 <p>Network</p> <ul style="list-style-type: none"> • 1 Head Office • 19 Regional Office • 467 Branch Office (Include Special Branch Office and Overseas Branch Office) • 611 Sub-Branch Office • 5,382 BRI Unit • 952 Cash Office • 2,049 Teras BRI • 133 Mobile Teras BRI • 4 Ship Teras BRI 	 <p>Date of Establishment 16 December 1895</p> <hr/>  <p>Number of Employee 125,602</p> <hr/>  <p>Shareholders Composition Government of RI 56.75% Public 43.25%</p>	 <p>Stock Exchange The Company's shares were listed at the Jakarta Stock Exchange (now Indonesia Stock Exchange) on November 10, 2003</p> <hr/>  <p>Stock Code BBRI</p>
 <p>Head Office :</p> <p>BRI I Building 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</p>	 <p>Corporate Secretary</p> <p>Corporate Secretary Division BRI 1 Building, 15th Floor Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210 Email : humas@bri.co.id Call center Tel. : (021) 5751966 Fax. : (021) 5700916</p>	

THE MEANING OF LOGO



THE BOARD OF DIRECTORS OF BANK RAKYAT INDONESIA, THROUGH THE DECREE NO.S.3-DIR/2/1985 DATED FEBRUARY 28, 1985, SET THE IMPLEMENTATION OF BANK RAKYAT INDONESIA'S LOGO.

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

The bold lettering of 'BRI' in capital denotes firmness.

The lines, color and shape of the logotype are firm and simple but precisely measurable, to give impressions that reflects an excellent management system, conveniences as well as security. As a whole, the simple form is expected to facilitate instant recognition as well as long-term impression.

The firm and measured lines and coloring are to convey an image of a modern and professional institution, reflecting the characteristics of the banking industry which emphasizes on precision and accuracy. It also

gives an impression of modern management in a national business with an international outlook based on progressive spirit.

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

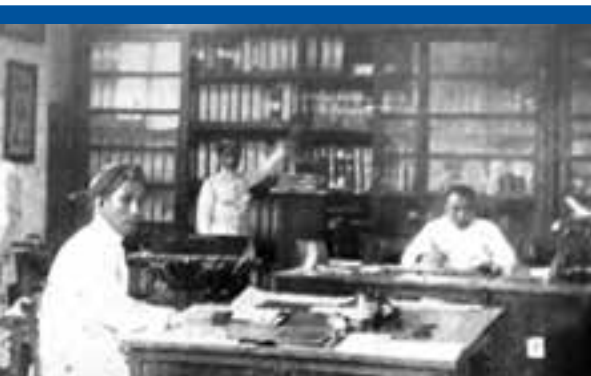
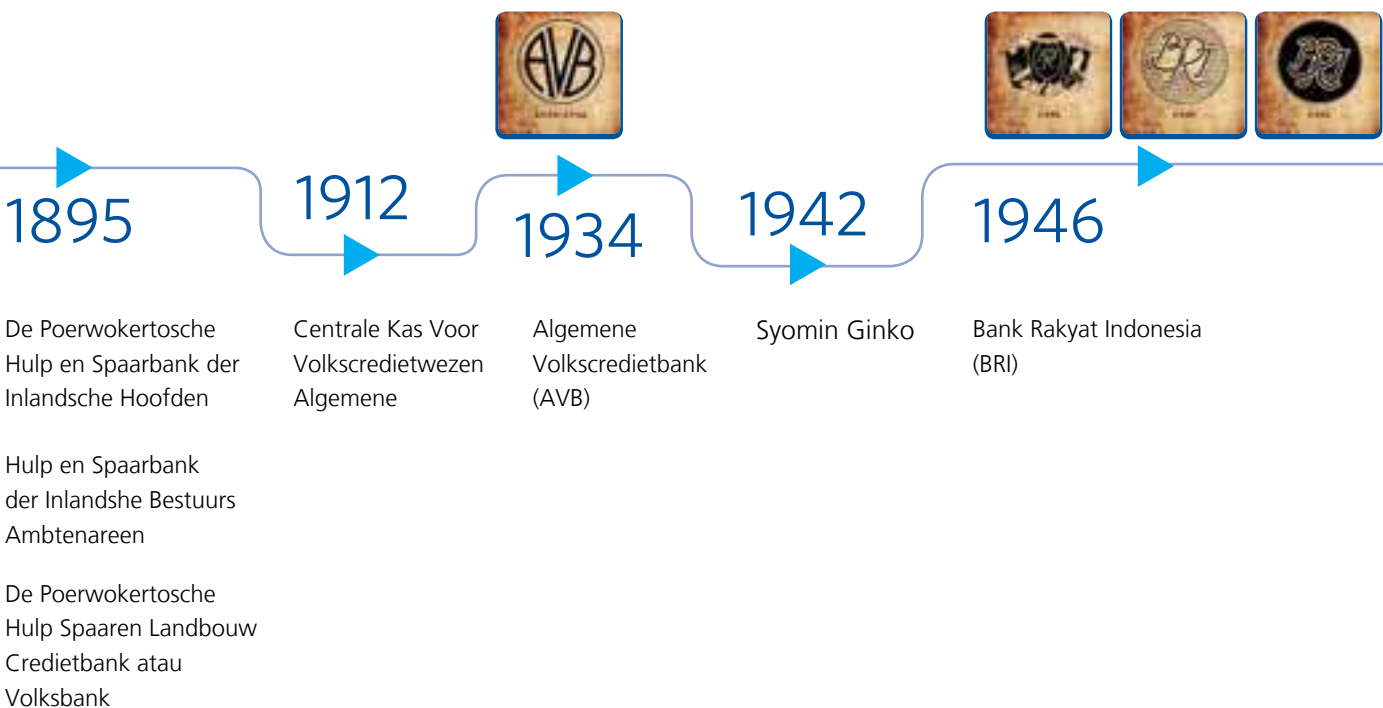
The blue color denotes a feeling of comfort, calmness, and tranquility. As a financial services provider, BRI is committed to deliver these facilities to all customers through the provision of secure services, comprehensive and sophisticated facilities, and an extensive service network.



COMPANY PROFILE

BRI AT A GLANCE

Change of Name of Bank Rakyat Indonesia





1960

Bank Koperasi Tani Nelayan (BKTN)

1968

Bank Rakyat Indonesia (Commercial Bank)

1992

PT Bank Rakyat Indonesia (Persero)

2003

PT Bank Rakyat Indonesia (Persero) Tbk
10 November 2003





COMPANY PROFILE

BRI At A Glance

The history of PT Bank Rakyat Indonesia (Persero) Tbk (“BRI”, “Bank”, or “Perseroan”) were started 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 Inlandsche 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 the Banking Law 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 a strategic step by acquiring Bank Jasa Artha (BJA), which was then converted into PT Bank BRISyariah. BRI Syariah Business Unit then was spun-off from BRI and merged into PT Bank BRISyariah (BRI Syariah) on January 1, 2009, and then on March 3rd, 2011 BRI acquired the shares of PT Agro Niaga Tbk from Dana Pensiun Perkebunan (Dapenbun).

Since its establishment, BRI consistently focuses on micro, small and medium enterprises (MSME), 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 MSME segment, BRI has recorded the achievement as the most profitable bank in 15 consecutive years. Such an achievement is the result of all BRI employees’ hard work who have ceaselessly innovate and develop the banking products and services for all business segments.

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

BRI also brought its technology-based banking services to every corner of the country, including 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 BRIsat, making it the first bank in the world that owns and operates its own satellite. The 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 areas of the nation.

In order to provide the best service for its customers, BRI increased the number of ATM machines up to 19,184 units, with the number of EDC of 204,386 units, and the number of CRM of 3,809 units, including 422,160 BRILink agents. These E-channel networks that are spread across Indonesia are the proof of BRI’s consistency in reaching the unreachable.

BRI At A Glance

Network expansion also continues. To strengthen its business existence in the global arena, BRI has opened its overseas units. In 2015, BRI opened an overseas branch office in Singapore, adding to the existing overseas unit, such as BRI New York Agency, BRI Cayman Island Branch, Hong Kong Representative Office, and BRI Remittance Hong Kong. In 2017, BRI opened a branch office in Timor Leste.

To address the market developments and the variety of people's needs for financial products and services, BRI aimed to become an integrated financial service group, namely a group of companies that provide various financial services to its customers, in banking, insurance, remittance and other financial services.

BRI's elaboration on the insurance and financing segments became more evident in 2015, as BRI added new members engaging in insurance business by acquiring PT Asuransi Jiwa Bringin Jiwa Sejahtera (Bringin Life) and then in 2016 increasing its capital participation in PT BTMU-BRI Finance from 45% to 99%, making BRI 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 a part of BRI's effort in providing complete banking services to its customers, especially the MSME sector. With BRIsat, BRI now can maximize its digital banking services. A number of digital initiatives for MSME have been in operation since 2016, from the development of Teras BRI Digital, e-Pasar, and the launch of co-working space. This was continued in 2017 by launching the Indonesia Mall and organizing the Cowork Festival. All initiatives for MSME are carried out to create superior MSME in the era of digital economy.

BRI also begins operating the Overseas Unit at Timor Leste in 2017, and officially launched the Teras BRI Kapal Bahtera Seva II and Teras BRI Kapal Bahtera Seva III to reach the communities in the coastal areas of Labuan Bajo and Halmahera.

In 2017, BRI held the Extraordinary General Meeting of Shareholders on 18 October 2017 that approved

the stock split from previously Rp250 per share to Rp50 per share (Ratio 1:5). The share was initially traded on 10 November 2017, at the 14th Anniversary of BRI's listing at the stock exchange.

To develop the MSME sector, BRI is continually committed to provide convenience in banking services, in particular through digital banking innovation. To that end, since 2017 BRI has launched BRISPOT and continuing its development in 2018. BRISPOT is a mobile-based application with a one-stop service concept for Account Officer for the end-to-end lending process.

In 2018, to enhance its services to the customers, BRI launched an Artificial Intelligence called Sabrina as BRI New Assistance to facilitate the customers in obtaining information on Bank BRI.

In addition, BRI encouraged the MSME to go digital by launching the Indonesia Mall, cooperated with the market place startups thereby providing the MSME communities the opportunities to sell their products in wider market. BRI also launched the BRI Institute as real engagement of Bank BRI in the National Capacity Building for MSME segment.



COMPANY PROFILE

BRI At A Glance

As an entity, the BRI Group is a financial group providing comprehensive financial services, from conventional to sharia banking services, to insurance, and multifinance. This is in line with the BRI corporate plan 2018-2022 to achieve aspirations as an integrated financial services provider.

To accomplish this aspirations, on December 2018, BRI exercised three new equity investments, which are 2 (two) new subsidiaries – PT BRI Ventura Investama (BRI Venture) and PT Danareksa Sekuritas (DS), as well as in PT Danareksa Investment Management (DIM).

BRI Venture will be developed as the Corporate Venture Capital (CVC) for strategic investment especially toward growth-stage startup companies that have synergy potential with BRI Group and/or capital gain potentials.

In 2019, continues to innovate its financial products and services to establish itself as the leading financial institution in digital banking in Indonesia. Some digital banking products launched through BRI Agro or PINANG are the First Digital Banking Lending in Indonesia. Next came BRIimo which is the latest data-driven BRI Mobile application with UI/UX (user interface/user experience) and the latest features. Most recently, BRI launched online loan facility called CERIA.

These initiatives were undertaken to continue realizing BRI's aspiration to be an excellent banking in the current digital economy.

To realize an integrated financial solution, Bank BRI undertook a strategic move to complement its financial services, by acquiring companies that are engaged in General Insurance such as PT. Bringin Sejahtera Artha Makmur or BRINS.

On these equity investments, total Subsidiaries of BRI become 8 (eight) Subsidiaries, namely Sharia (BRI Syariah), Conventional Bank (BRI Agro), Remittance (BRI Remittance), Insurance (BRI Life), Multifinance (BRI Finance), Venture Capital (BRI Ventures), Securities (Danareksa Sekuritas), and PT. Bringin Sejahtera Artha Makmur (BRINS).

LINE OF BUSINESS IN ACCORDANCE WITH THE ARTICLES OF ASSOCIATION

BRI's core business, based on the last Deed of Amendment No. 81 dated April 23rd 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:

The purpose and objective of the Company is to engage in the banking activity and optimizing the utilization of the Company's resources to deliver excellent services and strong competitiveness in order to gain/obtain profitability so as to increase the Company's values with due observance to the principles of Limited Liability Company.

In order to achieve the above purpose and objective, the Company may undertake the following main business:

- a. To collect funds from the public in the form of deposits comprising of clearing account (giro), time deposit, deposit certificate (sertifikat deposito), savings account and/or any other form equivalent to the foregoing;
- b. To provide credits;
- c. To issue debt acknowledgement letters;
- d. To purchase, sell or put encumbrance over, whether at its own risk or for the benefit of and under the instructions of its customers, for the following:
 1. Money order, including bank certified money order, with a validity period not exceeding the normal practice for trading of such money order;
 2. Debt acknowledgement letters and other commercial papers, with a validity period not the exceeding normal practice for trading of such papers;
 3. State treasury notes and government guarantees;
 4. Bank Indonesia Certificates (SBI);
 5. Bonds;
 6. Commercial Papers with a validity period in accordance with the laws and regulations;
 7. Other commercial papers instrument with a validity period in accordance with laws and regulations;
- e. To transfer funds, whether for its own benefit as well as for the benefit of its customers;
- f. To place funds at, to borrow funds from, or to lend funds to other banks, whether by letters, telecommunication facilities, or registered money order, check or other media;
- g. To receive payment of receivable from commercial papers and undertake settlement with or among third parties;
- h. To provide safekeeping for goods or commercial papers;
- i. To engage in a custody activities for the benefit of other party based on a contract;
- j. To conduct a placement of fund from one customer to another customer in the form of commercial papers that are not registered at the stock exchange;
- k. To purchase through an auction or other in the event, collateral whether in whole or in part a debtor fails to meet its obligations to the Company as the Bank, provided that the collateral being purchased shall be liquidated immediately;\
- l. To conduct a factoring (anjak piutang), credit card and trusteeship services;
- m. To provide funding and/or any other activities that are based on the Sharia Principles, in accordance with the rules and regulations that are imposed by the competent authority;
- n. To conduct activities in foreign currencies pursuant to the rules and regulations that are imposed by the competent authority;
- o. To conduct capital participation in banks or other financial companies, such as leasing companies, venture capital, securities companies, insurance companies, and a clearance, settlement and depository institutions, subject to rules and regulations that are imposed by the competent authorities;
- p. To conduct temporary capital participation for the purpose of overcoming credit failure or financing failure pursuant to the Sharia principles, provided that such participation shall be eventually withdrawn, subject to rules and regulations that are imposed by the competent authority;
- q. To act as an founder or manager of pension funds in accordance with the Provisions of laws and regulations;
- r. To conduct other activities normally conducted by banks, provided that the activities shall not contravene with the laws and regulations.



COMPANY PROFILE

PRODUCTS AND SERVICES



Savings Product



BRI BritAma Savings

BRI Britama Savings comes complete with e-banking facilities for easy 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, including BritAma Bisnis, BritAma Public, 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 Savings Plan

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.



BRI Simpedes Savings

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. In addition, Bank BRI offers other savings products like:

1. Tabunganku
2. SimPel (Student Savings)
3. Hajj Savings
4. Time Deposit (Rupiah and Foreign Exchange)
5. Current Account (Rupiah and Foreign Exchange)



Loan Products

Micro Loans

Kupedes

Kupedes is a loan facility that are provided for public aim at facilitating all economic sectors of micro segment for working capital and/or investment for eligible individual debtors.

KUR Mikro

KUR Mikro is a loan facility for startup micro entrepreneurs.

Consumer Loans

- ▶ Mortgages Loan (KPR)
- ▶ Vehicle Loan (KKB)
- ▶ Credit Cards
- ▶ Ceria (Digital Loan)

BRIGuna

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

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 Commercial Receipt Loan
- ▶ Warehouse Ownership Loan
- ▶ Petrol Station Bridging Loan
- ▶ Pre-Financing Loan
- ▶ Post-Financing Loan
- ▶ Distributor Financing

Program Loans

- ▶ Warehousing Subsidy
- ▶ Migrant Workers KUR
- ▶ Small KUR (special KUR plantation sector, fishery, and stockbreeding)

Medium and Corporate Loans

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



COMPANY PROFILE



Banking Services

Cash Management System

BRI's Cash Management services enable corporate customers to directly monitor their financial transactions via online facilities. 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 Customer Cooperation Agency (NIK)
- ▶ Services related to Otoritas Jasa Keuangan (OJK)
- ▶ Services related to State Budget Treasury System (SPAN)
- ▶ Multifunction Identity Card (KIM)
- ▶ Electronic Unsecured Loans
- ▶ E-Samsat
- ▶ E-Tilang (Online Traffic Tickets)
- ▶ PDAM Online
- ▶ BPJS-TK Service Point Office

Business & Financial Services

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

E-Banking

- ▶ ATM BRI
- ▶ Mobile Banking BRI (SMS Base)
- ▶ Internet Banking BRI
- ▶ CRM BRI
- ▶ EDC BRI
- ▶ BRIZZI (Electronic Money BRI)
- ▶ BRImo

International Business Services

- | | | |
|--|----------------------------------|--|
| ▶ Import Services | ▶ Export Billing Service | ▶ Banker Acceptance |
| ▶ Issuance of Letter of Credit (LC) | ▶ Outward Documentary Collection | ▶ USD Local Settlement |
| ▶ Issuance of LC Amendment | ▶ Outward Clean Collection | ▶ Guarantee (Standby LC) |
| ▶ Import Credit Facilities | ▶ Pre-Shipment Financing (KMKE) | ▶ Domestic Documented Credit Letters (SKBDN) |
| ▶ Pre-Import Financing (Import Guarantee) | ▶ Post-Shipment Financing | ▶ Bill Purchase Financing |
| ▶ Post-Import Financing (KMKI & Trust Receipt) | ▶ Export Order Negotiations | ▶ Money Changer |
| ▶ Export Services | ▶ Future Export Note Discounts | ▶ Forfaiting |
| ▶ Advising LC | ▶ Future Export Note Rediscounts | ▶ Counter uarantee |
| ▶ LC Confirmation | ▶ Refinancing LC | |
| | ▶ Risk Participation | |

Products and Services

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 service (no need for a bank account) that can be withdrawn in all BRI units as well as BRI BRILink agent in Indonesia in real time online.

Treasury Services

- ▶ Foreign Exchange Transaction
- ▶ Swap Transaction
- ▶ Forward Transaction
- ▶ Trustee Services
- ▶ Securities Selling Agent Services
- ▶ Custodian Services
- ▶ 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.





COMPANY PROFILE



Work Units

Outlets	2014	2015	2016	2017	2018	2019
Head Office	1	1	1	1	1	1
Regional Offices	19	19	19	19	19	19
Special Branches	461	467	467	468	468	467
Sub Branches	584	603	609	610	609	611
BRI Units	5,293	5,360	5,380	5,382	5,381	5,382
Cash Offices	971	983	984	992	964	952
Teras BRI	2,457	2,543	2,545	2,536	2,069	2,049
Teras BRI Keliling	610	636	638	638	133	133
Teras BRI Kapal	-	1	3	3	3	4
Numbers of Operational Work Units Total	10,396	10,613	10,646	10,649	9,647	9,618

Work Units Total includes 5 Overseas Work Units

OPERATIONAL AREAS

Operation Areas, Branch, and E-Channel Network

Domestic Regional Office Network

Currently, BRI serves its customers through over 9,618 operating units and 227,436 e-channel network and 422,160 BRlink agents across Indonesia



E-Channel

E-Channel	2014	2015	2016	2017	2018	2019
ATM	20,792	22,792	24,292	24,684	24,684	19,184
EDC	131,204	187,758	257,712	302,921	284,426	204,386
CRM	392	892	1,392	1,992	2,609	3,809
E-Buzz	55	57	57	57	57	57
Total	152,443	211,499	283,453	329,654	309,776	227,436
Agen BRlink	-	50,259	84,550	279,750	401,550	422,160



COMPANY PROFILE

MILESTONES

1895

On 16 December 1895, Raden Aria Wiriatmaja founded De Poerwokertosche Hulp en Spaarbank der Inlandsche Hoofdenin 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 Ambtenareen (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 Japanese occupation period, 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.

1960

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

1968

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

1969

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

1984

Following the closing of Bimas program by the Government, BRI started to manage the micro business commercially, distributed through BRI Units.

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.

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 the BRI Satellite (BRISat) Satellite Procurement and Launcher Agreement with Space System/ Loral (SSL) and Arianespace on 28 April, 2014.

2013

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

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).

2009

Real-time online interconnection with the whole works unit, numbering 6,480 outlets at the time.

2007

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

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." Now BRI is part of the LQ-45 share index and also one of the blue chip companies on IDX.

1992

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

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.

2017

- ▶ BRI began operating Timor Leste Overseas Unit on 14 March 2017
- ▶ On 24 February 2017 BRI officially launched Teras BRI Kapal Bahtera Seva II and Teras BRI Kapal Bahtera Seva III to reach communities in the coastal areas of Labuan Bajo and Halmahera Island
- ▶ BRI Extraordinary General Meeting of Shareholders ("EGMS") held on 18 October 2017 has approved the stock split from Rp 250,- (two hundred fifty Rupiah) per share to Rp 50,- (fifty Rupiah) per share (Ratio 1:5) and began its trading on 10 November 2017, the 14th Anniversary of BRI's listing at the stock exchange.

2018

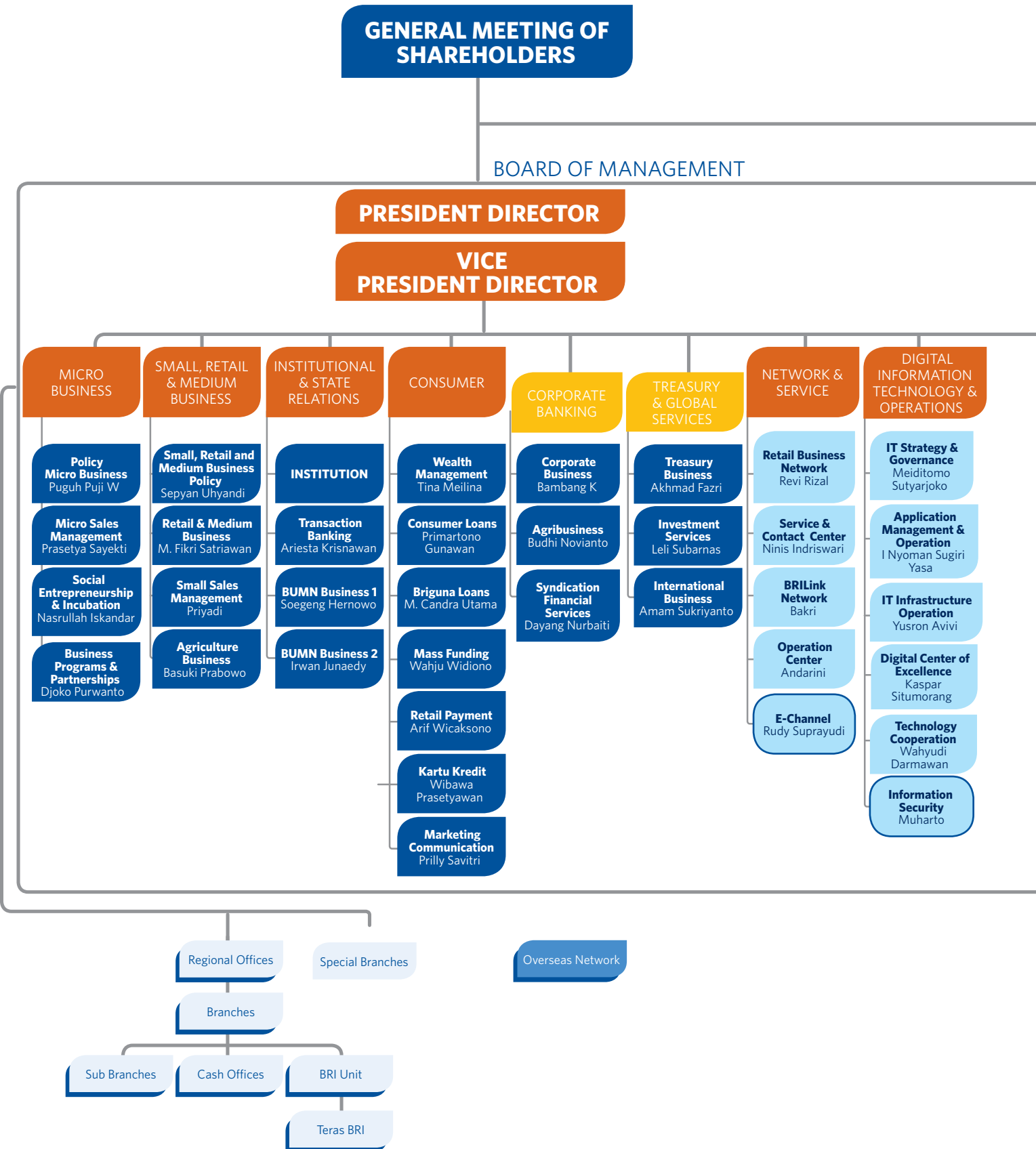
- ▶ To enhance its customer service BRI launched Sabrina, an Artificial Intelligence as BRI New Assistance to facilitate the customers in getting information on the Bank.
- ▶ BRI encouraged the MSME to go digital by launching the Indonesia Mall, cooperating with the market place startups thereby providing the MSME communities the opportunities to sell their products in wider market.
- ▶ BRI issued the following bonds:
 - Bank BRI Shelf Registration Bonds II Phase IV 2017 Series-A, maturity on 21 February 2023, with nominal value of 1,837,000,000,000 shares and coupon/discount rate of 6.65%, with AAA credit rating from Pefindo.
 - Bank BRI Shelf Registration Bonds II Phase IV 2017 Series-B, maturity on 21 February 2025, with nominal value of 605,000,000,000 shares and coupon/discount rate of 6.90%, with AAA credit rating from Pefindo.
 - Bank BRI Registration Bonds III 2018, maturity on 21 June 2023, with nominal value of 500,000,000,000 shares and coupon/discount rate of 7.70%, with AA credit rating from Pefindo.

- ▶ Bank BRI through its subsidiary BRI Agro launched PINANG, the First Digital Lending Banking in Indonesia. By combining digital technology, PINANG speeds up the application process to disbursement to less than 10 minutes. Applications can be made through branchless methods. Using a fast, affordable, and secure process, as well as a competitive ceilings, PINANG will provide extra convenience for customers to apply for loans.
- ▶ Bank BRI has acquired companies engaged in General Insurance, PT. Bringin Sejahtera Artha Makmur (BRINS), this acquisition is a strategic step for the company to become an integrated financial solution that will further complement the financial services owned by the BRI Group.
- ▶ Bank BRI has launched its latest digital banking breakthrough to provide convenience and security in banking transaction services. BRI launched the BRIimo application, the latest BRI Mobile application based on data with the latest UI/UX (user interface/user experience) and the features that can be used by customers and non-customers without having to come to the branch office with a choice of funding sources current account, savings and Electronic Money for each of its features. BRIimo has various interesting advantages, such as convenience in opening a BRI Britama Muda Savings account, login applications using finger print or face id recognition, the use of account aliases and access to information on BRI Bank promos. Until December 2019 there have been 2.96 million BRIimo users.
- ▶ On 12 December 2019, Bank BRI made a groundbreaking innovation in its financial products and services to establish itself as a leading financial institution in digital banking in Indonesia. BRI launched an online loan called CERIA. Through this launch, BRI became the first state-owned bank to have an online loan application.
- ▶ In addition to innovating through various digital banking products development, during 2019 Bank BRI also continued to empower the MSME business owners through KUR disbursement of Rp87.9 trillion to more than 4 millions of them. Of the total KUR disbursed during 2019 by Bank BRI, Rp75.7 trillion or 86.1% were disbursed specifically in the micro segment. Thus, since 2015, Bank BRI has succeeded in distributing KUR with a total value of Rp 323.4 trillion to more than 16.6 million MSME business owners throughout Indonesia.
- ▶ BRI has exercised three new equity investments, which are 2 (two) new subsidiaries, PT BRI Ventura Investama (BRI Venture) and PT Danareksa Sekuritas (DS), as well as in PT Danareksa Investment Management (DIM). On these equity investments, total Subsidiaries of BRI become 7 (seven) Subsidiaries, namely Sharia (BRI Syariah), Conventional Bank (BRI Agro), Remittance (BRI Remittance), Insurance (BRI Life), Multifinance (BRI Finance), Venture Capital (BRI Ventures), and Securities (Danareksa Sekuritas).
- ▶ BRI also launched the BRI Institute as a manifestation of Bank BRI's effort in the National Capacity Building for MSME segment.



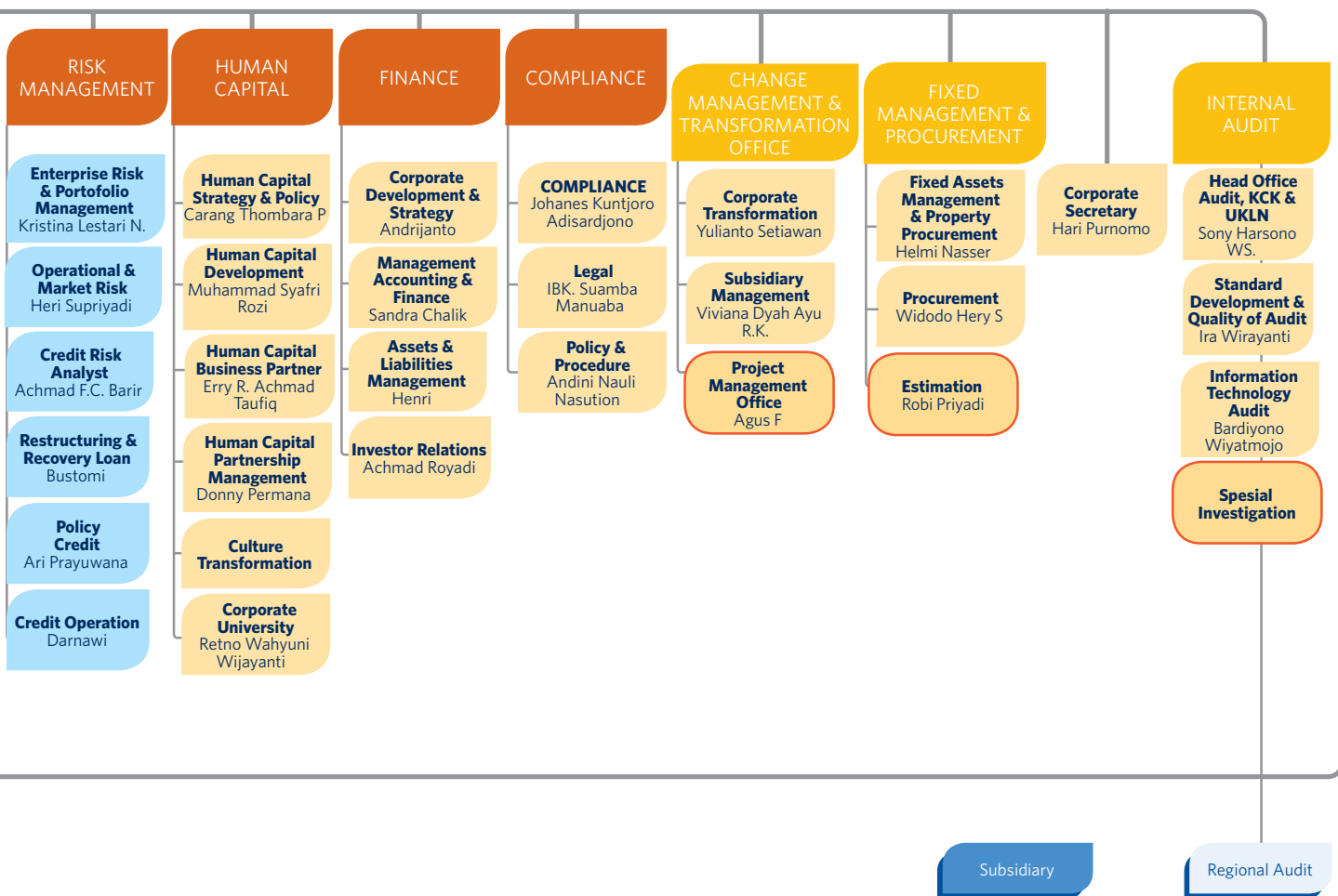
COMPANY PROFILE

ORGANIZATION STRUCTURE



Organization Structure

DEWAN KOMISARIS



- Directors
- SEVP
- Business
- Business Support
- Support

Board of Commissioners Committee : Audit, Nomination & Remuneration, Risk Management Monitoring, Integrated Governance
 Directors Committee : Risk Management, Credit Policy, Credit, ALCO, Human Capital Policy, IT, Capital & Investment, Job Evaluation, Product, Project Management Office, Procurement



COMPANY PROFILE

VISION, MISSION & CORE VALUES



Vision

Becoming The Most Valuable Bank in South East Asia and Home to the Best Talent



Mission

- ✓ To conduct the best banking practices with a priority to serve micro, small, and medium enterprises in order to support the people's economy.
- ✓ To provide customers with excellent services, delivered through:
 - ▶ Professional Human Resources with a performance-driven culture
 - ▶ Reliable and future-ready information technology
 - ▶ Productive conventional and digital networks, while still adhering to operational and risk management excellence principles
 - ▶ To create optimal values and benefits for stakeholders with due observance to sustainable financial principles and the best of Good Corporate Governance practices.

Approval of Vision and Mission

The Vision and Mission of the Company has been approved by the Board of Commissioners and Board of Directors pursuant to the Decree No. 403-DIR/CDS/05/2017 dated 16 May 2017.

Core Values



Integrity

Intellectual, exemplary communication and conduct, upholding honor and abiding by regulations.



Professionalism

Always committed to work meticulously and accurately with excellent capabilities and responsibilities.



Trust

Always fostering assurance and trust between stakeholders for the company's progress.



Innovation

Making the most of the capabilities and skills to find new solution and ideas to create products/policies in resolving the Company's challenges.



Customer Centric

Always placing customers as mutually beneficial main partners in growing sustainably.



COMPANY PROFILE

CORPORATE CULTURE

BRILiaN

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

10 (Ten) Code of Conduct of BRI

Employees are the behavior and conduct expected from each BRI Employees as a reflection of the BRI Corporate Culture (BRILiaN)

1. Transparent, Honest, and Sincere
2. Compliance with the Laws
3. Continuous Learner
4. Fairness
5. Mutual Respect
6. Putting the Company and the Country First
7. Visionary
8. Pioneer of Change
9. To Sincerely Serve more than the Customer's Expectations
10. Collaborative

Corporate Culture

Furthermore there are also

20 (Twenty) Corporate Culture in Practices

which are real actions that shall be conducted by each BRI personnel, which reflects the core values of the Corporate Culture:

1. Always maintain both the personal and company good reputations.
2. Actively express opinions/ share at morning briefings, meetings and other forums.
3. Say No to Fraud, and be firm against irregularities committed by subordinates, coworkers, and Superiors.
4. Be disciplined in meeting appointments (office hours, meetings, business meetings, report submission).
5. Increase knowledge and understand the tasks as well as knowledge about banking in order to recognize and control risks.
6. Be up to date on the latest developments of banking information.
7. Give rewards to Employees who are successful in both performance and behavior (rewards do not have to be in financial form).
8. Build a performance-based culture (performance driven culture) in each line and work unit.
9. Appreciate the opinions of subordinates, coworkers, and superiors who are oriented to the Company's progress.
10. Maintain a good relationship between Employees and the Company, including when communicating on social media.
11. Motivate each other through dialogue, discussion forums and other meetings.
12. Uphold Good Corporate Governance (GCG) and avoid Conflict of Interest in each area of duty.
13. Always have discussions in teams to find the best solutions that have long-term and sustainable impacts.
14. Active in exploring innovation ideas to answer challenges in work units.
15. Always make improvements with creative and innovative new ideas.
16. Build a Friendly Culture in providing services (Smiles and Greetings) to internal and external customers.
17. Settle complaints/services faster than the service level agreement (SLA).
18. Maintain cleanliness & comfort of the work environment.
19. Increase collaboration and communication between task fields to obtain the best solutions for the needs of customers and companies.
20. Always put the needs and interests of customers first in all company activities



COMPANY PROFILE

Corporate Culture

Corporate Culture is one of the main foundations to successfully achieving the company's vision and mission. To encourage the achievement of the company's vision and mission, it is necessary to implement a strong Work Culture that can unite the way of thinking, behaving, and acting, strengthen teamwork and strengthen resilience in addressing the internal and external challenges, including:

- The development and challenges in the change of financial services field through digital disruption shall be supported by enhanced knowledge, skills, services and professionalism of HR in facing the competition.
- A significant proportion of the Millennials bringing different Cultural backgrounds.
- The increasingly tight competition in banking industry demands excellent human resource.

As such, at the beginning of 2018, BRI has set the 5 core values of BRI Work Culture abbreviated as BRILiaN (**BRI with Five Values**) as follows:

- Integrity
- Professionalism
- Trust
- Innovation
- Customer Centric



The BRI Work Culture Mascot is called "BRILiaN". It symbolizes the role of Corporate Culture in supporting BRI's business activities to improve the company performance, employee welfare, and prosperity as well as equal distribution throughout Indonesia.

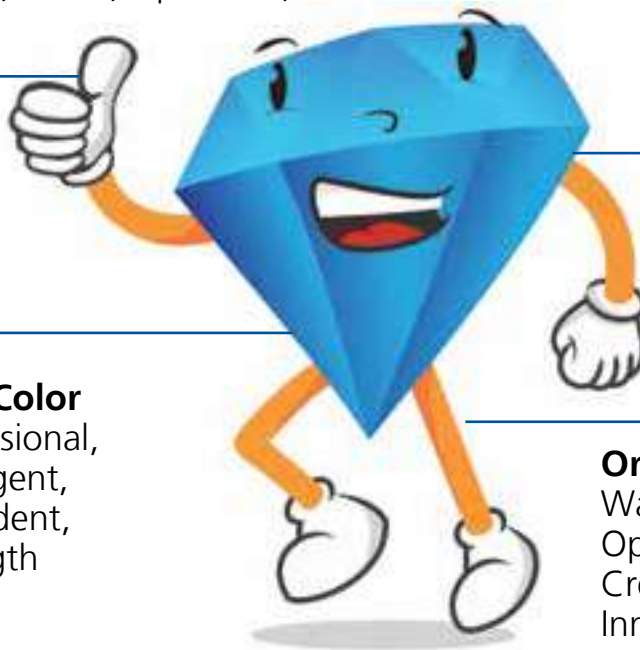
The Mascot Image of BRI's Work Culture has the following meanings:

White Color

Goodness, Clean, Openness, Freedom

Diamond Shape

Toughness, Beauty, High Valued



Blue Color

Professional, Intelligent, Confident, Strength

Orange Color

Warmth, Comfort, Optimism. Creative, Innovative



Integrity



Professionalism



Trust



Innovation



Customer Centric



COMPANY PROFILE

Corporate Culture

The BRI Work Culture is further redefined into 5 core values of the Work Culture, 10 (ten) main behavioral conduct of BRI employees, and 20 (twenty) Work Culture Acts. 10 (ten) BRI Personnel Behavioral Conduct are the conduct and behavior of every BRI employee that reflects the core values of BRI's Work Culture (BRILiaN). Whereas 20 (twenty) Work Culture Acts are real actions that shall be carried out by every BRI employee and reflect the core values of Work Culture.

The BRI Values of BRI's Work Culture (BRILiaN) are explained as follows:

Integrity

Definisi Always having commendable thought, saying and behavior, maintaining the honor, and obeying the rules. Behavior that shows the value of integrity is open, honest, sincere and obedient to the rules

Behavior & Conduct

1. Transparent, Honest and Sincere
2. Compliance with the Laws

Work Culture Acts

1. **Always maintain both the personal** and company good reputations
2. **Actively express opinions** / share at morning briefings, meetings and other forums.
3. **Say No to Fraud**, and be firm against irregularities committed by subordinates, coworkers, and Superiors.
4. **Disciplined** in meeting appointments (office hours, meetings, business meetings, report submission).

Professionalism

Definisi Always committed to work thoroughly and accurately with the best ability and full of responsibility.

Behavior & Conduct

3. Continuous Learner
4. Fairness

Work Culture Acts

5. **Increase knowledge and understand** the tasks as well as knowledge about banking in order to recognize and control risks.
6. **Be up to date on developments** of the latest banking information.
7. **Give rewards to Employees** who are successful in both performance and behavior (rewards do not have to be in financial form).
8. **Build a performance-based culture** (performance driven culture) in each line and work unit.

Trust

Definisi Always-building confidence and trust among stakeholders for the sake of the bank's progres.

Behavior & Conduct

5. Mutual Respect
6. Putting the Company and the Country First

Work Culture Acts

9. **Appreciate the opinions of subordinates**, coworkers, and superiors who are oriented to the Company's progress.
10. **Maintain a good relationship between Workers and the Company**, including when communicating on social media.
11. **Motivate each other through dialogue**, discussion forums and other meetings.
12. **Uphold the Good Corporate Governance (GCG) and avoid Conflict of Interest** in each area of duty.

Corporate Culture

Innovation		
Definisi	Always utilizing the ability and expertise to find new solutions and ideas to produce products/ policies in answering the challenges of the Bank's problems.	
	Behavior & Conduct	Work Culture Acts
	7. Visionary	13. Always have discussions in teams to find the best solutions that have long-term and sustainable impacts.
		14. Active in exploring innovation ideas to answer challenges in work units.
	8. Pioneer of Change	15. Always make improvements with creative and innovative new ideas.
Customer Centric		
Definisi	Always placing the customer as the main partner of mutual benefit to grow on an ongoing basis.	
	Behavior & Conduct	Work Culture Acts
	9. To Sincerely Serve more than the Customer's Expectations	16. Build a Friendly Culture in providing services (Smiles and Greetings) to internal and external customers.
		17. Settle complaints/services faster than the service level agreement (SLA).
		18. Maintain cleanliness & comfort of the work environment
	10. Collaborative	19. Increase collaboration and communication between task fields to obtain the best solutions for the needs of customers and companies.
		20. Always put the needs and interests of customers first in all company activities



COMPANY PROFILE

BOARD OF COMMISSIONERS' PROFILE



Andrinof A. Chaniago

President Commissioner / Independent Commissioner

Citizenship	Indonesia
Age	57 years old
Domicile	Jakarta

Educational Background

- Political Science, Social and Political Science Faculty, University of Indonesia (1990)
- Diploma, The National Development Courses, Fu Hsing Kang College, Taipei, Taiwan (2004)
- Master Degree in Planning and Public Policies, from Economics Faculty, University of Indonesia (2004)

Professional Background

- President Commissioner at PT Angkasa Pura I (2015-2017)
- Minister of National Development Planning, Ministry of National Development Planning/BAPPENAS (2014-2015)
- Executive Director Cirus Surveyors Group (CGS) (2008-2014)

Appointment

- Appointed President/Independent Commissioner of BRI for the first term since 15 March 2017 pursuant to the Annual GMS resolution
- As passed the fit and proper test based on OJK Letter No. SR-123/PB.12/2017 dated 21 July 2017
- He also serves as Chairman of the Nomination & Remuneration Committee, Member of BRI Risk Management Monitoring Committee and Member of the Integrated Governance Committee

Concurrent Position

Currently active as Lecturer at The Political Science Department, Social and Political Science Faculty, University of Indonesia (2006 – present).

Affiliates

None

Board of Commissioners' Profile



Ahmad Fuad Rahmany

Independent Commissioner

Citizenship	Indonesia
Age	65 years old
Domicile	Depok
Educational Background	
<ul style="list-style-type: none"> - Bachelor Degree in Economics from University of Indonesia, Jakarta (1981) - Master of Arts from Duke University, Durham, North Carolina, US (1987) - Doctoral Degree in Economics from Vanderbilt University, Tennessee, US (1997) 	
Professional Background	
<ul style="list-style-type: none"> - Commissioner PT Indonesia Asahan Alumunium (Persero) (2014- 2015) - Member of Non Executive Board of Directors of Indonesian Export Financing Institution (2013-2014) - Director General of Taxation, Finance Ministry (2011-2014) - Commissioner exofficio of Indonesia Deposit Insurance Corporation (2009-2014) - Chairman of the Capital Market & Financial Institution Supervisory Agency (Bapepam-LK) (2006-2011) 	
Appointment	
<ul style="list-style-type: none"> - Appointed Independent Commissioner of BRI for the first term since 19 March 2015 pursuant to the Annual GMS resolution - Has passed the fit and proper test based on OJK Letter No. SR-85/D.03/2015 dated 19 May 2015 - He also serves as Chairman of the Audit Committee, Member of the Nomination and Remuneration Committee, and Member of the Risk Management Oversight Committee of BRI. 	
Concurrent Position	
None	
Affiliates	
None	



COMPANY PROFILE

Board of Commissioners' Profile



A. Sonny Keraf

Independent Commissioner

Citizenship	Indonesia
Age	61 years old
Domicile	Jakarta

Educational Background

- Bachelor Degree in Philosophy from Institute of Philosophy Driyarkara, Jakarta (1988)
- Master in Philosophy from the Higher Institute of Philosophy, Katholieke Universiteit Leuven, Belgium (1992)
- Doctor (Ph.D.) in Philosophy from the Higher Institute of Philosophy, Katholieke Universiteit Leuven, Belgium (1995)

Professional Background

- Member of the People's Representative Council (2004-2009), and Minister of Environment (1999-2001)
- Minister of Environment of the Ministry of Environment (1999-2001)
- Adjunct Lecturer of the Doctoral Degree Program, Environmental Studies, University of Indonesia (2001-2014)

Appointment

- Appointed Independent Commissioner of BRI for the first term since 19 March 2015 pursuant to the Annual GMS resolution
- Has passed the fit and proper test based on OJK Letter No. SR-98/D.03/2015 dated 1 June 2015
- He also serves as Chairman of the Audit Committee, and Member of the Nomination and Remuneration Committee of BRI

Concurrent Position

- Independent Commissioner of PT Gorontalo Sejahtera Mining (2015-present)
- Member of the National Energy Council (2014-Juli 2019)
- Lecturer in Atmajaya Catholic University (1988-present)

Affiliates

None

Board of Commissioners' Profile



Rofikoh Rokhim

Independent Commissioner

Citizenship	Indonesia
Age	48 years old
Domicile	Jakarta

Educational Background

- Bachelor Degree in Economics from the University of Islam Indonesia, Yogyakarta (1993)
- Bachelor Degree in Political Science from the University of Gajah Mada, Yogyakarta (1994)
- Master Specialist in Public Finance from French Prime Minister, Institute International d' Administration Publique (IIAP) - Ecole National d' Administration (ENA) (2000)
- D.E.A (M.Phil) from Université de Paris 1 Panthéon Sorbonne, Paris (2002)
- Ph.D. in Economics (Applied Macro and Micro Economics, Development Studies in Finance) from Université de Paris 1 Panthéon Sorbonne, Paris (2005)
- Professional Studies: Sloan School of Management, Massachusetts Institute of Technology (MIT), London School of Economics and Political Science (LSE), Said Business School-University of Oxford, Chicago Booth School of Business, Stanford Graduate School of Business, Wharton Business School, INSEAD, Harvard Business School, Harvard Kennedy School

Professional Background

- President Commissioner of PT Hotel Indonesia Natour (Persero) (2015-2017)
- Service and Membership Committee at BPJS Employment (2016-2017)
- Organizational Performance and HR at BPJS Employment (2016-2017)
- Task Force of Municipality, Transmigration and Underdeveloped Regions Ministry (2016-2017)
- Task Force of Energy and Mineral Resources Ministry (2014-2015)
- Audit Committee and as Head of Management Risk Committee of PT POS Indonesia (2012-2015)
- Head of Bisnis Indonesia Intelligence Unit (2008-2013)

Appointment

- Appointed Independent Commissioner of BRI for the first term since 18 October 2017 pursuant to the Extraordinary GMS resolution
- Has passed the fit and proper test based on OJK Letter No. KEP 15/D.03/2018 dated 24 January 2018
- He also serves as Chair of the Integrated Governance Committee, Member of the Audit Committee, Member of the BRI Nomination & Remuneration Committee and Chair of the Risk Management Monitoring Committee

Concurrent Position

Currently active as Lecturer and Researcher in the Economics and Business Faculty of University of Indonesia (2006-present).

Affiliate

None



COMPANY PROFILE

Board of Commissioners' Profile



Hendrikus Ivo

Independent Commissioner

Citizenship	Indonesia
Age	61 years old
Domicile	Jakarta
Educational Background	
<ul style="list-style-type: none"> - Bachelor Degree in Corporate Economy from Universitas Diponegoro (1993) - Master Degree in Financial Management from Universitas Padjadjaran (2000) 	
Professional Background	
<ul style="list-style-type: none"> - Senior Advisor to Chairman of the Board of Commissioners of the Financial Services Authority (OJK) (2018) - Deputy Commissioner of Investigation, Organization and HR of the Financial Services Authority (OJK) (2017) - Deputy Commissioner for Investigation & APU PPT Financial Services Authority (OJK) (2016) - Head of the Financial Services Authority (OJK) Legal Department (2015) - Head of the Department of Special Examination and Banking Investigation of the Financial Services Authority (OJK) (2014) - Head of Regional Office 6 Sulawesi, Maluku and Papua (Sulampua) Financial Services Authority (OJK) (2014) 	
Appointment	
<ul style="list-style-type: none"> - First appointed as Independent Commissioner since 15 May 2019 based on the results of the AGM - Has passed the fit and proper Test based on OJK Decree No: SR-242/PB.12/2019 dated August 29, 2019 - He also serves as a Member of the Risk Management Monitoring Committee, Audit Committee, Integrated Governance Committee and Nomination & Remuneration Committee 	
Concurrent Position	
None	
Affiliates	
None	

Board of Commissioners' Profile



Nicolaus Teguh Budi Harjanto

Commissioner

Citizenship	Indonesia
Age	47 years old
Domicile	Jakarta
Educational Background	<ul style="list-style-type: none"> - Bachelor Degree in Political Science from Universitas Gadjah Mada (1996) - Master's Degree in Political Science from Ohio University, Athens, Ohio, USA (2003) - Doctoral Degree in Political Science from, Northern Illinois University, USA (2010)
Professional Background	<ul style="list-style-type: none"> - Commissioner of PT Bank Rakyat Indonesia (Persero) Tbk (2017 - now) - Commissioner of PT Permodalan Nasional Madani (Persero) (2016 - 2017) - Special Staff in charge of Political and Institutional Communications to State Secretary Minister (2015 – present)
Appointment	<ul style="list-style-type: none"> - Appointed as Commissioner for the first term since 15 March 2017 pursuant to the Annual GMS Resolution - Received the approval on the fit and proper Test by OJK Decree No. SR-123/PB.12/2017 dated July 21, 2017 - He also serves as Member of BRI Nomination and Remuneration Committee and Member of the Risk Management Monitoring Committee
Concurrent Position	<ul style="list-style-type: none"> - Currently serves as Special Staff to the Minister of State Secretary for Political and Institutional Communication (2015-present) - Secretary General of the Indonesian Political Science Association (API) (2015-present)
Affiliates	None



COMPANY PROFILE

Board of Commissioners' Profile



Hadiyanto

Commissioner

Citizenship	Indonesia
Age	57 years old
Domicile	Jakarta

Educational Background

- Bachelor of Law Degree from University of Padjajaran, Bandung (1986)
- Certificate International Tax Program
- Master of Law from Harvard University, USA (1993)
- Doctoral Degree in Law Science from University of Padjajaran, Bandung (2012)

Professional Background

- Commissioner of PT Telkom Indonesia (2012-2018)
- Supervisory Board of Cardiovascular Harapan Kita Hospital (2011-2015)
- Supervisory Board of Bung Karno Stadium (2010-2011)
- Indonesian LPEI Board of Directors (Eximbank) (2009-2015)
- Commissioner of PT Tuban Petro Indonesia (2007-2013)
- President Commissioner of PT Garuda Indonesia (Persero) Tbk (2007-2012)
- President Commissioner of PT Bank Ekspor Indonesia (Persero) (2007-2009)
- Director General of State Assets of the Ministry of Finance (2006-2015)
- Commissioner of PT Bahana Indonesian Business Financing (2006-2008)
- Alternate Executive Director of World Bank, Washington DC (2003-2005)
- Head of Legal & Public Relations Bureau of the Ministry of Finance (1993-2003)

Appointment

- Appointed as Commissioner for the first term since 2018 pursuant to the Annual GMS resolution
- Received the approval on the fit and proper Test by OJK Decree No. SR-194/PB.12/2018 dated 21 September 2018
- He also serves as Member of the Risk Management Supervisory Committee, and Member of the Nomination and Remuneration Committee of BRI

Concurrent Position

- Currently serves as Secretary General of Finance Ministry (2015-present)
- Chairman of Supervisory Board of Dr. Cipto Mangunkusumo Hospital (2016- present)
- Supervisory Board of Educational Fund Management Agency (2015-present)

Affiliates

None

Board of Commissioners' Profile



Loeke Larasati Agoestina*

Commissioner

Citizenship	Indonesia
Age	60 years old
Domicile	Jakarta
Educational Background	<ul style="list-style-type: none"> - Bachelor Degree in Civil Law, Universitas Katolik Parahyangan (1994) - Master Degree in Human Capital from IPWI (2001)
Professional Background	<ul style="list-style-type: none"> - Served as the Deputy Attorney General for Civil and State Administration (Jamdatun) of the Indonesian Attorney General's Office (2017 - 2019) - Head of the High Prosecutor's Office (KAJATI) of West Java (2017) - Head of the Attorney General's Asset Recovery (2015-2017)
Appointment	<ul style="list-style-type: none"> - Appointed as Commissioner pursuant to the Extraordinary General Meeting of Shareholders on 2 September 2019 - He also serves as Member of the Risk Management Monitoring Committee and Member of the Nomination & Remuneration Committee of BRI
Concurrent Position	None
Affiliates	None

*) Effective after the approval of OJK fit and proper test



COMPANY PROFILE

BOARD OF DIRECTORS' PROFILE



Sunarso

President Director

Citizenship	Indonesia
Age	56 years old
Domicile	Jakarta

Educational Background

- Bachelor Degree in Agronomy, Institut Pertanian Bogor (1988)
- Magister of Business Administration, Universitas Indonesia (2002)

Achievement

- The Best CEO BUMN : Talent Development (Anugerah BUMN 2018, BUMN Track)
- The Best CEO BUMN : The Best Good Corporate Governance & Service (7sky Media, 2018)
- The Best CEO : The Best Transformative Leader (7sky Media, 2018)
- The Best SME Banker 2013 in Asia Pacific : The Triple A Awards (The Asset Magazine, Hongkong)
- The Most Influential People in Southeast Asia - Leading Corporate & Commercial Bankers (Alpha Southeast Asia Magazine, 2012)

Professional Background

- Vice President Director of PT Bank Rakyat Indonesia (Persero) Tbk (January 2019 – September 2019)
- President Director of PT Pegadaian (Persero) (October 2017 – January 2019)
- Vice President Director of PT Bank Rakyat Indonesia (Persero) Tbk (March 2015 – October 2017)
- Director of Commercial & Business Banking PT Bank Mandiri (Persero) Tbk (May 2010 – March 2015)

Appointment

- Appointed as President Director pursuant to the EGMS on 2 September 2019
- Effective after passing the OJK fit and proper test in accordance with OJK Decree No: SR.342/PB.12/2019 dated December 20, 2019

Concurrent Position

None

Affiliates

None

Board of Directors' Profile



Catur Budi Harto

Vice President Director

Citizenship	Indonesia
Age	55 years old
Domicile	Jakarta

Educational Background

- Bachelor Degree in Agronomy, Institut Pertanian Bogor (1986)
- Magister of Management, Universitas Prasetya Mulya, Jakarta (2002).

Professional Background

- Director as Small Business and Network PT Bank Negara Indonesia (Persero) Tbk (2017-2019)
- Director at PT Bank Tabungan Negara (Persero) Tbk (2016-2017)
- Senior Executive Vice President (SEVP) PT Bank Rakyat Indonesia (Persero) Tbk (2016)

Appointment

- Appointed as Vice President Director pursuant to the EGMS on 2 September 2019
- Effective after passing the OJK fit and proper test in accordance with OJK decree No: SR.342/PB.12/2019 dated December 20, 2019

Concurrent Position

None

Affiliates

None





COMPANY PROFILE

Board of Directors' Profile



Supari

Director of Micro Business

Citizenship	Indonesia
Age	53 years old
Domicile	Jakarta
Educational Background	
<ul style="list-style-type: none"> - Bachelor Degree in Agricultural Technology from University of Brawijaya, Malang (1989) - Master Degree in Agribusiness from University of Gadjah Mada, Yogyakarta (2005) 	
Professional Background	
<ul style="list-style-type: none"> - Director of Micro Business (September 2019-present) - Director of Retail and Medium Business (March 2018-September 2019) - SEVP BRI Transformation (October 2017-March 2018) - SEVP BRI Network Management (May 2017-October 2017) - SEVP BRI Consumer SMEs (2016-2017) 	
Appointment	
<ul style="list-style-type: none"> - Appointed as Director of BRI for the first term since 22 March 2018 pursuant to the Annual GMS resolution - Has passed the fit and proper test from OJK based on the Decree of OJK Board of Commissioners No. KEP-34/KDK.03/2018 dated 04 December 2018 	
Concurrent Position	
None	
Affiliates	
None	

Board of Directors' Profile



Priyastomo

Director of Small, Retail, and Medium Business

Citizenship	Indonesia
Age	56 years old
Domicile	Tangerang
Educational Background	
<ul style="list-style-type: none"> - Bachelor Degree in Animal Husbandry, Gajah Mada University, Yogyakarta (1987) - Master Degree in Management, Gajah Mada University, Yogyakarta (2008) 	
Professional Background	
<ul style="list-style-type: none"> - Director of Micro and Retail Business PT Bank Rakyat Indonesia (Persero) Tbk (2017-2018) - Director of Human Capital PT Bank Rakyat Indonesia (Persero) Tbk (2017) - Director of Compliance and Risk Management PT Bank Rakyat Indonesia Tbk (2016) - Head of The Regional Office, Bandung, PT Bank Rakyat Indonesia (Persero) Tbk (2016) - Head of The Regional Office, Yogyakarta, PT Bank Rakyat Indonesia (Persero) Tbk (2015-2016) - Division Head, Retail and Medium Business, PT Bank Rakyat Indonesia (Persero) Tbk (2014-2015) - Head of The Regional Office, Jayapura, PT Bank Rakyat Indonesia (Persero) Tbk (2012-2014) 	
Appointment	
<ul style="list-style-type: none"> - Appointed as Director of BRI for the first term since 23 March 2016 pursuant to the Annual GMS resolution - Has passed the fit and proper test based on OJK Letter No. SR-105/D.03/2016 dated 21 June 2016 	
Concurrent Position	
None	
Affiliates	
None	



COMPANY PROFILE

Board of Directors' Profile



Handayani

Director of Consumer

Citizenship	Indonesia
Age	54 years old
Domicile	Jakarta
Educational Background	<ul style="list-style-type: none"> - Bachelor Degree in Dentistry, University of Airlangga, Surabaya (1988) - Master Degree in Management, University of Padjadjaran, Bandung (2001)
Professional Background	<ul style="list-style-type: none"> - Director of Consumer Banking PT Bank Tabungan Negara (Persero) Tbk (2016-2017) - Director of Commercial Business, PT Garuda Indonesia Tbk (2014-2016) - Director of Marketing & Alternate Distribution, PT AXA Mandiri (2013-2014)
Appointment	<ul style="list-style-type: none"> - Appointed as Director of BRI for the first term since 18 October 2017 pursuant to the Extraordinary GMS resolution - Has passed the fit and proper test based on OJK Letter No. KEP-44/D.03/2018 dated 14 March 2018
Concurrent Position	None
Affiliates	None

Board of Directors' Profile



Haru Koesmahargyo

Director of Finance

Citizenship	Indonesia
Age	53 years old
Domicile	Jakarta
Educational Background	
<ul style="list-style-type: none"> - Bachelor Degree in Technology of Agriculture Industry, University of Brawijaya, Malang (1989) - Master Degree in Business Administration, Investment Banking, Emory University, USA (2000) 	
Professional Background	
<ul style="list-style-type: none"> - Director of Business Strategy & Finance PT Bank Rakyat Indonesia (Persero) Tbk (2017-2018) - Director of Strategy & Finance PT Bank Rakyat Indonesia (Persero) Tbk (2017) - Director of Finance PT Bank Rakyat Indonesia (Persero) Tbk (2015- 2017) - President Commissioner at PT BTMU BRI Finance (2014-2015) - Head of The Treasury Division at PT Bank Rakyat Indonesia (Persero) Tbk (2014-2015) - General Manager, New York Branch PT Bank Rakyat Indonesia (Persero) Tbk (2011-2014) 	
Appointment	
<ul style="list-style-type: none"> - Appointed as Director of BRI for the first term since 19 March 2015 pursuant to the Annual GMS resolution - Has passed the fit and proper test based on OJK Letter No. SR-109/D.03/2015 dated 8 June 2015 	
Concurrent Position	
None	
Affiliates	
None	



COMPANY PROFILE

Board of Directors' Profile



Indra Utoyo

Director of Digital, Information Technology & Operations

Citizenship	Indonesia
Age	57 years old
Domicile	Jakarta
Educational Background	
<ul style="list-style-type: none"> - Bachelor Degree in Electrical Engineering and Telecommunications, Institute of Technology Bandung, Bandung (1985) - Master Degree in Communication & Signal Processing, Imperial College, University of London, UK (1994) - Doctoral Candidate in Strategic Management, University of Indonesia (2019) 	
Professional Background	
<ul style="list-style-type: none"> - Director of Digital Banking & Information Technology PT Bank Rakyat Indonesia (Persero) Tbk (2017-2018), - Director of Digital & Strategic Portfolio, Telkom Group, PT Telkom (2016-2017) - CEO CFU Digital Service, Telkom Group, PT Telkom (2016-2017) - President Commissioner, PT Multimedia Nusantara (Telkom Metra) (2009-2016) - President Director IT Solution & Supply PT Telekomunikasi Indonesia Tbk (2007-2012) 	
Appointment	
<ul style="list-style-type: none"> - Appointed as Director of BRI for the first term since 15 March 2017 pursuant to the Annual GMS resolution - Has passed the fit and proper test based on OJK Letter No. SR-123/ PB.12/2017 dated 21 July 2017 	
Concurrent Position	
None	
Affiliates	
None	

Board of Directors' Profile



Ahmad Solichin Lutfiyanto

Director of Network & Services

Citizenship	Indonesia
Age	49 years old
Domicile	Tangerang Selatan
Educational Background	<ul style="list-style-type: none"> - Bachelor Degree in Agricultural Technology, University of Jember (1988) - Master degree in Management, Marketing/MIS, UGM Adger Collage University Norway (1999)
Professional Background	<ul style="list-style-type: none"> - Director of Compliance PT Bank Rakyat Indonesia (Persero) Tbk (2018-2019) - Previously served as Division Head of Human Capital Policy & Development BRI (2017-2018) - Division Head of Transaction Banking BRI (2016-2017) - Deputy Head Division of Retail Business Network BRI (2021-2016).
Appointment	<ul style="list-style-type: none"> - Appointed as Director of BRI for the first term since 22 March 2018 pursuant to the Annual GMS resolution - Has passed the fit and proper test from OJK based on the Decree of OJK Board of Commissioners No. KEP-150/PB.12/2018 dated 27 July 2018
Concurrent Position	None
Affiliates	None



COMPANY PROFILE

Board of Directors' Profile



Herdy Rosadi Harman

Director of Human Capital

Citizenship	Indonesia
Age	56 years old
Domicile	Jakarta
Educational Background	
<ul style="list-style-type: none"> - Bachelor Degree of Law, from Universitas Padjadjaran (1986) - Master of Business Administration (MBA), from Asian Institute Management Philippines, Institute Management Bandung (TELKOM University) (1993) - Master of Law (LLM Program), from American University, Washington College of Law (1998) 	
Professional Background	
<ul style="list-style-type: none"> - Special Staff V of the SOE Secretary, Human Resources Development, Ministry of SOE (2019) - Director of Human Capital Management, PT Telekomunikasi Indonesia, Tbk., (TELKOM) (2014–2019) - Director of Human Capital Management, PT Telekomunikasi Seluler (TELKOMSEL) (2012 – 2014) - VP Regulatory Management, PT Telekomunikasi Indonesia Tbk, (TELKOM) (2007-2012) 	
Appointment	
<ul style="list-style-type: none"> - Appointed as Director pursuant to the EGMS on 2 September 2019 - Effective after the approval of OJK fit and proper test based on OJK Decree No: SR.342/PB.12/2019 dated 20 December 2019 	
Concurrent Position	
None	
Affiliates	
None	

Board of Directors' Profile



Agus Sudiarto

Director of Risk Management

Citizenship	Indonesia
Age	55 years old
Domicile	Jakarta
Educational Background	
<ul style="list-style-type: none"> - Bachelor Degree of Law from University of Indonesia (1988) - Master Degree of Management from University of Indonesia (2004) 	
Professional Background	
<ul style="list-style-type: none"> - SEVP Special Asset Management of PT Bank Mandiri (Persero) Tbk (2017-2019) - President Director of Bank Syariah Mandiri (2014-2017) - Group Head of Special Asset Management of PT Bank Mandiri (Persero) Tbk (2010-2014) 	
Appointment	
<ul style="list-style-type: none"> - Appointed as Director pursuant to the EGMS on 2 September 2019 - Effective after the approval of OJK fit and proper test based on OJK Decree No: SR: SR.342/PB.12/2019 dated 20 December 2019 	
Concurrent Position	
None	
Affiliates	
None	



COMPANY PROFILE

Board of Directors' Profile



Agus Noorsanto

Director of Institution and SOE

Citizenship	Indonesia
Age	55 years old
Domicile	Tangerang Selatan
Educational Background	
<ul style="list-style-type: none"> - Bachelor Degree of Accounting from Universitas Padjadjaran (1988) - Master Degree of Agribusiness from Institut Pertanian Bogor (1999) 	
Professional Background	
<ul style="list-style-type: none"> - President Director of PT Bank Rakyat Indonesia Agroniaga Tbk (2017-2019) - SEVP Business Small, Medium & Consumer PT Bank Rakyat Indonesia (Persero) Tbk (2016) - Senior Executive Vice President Network and Services of PT Bank Rakyat Indonesia (Persero) Tbk (2016-2017) 	
Appointment	
<ul style="list-style-type: none"> - Appointed as Director pursuant to the EGMS on 2 September 2019 - Effective after the approval of OJK fit and proper test based on OJK decree No: SR.342/ PB.12/2019 dated 20 December 2019 	
Concurrent Position	
None	
Affiliates	
None	

Board of Directors' Profile



Azizatun Azhimah

Director of Compliance

Citizenship	Indonesia
Age	44 years old
Domicile	Bogor
Educational Background	<ul style="list-style-type: none"> - Bachelor Degree in Animal Husbandry from Universitas Diponegoro (1997) - Master Degree of Business Administration of Weatherhead School of Management from Case Western Reserve University, US (2009)
Professional Background	<ul style="list-style-type: none"> - Deputy Division Head, Treasury Business Division, PT Bank Rakyat Indonesia (Persero) Tbk (2018 - 2019) - General Manager, the Singapore Branch Office of PT Bank Rakyat Indonesia (Persero) Tbk (2015 - 2018)
Appointment	<ul style="list-style-type: none"> - Appointed as Director pursuant to the EGMS on 2 September 2019 - Effective after passing OJK fit and proper test based on OJK decree No: SR: SR.342/PB.12/2019 dated December 20, 2019
Concurrent Position	None
Affiliates	None



COMPANY PROFILE

PROFILE OF SENIOR EXECUTIVE VICE PRESIDENT (SEVP)



Gunawan Sulisty
SEVP Fixed Asset Management & Procurement

55 years
Indonesian Citizen, domiciled in Jakarta

Professional Background

Serves as SEVP Fixed Asset Management & Procurement of PT Bank Rakyat Indonesia (Persero) Tbk, Fixed Asset Management & Procurement Directorate since 1 May 2017 pursuant to the Decree No. 428-DIR/KPS/05/2017 dated 24 May 2017. Previously served as Head of Goods & Services Procurement of PT Bank Rakyat Indonesia (Persero) Tbk, Deputy Chief Learning Officer BRI Corporate University.

Educational Background

Obtained Bachelor Degree of Economics Social from University of Sebelas Maret, Surakarta and Master of Management Finance from University of Gadjah Mada, Yogyakarta.



Listiarini Dewajanti
SEVP Treasury & Global Services

54 years
Indonesian Citizen, domiciled in Jakarta.

Professional Background

Serves as SEVP Treasury & Global Services of PT Bank Rakyat Indonesia (Persero) Tbk, since July 2018. She previously served as Head of Corporate Development and Strategy Division of PT Bank Rakyat Indonesia (Persero) Tbk, General Manager BRI New York Agency, and Head of Desk of Investor Relations BRI.

Educational Background

Obtained Bachelor Degree in Agriculture, University of Brawijaya, Malang (1989), and Master of Business (Banking and Finance), Monash University, Melbourne, Australia (1999).



Hari Siaga Amijarso
SEVP Internal Audit Unit

54 years
Indonesian Citizen, domiciled in Jakarta.

Professional Background

Since July 2019 serves as SEVP of Internal Audit Unit PT Bank Rakyat Indonesia (Persero) Tbk. He previously served as Head of Regional Office Jakarta 1, Yogyakarta and Corporate Secretary of PT Bank Rakyat Indonesia (Persero) Tbk.

Educational Background

Obtained Bachelor Degree Administration from University of Brawijaya, Malang (1989).



Lina Sari
SEVP Corporate Banking

54 years
Indonesian Citizen, domiciled in Jakarta.

Professional Background

Serves as SEVP Corporate Banking of PT Bank Rakyat Indonesia (Persero) Tbk, since November 2019. She previously served as Head of Agribusiness Division and Head of Credit Risk Analysis Division of PT Bank Rakyat Indonesia (Persero) Tbk.

Educational Background

Obtained Bachelor Degree in Agriculture, University of Andalas, Padang (1989), and Master of Management, University of Indonesia (2001).

EMPLOYEES DEMOGRAPHICS

Employees based on Organizational Level

Organizational Level	2016	2017	2018	2019
Senior Executive Vice President	4	5	3	4
Executive Vice President	86	98	103	109
Vice President	193	209	198	177
Assistant Vice President	380	345	353	345
Senior Manager	747	735	766	788
Manager	1,248	1,331	1,320	1,532
Assistant Manager	4,992	5,41	5,599	5,277
Officer	12,214	12,003	11,945	12,574
Assistant	73,469	72,722	69,656	70,814
Total	93,333	92,858	89,943	91,620

* excluding outsourcing employees

Employees Based on Education Level

Education Level	2016	2017	2018	2019
≤ Senior High School / Equivalent	3,133	2,652	2,308	1,952
Diploma	12,055	10,134	10,595	10,825
Bachelor Degree	76,966	78,867	75,797	77,509
Master Degree	1,172	1,202	1,237	1,325
Doctoral Degree	7	3	6	9
Total	93,333	92,858	89,943	91,620

*excluding outsourcing employees

Employees Based on Employment Status

Status	2016	2017	2018	2019
Permanent Employee	58,811	60,764	60,947	61,449
Contracted Employee	34,262	31,994	28,970	29,899
Trainee	64	100	63	272
Outsourcing	36,197	37,929	33,949	33,982
Total	129,334	130,787	123,929	125,602



COMPANY PROFILE

Employees Demographics

TRAININGS AND COMPETENCE DEVELOPMENT

CERTIFICATION FOR EMPLOYEES

To enhance the quality of human capital for the achievement of excellent performance, in 2019 BRI has renewed the Certification policy for employee.

This policy enables employee to participate in the certification according to their job fields. Hence aligning their skills or competencies with industrial standards or recognized by concerned institutions.

BRI has organized educational programs during 2019 and has recorded a total of 4,231,199 participants with the composition of 3.06% in Class education, 91.39% e-Learning, and the balance 2.9% of Focus Group Discussion and 2.65% for socialization, with the following details:

No	Educational Programs	2017	2018	2019
1	Development	11.326	9.895	13.350
2	Enhancement	1.604.946	2.799.661	3.982.868
3	FPK/FGD	93.691	109.762	122.889
4	Socialization	63.231	67.963	112.096
	Total	1.773.194	2.987.284	4.231.199

Notes:
For Enhancement Educational programs including certifications, public course and e-Learning. While Development Educational include for master degree.

PROFESSION CERTIFICATION INSTITUTION & TRAINING INSTITUTION OF BRI

To ensure the achievement of competency and talent attainment in BRI employees, to jointly achieve the BRI vision of "Home to The Best Talent" as well as to become Excellent HR for Progressive Indonesia, through the Decree of BRI Board of Directors No. B.723-DIR/CDS/10/2019 dated 29 October 2019, BRI has established the Profession Certification Institution (LSP BRI) that aims to organize Competency Test for all BRI Group employees. LSP BRI as the LSP P2 is the extension of the Profession Certification National Agency (BNSP), hence the issuance of competency certificates from LSP BRI is a State certificate with the Garuda Bird Emblem.

BRI Corporate University and Campus BRI Corporate University Across Indonesia have also been registered to the Department of Manpower and Transmigration to become Corporate Training Institution (LPK). Subsequently, BRI Corporate University can issue 'Training Certificate' and record all BRI Employee Education and Trainings in the Manpower Ministry.

HUMAN CAPITAL DEVELOPMENT COSTS

BRI recorded Rp696 billion for the education and human capital development costs in 2019. BRI successfully recorded cost efficiency by 72.9% with cost per employee of Rp165,000 per participant through e-learning. The following are details of the costs during 2019:

Employees Demographics

Rupiah (Million)

Program	Real 2019
Development	138,293
Enhancement	384,395
Total Development & Enhancement	522,688
FPK/FGD	154,335
Socialization	4,771
Literacy	200,46
Support	14,799
Total FPK, Social, Literacy, & Support	174,106
Total Cost	696,794

Program	2018	2019	%
Development	9,895	13,350	34.9%
Enhancement	2,799,661	3,982,868	42.2%
Total Development & Enhancement	2,809,556	3,996,218	42.2%
FPK/FGD	109,762	122,889	12%
Socialization	67,963	112,092	64.9%
Total FPK, Social & Literacy	177,728	234,981	32.2%
Total Participants	2,987,284	4,231,199	41.6%

Program	2018	2019	% Efficiency
Development	10,781	10,359	3.9%
Enhancement	116	96,5	16.8%
Cost per Participant I	153	131	14.6%
FPK/FGD	1,419	1,256	11.5%
Socialization	50	43	15.4%
Literacy	-	-	-
Cost per Participant II	972	741	23.8%
Total Cost per Participant I & II	202	165	18.4%

Efficiency was recorded at 18.4% in 2019 compared to the realization in 2018. This was due to the increase of total Enhancement participants that was dominated by e-learning, resulted in lower cost per participant.

Learning Effectiveness

During 2019 BRI has conducted development and enhancement programs for 4,231,199 participants. The result of BRI educational effectiveness reached 87.85.

Program	Learning Evaluation			Total Evaluation
	Level 1	Level 2	Level 3	
Development	85.82	85.76	80.07	
Enhancement	84.65	89.69	80.07	
Average	84.77	89.28	80.07	

Note:
 Passing Grade 77.5
 Level 1: Student Reaction & Satisfaction (30%)
 Level 2: Student Learning Result (Skill & Knowledge Improvement) (50%)
 Level 3: Student Learning Behaviour (Application) (20%)



COMPANY PROFILE

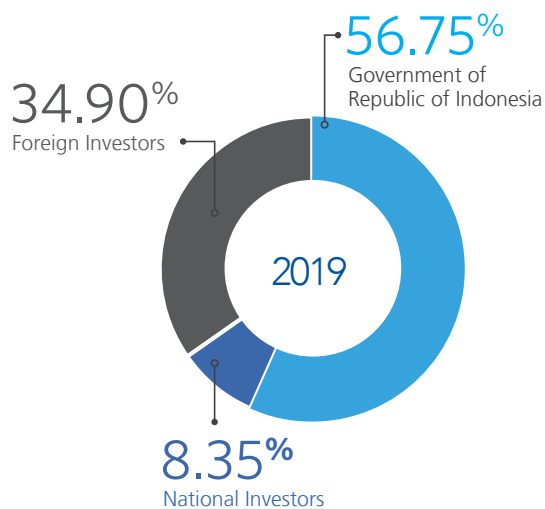
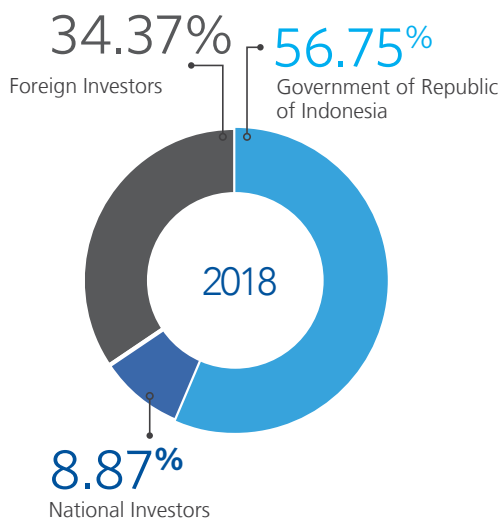
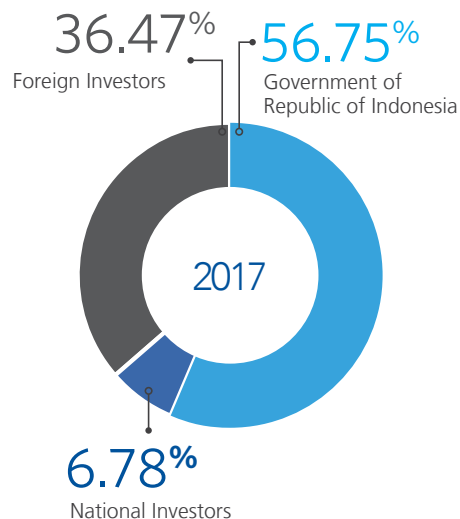
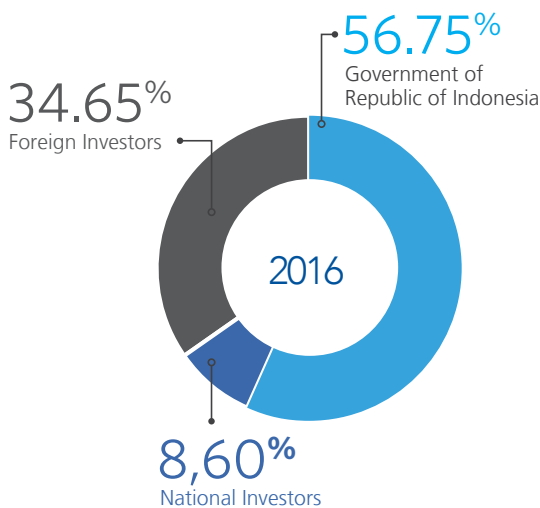
SHAREHOLDERS COMPOSITION

At the end of 2019, BRI has a total of 125,198 shareholders consisting of 122,930 national investors and 2,268 foreign investors.

BRI majority shareholder is held by the Government of Republic of Indonesia with 56.75% share ownership. The public holds 43.25% shares and there are no public

holding over 5% shares from the total shares as stated in the Share Registrar.

The national investor holds 65.10% share ownership and the rests are foreign investors with a portion of 34.90% ownership.



Shareholders Composition

BRI Shareholders Composition as of 31 December 2019

Shareholders Classification	Total Shareholders	Total Shares	(%) Ownership
NATIONAL INVESTORS			
Government of Republic of Indonesia	1	70,000,000,000	56,75102
Individuals	70,046	1,038,520,920	0,84196
Municipalities	1	1,590,000	0,00129
Employees	52,162	275,521,900	0,22337
Cooperatives	14	3,026,752	0,00245
Foundations	24	151,029,000	0,12244
Pension Funds	120	712,551,700	0,57769
Insurance	105	2,568,500,800	2,08236
Banks	2	965,252,000	0,78256
Limited Liability Companies	109	1,680,233,350	1,36221
Mutual Funds	346	2,906,071,211	2,35604
Total National Investors	122,930	80,302,297,633	65,10339
FOREIGN INVESTORS			
Individuals	210	38,661,300	0,03134
Foreign Corporations	2,058	43,004,851,067	34,86527
Total Foreign Investors	2,268	43,043,512,367	34,89661
Total	125,198	123,345,810,000	100%



COMPANY PROFILE

20 Largest Shareholders of BRI As of 31 December 2019

No	Investors	Status	Shares	Ownership (%)
1	REPUBLIC OF INDONESIA	Government of Republic of Indonesia	70,000,000,000	56,75102
2	DJS MANPOWER PROGRAM JHT	Insurance	1,306,748,400	1,05942
3	GIC S/A GOVERNMENT OF SINGAPORE	Foreign Corporation	1,233,877,585	1,00034
4	JPMBLSAA AIF CLT RE-STICHTING DEPOSITARY APG EMERGING MARKETS EQUITY POOL	Foreign Corporation	927,662,979	0,75208
5	JPMCB NA RE-VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign Corporation	855,123,000	0,69327
6	JPMCB NA RE - VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign Corporation	782,069,618	0,63405
7	PT, PRUDENTIAL LIFE ASSURANCE - REF	Insurance	683,784,100	0,55436
8	JPMBL SA UCITS CLT RE-JPMORGAN FUNDS	Foreign Corporation	682,590,730	0,55340
9	THE NT TST CO S/A HERMES INVESTMENT FUNDS PLC	Foreign Corporation	559,937,512	0,45396
10	SSB 2Q27 S/A ISHARES CORE MSCI EMERGING MARKETS ETF-2144613424	Foreign Corporation	504,722,500	0,40919
11	HSBC BANK PLC S/A SAUDI ARABIAN MONETARY AUTHORITY	Foreign Corporation	500,330,134	0,40563
12	BNYMSANV RE BNYM RE PEOPLE'S BANK OF CHINA-2039845393	Foreign Corporation	414,637,900	0,33616
13	THE NORTHERN TRUST CO S/A CANTILLON FUNDS PLC	Foreign Corporation	400,191,143	0,32445
14	CITIBANK NEW YORK S/A GOVERNMENT OF NORWAY - 15	Badan Usaha Asing	385,123,195	0,31223
15	RBC S/A VONTOBEL FUND - MTX SUTANABLE EMERGING MARKETS LEADERS	Foreign Corporation	383,475,000	0,31089
16	CITIBANK NA-BANK RAKYAT INDONESIA	Foreign Corporation	360,758,550	0,29248
17	BNYM RE VIRTUS VONTOBEL EMERGING MARKETS OPPS FUND-2039925749	Foreign Corporation	357,228,869	0,28962
18	THE NT TST CO S/A FIDELITY INVESTMENT TRUST: FIDELITY SERIES EMERGING MARKETS OPPORTUNITIES FUND	Foreign Corporation	353,595,000	0,28667
19	SSB SWV4 S/A CALIFORNIA PUBLIC EMP RETIREMENT SYS-2144618013	Foreign Corporation	320,840,410	0,26011
20	JPMCB NA RE-JPMORGAN EMERGING MARKETS EQUITY FUND	Foreign Corporation	318,614,200	0,25831

Shareholders of 5% or More on 31 December 2019

Category	Shares	Composition (%)
Government of Republic of Indonesia	70,000,000,000	56,75102

Shareholders of less than 5% on 31 December 2019

Category	Total Shareholders	Shares	Composition (%)
NATIONAL INVESTOR			
Individual	70,046	1,038,520,920	0,84196
Municipals	1	1,590,000	0,00129
Employees	52,162	275,521,900	0,22337
Cooperatives	14	3,026,752	0,00245
Foundations	24	151,029,000	0,12244
Pension Funds	120	712,551,700	0,57769
Insurance	105	2,568,500,800	2,08236
Banks	2	965,252,000	0,78256
Limite Liability Companies	109	1,680,233,350	1,36221%
Mutual Funds	346	2,906,071,211	2,35604
Total National Investors	122,929	10,302,297,633	8,35237
FOREIGN INVESTORS			
Individual	210	38,661,300	0,03134
Foreign Corporation	2,058	43,004,851,067	34,86527
Total Foreign Investors	2,268	43,043,512,367	34,89661
Total	125,197	53,345,810,000	43,24898

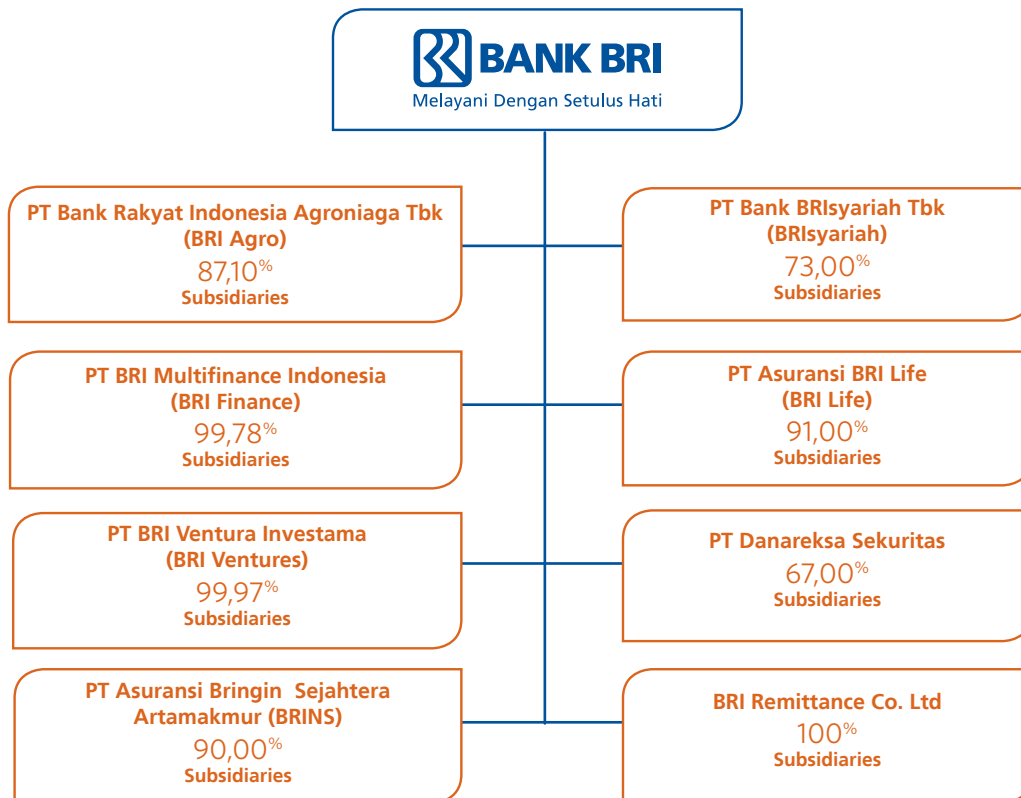
Board of Commissioners & Board of Directors Shares Ownership

No,	Name	Position	Total Shares	% Ownership
BOARD OF COMMISSIONERS				
1	Andrinof A, Chaniago	President Commissioner/ Independent	0	0.0000000
2	Nicolaus Teguh Budi Harjanto	Commissioner	386,700	0.0003135
3	Hadiyanto	Commissioner	201,200	0.0001631
4	Loeke Larasati Agoestina	Commissioner	0	0.0000000
5	Rofikoh Rokhim	Independent Commissioner	0	0.0000000
6	A, Sony Keraf	Independent Commissioner	0	0.0000000
7	A, Fuad Rahmany	Independent Commissioner	0	0.0000000
8	Hendricus Ivo	Independent Commissioner	0	0.0000000
BOARD OF DIRECTORS				
9	Sunarso	President Director	0	0.0000000
10	Catur Budi Harto	Vice President Director	0	0.0000000
11	Haru Koesmahargyo	Director of Finance	944,400	0.0007657
12	Agus Noorsanto	Director of Institutional Relations and SOE	46,800	0.0000379
13	Priyastomo	Director of Small, Retail, and Medium Business	944,400	0.0007657
14	Indra Utoyo	Director of Digital, Information Technology, and Operations	835,200	0.0006771
15	Supari	Director of Micro Business	351,100	0.0002846
16	Ahmad Solichin Lutfiyanto	Director of Network and Services	928,200	0.0007525
17	Azizatun Azhimah	Director of Compliance	25,100	0.0000203
18	Agus Sudiarto	Director of Risk Management	0	0.0000000
19	Handayani	Director of Consumer	522,300	0.0004234
20	Herdy Rosadi Harman	Director of Human Capital	0	0.0000000
			5,185,400	0.0042038



COMPANY PROFILE

CORPORATE STRUCTURE



Associates



LIST OF SUBSIDIARIES AND/OR ASSOCIATES

SUBSIDIARIES

Company Name	Business Lines	BRI Investment Date	Total Assets	Ownership %	Commencing Operation	Address
PT Bank BRI Syariah Tbk (BRISyariah)	Sharia Commercial Bank	19 December 2007	Rp 43,165 billion	73.00%	16 October 2008 In operation	Jl. Abdul Muis No. 2-4, Jakarta 10160
PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)	National Commercial Bank	3 March 2011	Rp 27,145 billion	87.10%	27 September 1989 In operation	Gedung BRI Agro Jl. Warung Jati Barat No. 139 Jakarta 12740
PT BRI Multifinance Indonesia (BRI Finance)	Financing	7 December 1983	Rp 4,606 billion	99.78%	7 December 1983 In operation	Gedung Lippo Kuningan, Lt 11 dan GF, Jl. H.R. Rasuna Said Kav. B-12, Karet, Kuningan Jakarta 12920
PT Asuransi BRI Life (BRI Life)	Life Insurance Company	14 December 2015	Rp 11,219 billion	91.00%	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 Danareksa Sekuritas	Securities Underwriters and Securities Brokers	21 December 2018	Rp 1,082 billion	67.00%	1 July 1992 In operation	Gedung BRI II Lantai 23 Jl Jend Sudirman No 44 – 46 Jakarta 10210
PT BRI Ventura Investama (BRI Ventures)	Venture Capital Company	20 December 2018	Rp 1,514 billion	99.97%	22 January 1998 In operation	District 8 Office, Prosperity Tower Lt 16 Unit F, SCBD Lot 28 Jl Jend Sudirman Kav 52-53 Senayan Kebayoran Baru Jakarta 12190
BRI Remittance Co. Ltd. (BRI Remittance)	Remittance Company	16 December 2011	Rp 7,07 billion	100.00%	7 April 2005 In operation	Lippo Centre, Tower II 22nd Floor, 89 Queensway, Admiralty, Hong Kong
PT. Asuransi Bringin Sejahtera Artamakmur (BRINS)	General Insurance Company	26 September 2019	Rp 2,585 billion	90.00%	17 April 1989 In operation	Graha BRINS Jl. Mampang Prapatan Raya No 18 Jakarta Selatan 12790



COMPANY PROFILE

List of Subsidiaries and/or Associates

ASSOCIATES

Company Name	Business Lines	BRI Investment Date	Ownership %	Commencing Operations	Address
PT Bahana Artha Ventura (BAV)	Venture Capital	21 November 2017	35.00%	5 August 1992 In operation	Wisma Prima Lantai 5, Jl. Kapten P. Tendean No. 34, Jakarta Selatan 12790
PT Danareksa Investment Management (DIM)	Securities Investment Managers	20 December 2018	35.00%	9 October 1992 In operation	Plaza BP Jamsostek Lt 11 Jl HR. Rasuna Said No 112 Blok B Jakarta 12910
PT Sarana Bersama Pengembangan Indonesia (SBPI)	Investment	1 June 1981	8.00%	27 October 1981 In operation	Setiabudi 2 Building, Suite 502A Jl. HR Rasuna Said Kav 62 Kuningan Jakarta Selatan 12920
PT Kustodian Sentral Efek Indonesia (KSEI)	Securities Settlement Institution	5 December 1997	3.00%	11 November 1998 In operation	Gedung Bursa Efek Jakarta Tower I, 5th Floor, Jl. Jend Sudirman Kav 52-53, Jakarta 12190
PT Pemeringkat Efek Indonesia (Pefindo)	Securirites Rating	15 June 1995	0.21%	21 December 1993 In operation	Panin Tower Senayan City, 17th Floor, Jl. Asia Afrika Lot.19, Gelora, Jakarta 12220

SHARES LISTING CHRONOLOGY

2003

INITIAL PUBLIC OFFERING

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 total shares was a 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 - now OJK (Letter of Bapepam Chairman No. S-2646/ PM/2003) dated 31 October 2003. The shares were offered at a nominal value of Rp500.00 per share, traded on 10 November 2013 and registered in Jakarta Stock Exchange (now Indonesia Stock Exchange).

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

On 10 November 2003 BRI exercised oversubscription 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. The divestment was listed at the Jakarta Stock Exchange (now Indonesia Stock Exchange).

2004-2010

SHARE OWNERSHIP PROGRAM FOR MANAGEMENT (MANAGEMENT STOCK OPTION PROGRAM)

Based on the Extraordinary General Meeting of Shareholders' decision on October 3, 2003, BRI's shareholders approved the stock purchase options for management or Management Stock Option Plan (MSOP).

The number of shares issued in BRI's MSOP was 588,235,250. The implementation of the MSOP was carried out in three phases with the MSOP Phase I and II exercise periods ended on November 9, 2008 and November 9, 2009, while the Phase III MSOP ended on November 9, 2010.

The three stages of MSOP refer to Bapepam-LK Regulation No. IX.D.4 and IDX Regulation No.1-A Lamp. JSE Board of Directors Decree No. Kep.305 / BEJ / 07-2004 concerning Securities Listing.

MSOP shares that have been exercised until the end of all MSOP stages are 569,876,000. Until the end of the exercise period, there were still 18.3 million non-exercised shares consisting of 4.3 million MSOP Phase I, 5.2 million MSOP Phase II and 8.8 million MSOP Phase III shares.

With the end of the MSOP exercise in 2010, the composition of government share ownership changed from 59.07% in 2004 to 56.75% in 2010.



COMPANY PROFILE

Shares Listing Chronology

2011

STOCK SPLIT 1:2

Based on the Bank's Extraordinary General Meeting of Shareholders ("EGMS") held on 24 November 2011, the shareholders has approved to exercise a stock split from previously Rp500,- (Five hundred rupiah) per share to Rp 250,- (Two hundred fifty rupiah) per share (Ratio 1:2).

The share price prior to stock split on 10 January 2011 was Rp9,300.00 and changed to Rp4,800,- at the closing of trading on 11 January 2011. With such stock split, the total shares outstanding prior to the stock split was 12.334.581.000 shares and at the stock split was 24.669.162.000 shares as of 11 January 2011. There was no changes on the shares ownership composition by the Government or Public prior to and after the stock split.

Stock Split in 2011

Description	Shareholders (Total Shares Outstanding)					Total Shares Outstanding
	Government		Public		Nominal	
	Total	%	Total	%	Rp	
Prior to Stock Split	7,000,000,000	56,75	5,334,581,000	43.25	500	12,334,581,000
Post Stock Split	14,000,000,000	56,75	10,669,162,000	43.25	250	24,669,162,000

2015-2016

STOCK BUY-BACK

The Bank has performed a stock buy back in 2015-2016. It was conducted in three months period starting 12 October 2015 to 12 January 2016, with the total buy back costs of Rp2,419 trillion. The initial buy back target was Rp2.5 trillion, with the provision that BRI buy back shares should not exceed 20% of total paid-up capital and the shares outstanding should be at a minimum 7.5% of paid-up capital.

Stock Buy Back in 2015-2016

Total Shares	Average Buying Pric	Improved Earnings per Share
221,718,000 shares	Rp 10,910/share	Rp9,5/share

*before stock split 1:5

In performing the stock buyback and/or bonds, the Bank complies with the prevailing external regulations, among others:

- Law No. 40 of 2007 on Limited Liability Company
- OJK Regulation No. 2/POJK.04/2013 on Stock Buyback by Issuers or Public Companies in Significantly Fluctuating Market Conditions
- OJK Circular No. 22/SEOJK.04/2013 on Other Conditions as Significantly Fluctuating Market Conditions of Stock Buyback by Issuers or Public Companies in Significantly Fluctuating Market Conditions
- Bank Indonesia Regulation No. 15/12/DASP/2013 regarding the Procedures for the Auction of Government Securities in the Primary Market and the Administration of Government Securities.

The source of buyback funds was the Bank's internal cash and there was an assurance that the funds would not impact the Bank's financial condition required to finance its activities. All buy back transactions have been administered to the OJK on 13 January 2016. The buyback shares are planned to be used the Management/Employee Share Ownership Program.

Shares Listing Chronology

2017

STOCK SPLIT 1:5

Pursuant to the Extraordinary General Meeting of Shareholders ("EGMS") held on 18 October 2017, the shareholders approved a stock split from Rp 250,- (two hundred fifty Rupiah) per shares previously to Rp 50,- (fifty Rupiah) per shares (Ratio 1:5).

The share price prior to stock split on 9 November 2017 was Rp16,450,- and were changed to Rp3,280,- at the closing of trading on 10 November 2017. Thus, the total shares outstanding prior to the stock split was 24,669,162,000 shares and at the stock split was 123,945,810,000 shares as of 10 November 2017. There were no changes on the shares ownership composition by the Government or Public prior to and after the stock split.

The shares listing chronology in relation with this corporate action are as follows:

Stock Split in 2017

Description	Shareholders (Total Shares Outstanding)					Total Shares Outstanding
	Government		Public		Nominal	
	Total	%	Total	%	Rp	
Prior to Stock Split	14,000,000,000	56.75	10,669,162,000	43.25	250	24,669,162,000
Post Stock Split	70,000,000,000	56.75	53,345,810,000	43.25	50	123,345,810,000

2019

EMPLOYEE STOCK OWNERSHIP PROGRAM (ESOP)

Pursuant to the GMS Resolution dated 23 March 2016, Agenda 5 stated the Approval of transfer of shares from shares buy-back that recorded as treasury stock, which was carried out for the Management and Employee Stock Ownership Program as well as the power of attorney and grant of authority to the Board of Commissioners to set such Program following the written approval of Shareholders series A Dwiwarna, including by taking into account the Letter of SOE Ministry regarding the support on the implementation of BRI Employee Stock Ownership Program (ESOP), in 2019 BRI has carried out the ESOP. The ESOP was offered in the form of Share Bonus for tranche I. The Treasury Stock used in ESOP tranche I and has been granted to Employee on 23 and 24 May 2019 in Share Script with a total of 143,415,500 shares. The use of stock treasury for ESOP has been reported to the OJK on May 2019.



COMPANY PROFILE

Shares Listing Chronology

2003-2019 STOCK ISSUANCE CHRONOLOGICAL TABLE

Year	Corporate Action	Shares Ownership				Nominal (Rp)	Total Shares Issued at the end of period	Equity value Issued at the end of Period (Rp Million)
		Government		Public				
		Total	%	Total	%			
2003	Initial Public Offering	7,000,000,000	59.50	4,764,705,000	40.50	500	11,764,705,000	5,882,353
2004	Exercise MSOP 85,385,500	7,000,000,000	59.07	4,850,090,500	40.93	500	11,850,090,500	5,925,045
2005	Exercise MSOP 185,610,000	7,000,000,000	58.16	5,035,700,500	41.84	500	12,035,700,500	6,017,850
2006	Exercise MSOP 250,721,000	7,000,000,000	56.97	5,286,421,500	43.03	500	12,286,421,500	6,143,211
2007	Exercise MSOP 31,379,000	7,000,000,000	56.83	5,317,800,500	43.17	500	12,317,800,500	6,158,900
2008	Exercise MSOP 7,499,000	7,000,000,000	56.79	5,325,299,500	43.21	500	12,325,299,500	6,162,650
2009	Exercise MSOP 4,553,000	7,000,000,000	56.77	5,329,852,500	43.23	500	12,329,852,500	6,164,926
2010	Exercise MSOP 4,728,500	7,000,000,000	56.75	5,334,581,000	43.25	500	12,334,581,000	6,167,291
2011	Stock Split 1: 2 on 11 January, 2011	14,000,000,000	56.75	10,669,162,000	43.25	250	24,669,162,000	6,167,291
2015	Stock Buy-Backs totaling 221,718,000 shares (the amount before stock split 1: 5)	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
2017	Stock Split 1: 5 on 10 November, 2017	70,000,000,000	56.75	53,345,810,000	43.25	50	123,345,810,000	6,167,291
2018		70,000,000,000	56.75	53,345,810,000	43.25	50	123,345,810,000	6,167,291
2019	Exercise ESOP 143,415,500	70,000,000,000	56.75	53,345,810,000	43.25	50	123,345,810,000	6,167,291

Suspension/Delisting

As of 31 December 2019, no suspension and/or delisting experienced by BRI.

Shares Listing Chronology

Chronology of Issuance of Matured Bonds

No	Bonds	Currencies	Issuance Date	Maturity	Total Bonds (Milion)	Tenor (Month)	Coupon/Discount Rate	Ratings	Rating Agencies	Issuance Main Purpose
1	Subordinate Notes due 2013	USD	25 Sept'03	30 Oct'13	USD 150	120	7.75	B3	Moodys	Strengthening Capital Structure
2	Bank BRI Subordinated Bonds I Year 2004	IDR	9 Jan'04	9 Jan'14	Rp500,000	120	13.50	AA+	Pefindo	Strengthening Capital Structure
3	Bank BRI Subordinated Bonds II Year 2009	IDR	22 Des'09	22 Des'14	Rp2,000,000	60	10.95	AA+	Pefindo	Strengthening Capital Structure
4	Senior Notes due 2018	USD	28-Mar-13	28-Mar-18	USD500	60	2.95	Baa3	Moodys	Loan disbursement with prudential banking and good corporate governance principles
5	Bonds I Phase I Year 2015 Series-A	IDR	25 Jun'15	7 Jul'16	Rp650,000	370 days	8.40	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
6	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-B	IDR	25 Jun'15	3 Jul'18	Rp925,000	36	9.20	AAA	Pefindo	
7	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-A	IDR	19 Jan'16	8 Feb'17	Rp808,000	370 days	8.50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
8	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-B	IDR	19 Jan'16	4 Feb'19	Rp1,018,500	36	9.25	AAA	Pefindo	
9	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-A	IDR	4 Mei'16	30 Mei'17	1,212,000,000,000	370 days	7.50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
10	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-B	IDR	4 Mei'16	25 Mei'19	2,437,000,000,000	36	8.20	AAA	Pefindo	
11	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-A	IDR	2 Des'16	6 Des'17	616,000,000,000	370 days	7.25	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
12	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-B	IDR	2 Des'16	1 Des'19	964,000,000,000	36	8.00	AAA	Pefindo	
13	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-A	IDR	12 Apr'17	16 Apr'18	1,131,000,000,000	370 days	7.20	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles



COMPANY PROFILE

Shares Listing Chronology

Chronology of Issuance of Outstanding Bonds

No	Description	Currencies	Issuance Date	Maturity	Total Bonds (Million)	Offering Price	Tenor (Month)	Interest Rates	Payment Status	Ratings			Trustees	Issuance Main Purpose
										2019	2018	2017		
1	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-C	IDR	25 Jul'15	3 Jul'20	Rp1,420,000	100% of the total bonds	60	9.50	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Loan disbursement with prudential banking and good corporate governance principles
2	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-C	IDR	19 Jan'16	4 Feb'21	Rp2,823,500	100% of the total bonds	60	9.60	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Loan disbursement with prudential banking and good corporate governance principles
3	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-C	IDR	4 Mei'16	25 Mei'21	Rp701,000	100% of the total bonds	60	8.70	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Loan disbursement with prudential banking and good corporate governance principles
4	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-C	IDR	2 Des'16	1 Des'21	Rp193,000	100% of the total bonds	60	8.20	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Loan disbursement with prudential banking and good corporate governance principles
5	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-D	IDR	2 Dec'16	1 Des'23	Rp477,000	100% of the total bonds	84	8.65	Current	AAA by Pefindo	AAA oleh Pefindo	AAA oleh Pefindo	PT Bank Negara Indonesia (Persero) Tbk	
6	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-E	IDR	2 Dec'16	1 Des'26	Rp2,350,000	100% of the total bonds	120	8.90	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	
7	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-B	IDR	12 Apr'17	11 Apr'20	Rp1,743,500	100% of the total bonds	36	8.10	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Loan disbursement with prudential banking and good corporate governance principles
8	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-C	IDR	12 Apr'17	11 Apr'22	Rp925,000	100% of the total bonds	60	8.30	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	
9	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-C	IDR	11 Apr'17	11 Apr'27	Rp1,300,500	100% of the total bonds	120	8.80	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	
10	Bank BRI Shelf Registration Bonds II Phase III Year 2017 Series-A	IDR	24 Agu'17	24 Aug'20	Rp980,500	100% of the total bonds	36	7.60	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	Developing Bank's business through loan disbursement with prudential banking and good corporate governance principles.
11	Bank BRI Shelf Registration Bonds II Phase III Year 2017 Series-B	IDR	24 Agu'17	24 Aug'22	Rp1,652,500	100% of the total bonds	60	8.00	Current	AAA oleh Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	
12	Bank BRI Shelf Registration Bonds II Phase III Year 2017 Series-C	IDR	24 Agu'17	24 Aug'24	Rp2,517,000	100% of the total bonds	84	8.25	Current	AAA by Pefindo	AAA by Pefindo	AAA by Pefindo	PT Bank Negara Indonesia (Persero) Tbk	

OTHER SECURITIES LISTING CHRONOLOGY

Chronology of Issuance of Outstanding Bonds

No	Description	Currencies	Issuance Date	Maturity	Total Bonds (Million)	Offering Price	Tenor (Month)	Interest Rates	Payment Status	Ratings			Trustees	Issuance Main Purpose
										2019	2018	2017		
13	Bank BRI Shelf Registration Bonds II Phase IV Year 2018 Series-A	IDR	22 Feb'18	21 Feb'23	Rp1,837,000	100% of the total bonds	60	6.65	Current	AAA by Pefindo	AAA by Pefindo	-	PT Bank Negara Indonesia (Persero) Tbk	Developing Bank's business through loan disbursement with prudential banking and good corporate governance principles.
14	Bank BRI Shelf Registration Bonds II Phase IV Year 2018 Series-B	IDR	22 Feb'18	21 Feb'25	Rp605,000	100% of the total bonds	84	6.90	Current	AAA by Pefindo	AAA by Pefindo	-	PT Bank Negara Indonesia (Persero) Tbk	Developing Bank's business through loan disbursement with prudential banking and good corporate governance principles.
15	Bank BRI Shelf Registration Bonds III Year 2018	IDR	27 Jun'18	26 Jun'23	Rp500,000	100% of the total bonds	60	7.70	Current	AA by Pefindo	AA by Pefindo	-	PT Bank Negara Indonesia (Persero) Tbk	Strengthening capital structure according to POJK Recovery Plan and calculated as Tier 2 Capital and will further utilize for increasing earning assets.
16	Senior Unsecured Notes Due 2023	USD	16 Jul'18	20 Jul'23	USD500	99.696% of the total bonds	60	4.63	Current	Baa2 by Moodys BBB- by Fitch Rating	Baa2 by Moodys BBB- by Fitch Rating	-	Bank of New York Mellon, London Branch	Strengthening general funding structure.
17	Sustainable Bond (Senior Unsecured Notes) Due 2024	USD	28 Mar'19	28 Mar'24	USD500	99.713% of the total bonds	60	3.95	Current	Baa2 by Moodys BBB- by Fitch Rating	-	-	Bank of New York Mellon, London Branch	Funding Eligible Projects according to the Sustainability Framework
18	Bank BRI Shelf Registration Bonds III Phase I Year 2019 Series-A	IDR	7 Nov'19	17 Nov'20	Rp737,850	100% of the total bonds	370 days	6.50	Current	AAA by Pefindo	-	-	PT Bank Negara Indonesia (Persero) Tbk	Developing Bank's business through loan disbursement with prudential banking and good corporate governance principles.
19	Bank BRI Shelf Registration Bonds III Phase I Year 2019 Series-B	IDR	7 Nov'19	7 Nov'20	Rp2,089,350	100% of the total bonds	36	7.60	Current	AAA by Pefindo	-	-	PT Bank Negara Indonesia (Persero) Tbk	
20	Bank BRI Shelf Registration Bonds III Phase I Year 2019 Series-C	IDR	7 Nov'19	7 Nov'24	Rp2,172,800	100% of the total bonds	60	7.85	Current	AAA by Pefindo	-	-	PT Bank Negara Indonesia (Persero) Tbk	



COMPANY PROFILE

Other Securities Listing Chronology

Issued and Matured Medium Term Notes (MTN) Chronology

Description	Issuance Date	Tenor (month)	Currency	Value (Rp million)	Maturity Date	Interest Rates (%)	Payment Status
MTN BRI PHASE I YEAR 2014 SERIES A	10/10/2014	370 days	IDR	300,000	15/10/2015	8,75	Paid
MTN BRI PHASE I YEAR 2014 SERIES B	10/10/2014	24	IDR	60,000	10/10/2016	9,25	Paid
MTN BRI PHASE I YEAR 2014 SERIES C	10/10/2014	36	IDR	360,000	10/10/2017	9,5	Paid
MTN BRI PHASE II YEAR 2014	24/12/2014	12	IDR	520,000	24/12/2015	8,9	Paid
MTN BRI PHASE I YEAR 2016	16/9/2016	370 days	IDR	1,925,000	21/9/2017	7,4	Paid

Issued and Matured Negotiable Certificate Deposit (NCD) Chronology

Description	Issuance Date	Tenor (Month)	Currency	Value (Rp million)	Maturity Date	Interest Rates (%)	Payment Status
NCD BRI Year 2014 Series A	2/12/2014	3	IDR	165,000	2/3/2015	8,00	Paid
NCD BRI Year 2014 Series B	2/12/2014	6	IDR	790,000	2/6/2015	8,60	Paid
NCD II Bank BRI Phase I Year 2015 Series A	22/4/2015	3	IDR	595,000	22/7/2015	7,10	Paid
NCD II Bank BRI Phase I Year 2015 Series B	22/4/2015	6	IDR	1,020,000	22/10/2015	8,00	Paid
NCD II Bank BRI Phase I Year 2015 Series C	22/4/2015	9	IDR	265,000	22/1/2016	8,10	Paid

BOND BUY BACK

As of 31 December 2019, the Company has not exercised any bonds buyback.

Other Securities Listing Chronology

Issued Securities and Due

No	Bonds	Currency	Issuance Date	Maturity	Par Value	Tenor (Month)	Coupon/Discount Rate	Ratings	Rating Agencies	Issuance Main Purpose
1	Subordinate Notes due 2013	USD	25 Sept'03	30 Okt'13	150,000,000	120	7,75	B3	Moody's	Strengthening Capital Structure
2	Bank BRI Subordinated Bonds I Year 2004	IDR	9 Jan'04	9 Jan'14	500,000,000,000	120	13,50	AA+	Pefindo	Strengthening Capital Structure
3	Bank BRI Subordinated Bonds II Year 2004	IDR	22 Des'09	22 Des'14	2,000,000,000,000	60	10,95	AA+	Pefindo	Strengthening Capital Structure
4	Senior Notes due 2018	USD	28-Mar-13	28-Mar-18	500,000,000	60	2,95	Baa3	Moody's	Loan disbursement with prudential banking and good corporate governance principles
5	MTN BRI Phase I Year 2014 Series A	IDR	10 Okt'14	15 Okt'15	300,000,000,000	370 days	8,75	F1+	Fitch Indonesia	Loan disbursement with prudential banking and good corporate governance principles
6	MTN BRI Phase I Year 2014 Series B	IDR	10 Okt'14	10 Okt'16	60,000,000,000	24	9,25	AAA	Fitch Indonesia	Loan disbursement with prudential banking and good corporate governance principles
7	MTN BRI Phase I Year 2014 Series C	IDR	10 Okt'14	10 Okt'17	360,000,000,000	36	9,50	AAA	Fitch Indonesia	Loan disbursement with prudential banking and good corporate governance principles
8	NCD BRI Year 2014 Seri A	IDR	2 Des'14	2 Mar'15	165,000,000,000	3	8,00	NO NCD Rating	-	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
9	NCD BRI Year 2014 Seri B	IDR	2 Des'14	2 Jun'15	790,000,000,000	6	8,60	NO NCD Rating	-	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
10	MTN BRI Phase II Year 2014	IDR	24 Des'14	24 Des'15	520,000,000,000	370 days	8,90	F1+	Fitch Indonesia	Loan disbursement with prudential banking and good corporate governance principles
11	NCD II Bank BRI Phase I Year 2015 Series A	IDR	22 Apr'15	22 Jul'15	595,000,000,000	3	7,10	NO NCD Rating	-	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
12	NCD II Bank BRI Phase I Year 2015 Series B	IDR	22 Apr'15	22 Okt'15	1,020,000,000,000	6	8,00	NO NCD Rating	-	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
13	NCD II Bank BRI Phase I Year 2015 Series C	IDR	22 Apr'15	22 Jan'16	265,000,000,000	9	8,10	NO NCD Rating	-	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
14	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-A	IDR	25 Jun'15	7 Jul'16	650,000,000,000	370 days	8,40	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
15	Bank BRI Shelf Registration Bonds I Phase I Year 2015 Series-B	IDR	25 Jun'15	3 Jul'18	925,000,000,000	36	9,20	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles



COMPANY PROFILE

Other Securities Listing Chronology

Issued Securities and Due

No	Bonds	Currency	Issuance Date	Maturity	Par Value	Tenor (Month)	Coupon/Discount Rate	Ratings	Rating Agencies	Issuance Main Purpose
16	Bank BRI Shelf Registration Bonds I Phase II Year 2015 Series-A	IDR	19 Jan'16	8 Feb'17	808,000,000,000	370 days	8,50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
17	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-B	IDR	19 Jan'16	4 Feb'19	1,018,500,000,000	36	9,25	AAA	Pefindo	
18	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-A	IDR	4 Mei'16	30 Mei'17	1,212,000,000,000	370 days	7,50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
19	Bank BRI Shelf Registration Bonds I Phase III Year	IDR	4 Mei'16	25 Mei'19	2,437,000,000,000	36	8,20	AAA	Pefindo	
20	MTN Bank BRI Phase I Year 2016	IDR	16 Sept'16	21 Sept'17	1,925,000,000,000	370 days	7,40	AAA	Pefindo	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
21	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-A	IDR	2 Des'16	6 Des'17	616,000,000,000	370 days	7,25	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
22	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-B	IDR	2 Des'16	1 Des'19	964,000,000,000	36	8,00	AAA	Pefindo	
23	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-A	IDR	12 Apr'17	16 Apr'18	1,131,000,000,000	370 days	7,20	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles

Other Securities Listing Chronology

Issued Securities and Outstanding

No	Bonds	Currency	Issuance Date	Maturity	Par Value	Tenor (Month)	Coupon/Discount Rate	Ratings	Rating Agencies	Issuance Main Purpose
1	Bank BRI Shelf Registration Bonds I Phase I Year 2015	IDR	25 Jul'15	3 Jul'20	1,420,000,000,000	60	9.50	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
2	Bank BRI Shelf Registration Bonds I Phase II Year 2016 Series-C	IDR	19 Jan'16	4 Feb'21	2,823,500,000,000	60	9.60	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
3	Bank BRI Shelf Registration Bonds I Phase III Year 2016 Series-C	IDR	4 Mei'16	25 Mei'21	701,000,000,000	60	8.70	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
4	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-C	IDR	2 Des'16	1 Des'21	193,000,000,000	60	8.20	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
5	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-D	IDR	2 Dec'16	1 Des'23	477,000,000,000	84	8.65	AAA	Pefindo	
6	Bank BRI Shelf Registration Bonds II Phase I Year 2016 Series-E	IDR	2 Dec'16	1 Des'26	2,350,000,000,000	120	8.90	AAA	Pefindo	
7	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-B	IDR	12 Apr'17	11 Apr'20	1,743,500,000,000	36	8.10	AAA	Pefindo	Loan disbursement with prudential banking and good corporate governance principles
8	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-C	IDR	12 Apr'17	11 Apr'22	925,000,000,000	60	8.30	AAA	Pefindo	
9	Bank BRI Shelf Registration Bonds II Phase II Year 2017 Series-D	IDR	11 Apr'17	11 Apr'27	1,300,500,000,000	120	8.80	AAA	Pefindo	
10	Bank BRI Shelf Registration Bonds II Phase III Year 2017 Series-A	IDR	24 Agu'17	24 Aug'20	980,500,000,000	36	7.60	AAA	Pefindo	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
11	Bank BRI Shelf Registration Bonds II Phase III Year 2017 Series-B	IDR	24 Agu'17	24 Aug'22	1,652,500,000,000	60	8.00	AAA	Pefindo	
12	Bank BRI Shelf Registration Bonds II Phase III Year 2017 Series-C	IDR	24 Agu'17	24 Aug'24	2,517,000,000,000	84	8.25	AAA	Pefindo	




COMPANY PROFILE


Other Securities Listing Chronology

Issued Securities and Outstanding

No	Bonds	Currency	Issuance Date	Maturity	Par Value	Tenor (Month)	Coupon/Discount Rate	Ratings	Rating Agencies	Issuance Main Purpose
13	Bank BRI Shelf Registration Bonds II Phase IV Year 2017 Series-A	IDR	22 Feb'18	21 Feb'23	1,837,000,000,000	60	6.65	AAA	Pefindo	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
14	Bank BRI Shelf Registration Bonds IV Phase II Year 2018 Series-B	IDR	22 Feb'18	21 Feb'25	605,000,000,000	84	6.90	AAA	Pefindo	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
15	Bank BRI Shelf Registration Bonds III Year 2018	IDR	27 Jun'18	26 Jun'23	500,000,000,000	60	7.70	AAA	Pefindo	Strengthening capital structure according to POJK Recovery Plan and calculated as Tier 2 Capital and will further utilize for increasing earning assets.
16	Senior Unsecured Notes Due 2023	USD	16 Jul'18	20 Jul'23	500,000,000	60	4.63	Baa2	Pefindo	Strengthening general funding structure.
17	Senior Unsecured Notes Due 2024	USD	28 Mar'18	28 Mar'24	500,000,000	60	3.95	Baa2	Moody's Fitch	Funding Eligible Projects according to the Sustainability Framework
18	Bank BRI Shelf Registration Bonds III Phase I Year 2019 Series-A	IDR	7 Nov'19	17 Nov'20	737,850,000,000	370 hari	6.50	AAA	Pefindo	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
19	Bank BRI Shelf Registration Bonds III Phase I Year 2019 Series-B	IDR	7 Nov'19	7 Nov'20	2,089,350,000,000	36	7.60	AAA	Pefindo	Business expansion through loan disbursement with prudential banking and good corporate governance principles.
20	Bank BRI Shelf Registration Bonds III Phase I Year 2019 Series-C	IDR	7 Nov'19	7 Nov'24	2,172,800,000,000	60	7.85	AAA	Pefindo	Business expansion through loan disbursement with prudential banking and good corporate governance principles.


BRI SUSTAINABILITY BOND 2019


FIRST SUSTAINABILITY BOND
 in South East Asia
 in RegS Format




SUSTAINALYTICS
SECOND PARTY OPINION


“BRI’s Sustainability Bond Framework is credible and impactful”



TRANSACTION HIGHLIGHTS

- Issue date : 21 March 2019
- Maturity : 5 years
- Size : \$500 Million

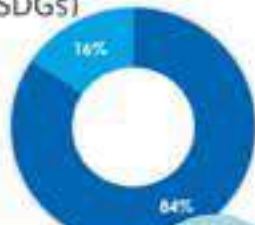




THE GLOBAL GOALS
For Sustainable Development

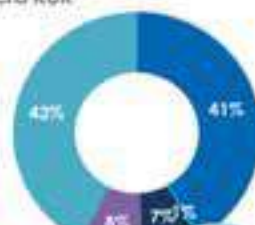
The Bond has supported 3 Sustainable Development Goals (SDGs)

Allocation by Project Type



- Green Use of Proceeds (16%)
- Social Use of Proceeds (84%)


Allocation by Eligible Categories



- Socioeconomic advancement and empowerment (Micro KUR loans) (43%)
- Green Buildings (41%)
- Clean Transportation (8%)
- Affordable Housing (70%)
- Employment Generation (Kupedes)


PROCEEDS ALLOCATION

The proceeds were allocated to social and green projects in five eligible categories.




Job creation supported by BRI Micro Loans

Decent Work and Economic Growth



Job creation by targeting micro start-up entrepreneurs

Reduced Inequality



Access to affordable houses, LRT Jakarta Project, Green building project

Sustainable Cities and Communities



COMPANY PROFILE

NAMES AND ADDRESSES OF CAPITAL MARKET INSTITUTIONS & PROFESSIONS

Name & Address	Services	Fees (Rp)	Assignment Period
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	Capital Market Institution <ul style="list-style-type: none"> ▶ Organizer and provider of securities trading systems and facilities ▶ Provider of dissemination of informatif ▶ Supervisor of fair Trade transactions 	Rp150,000,000	Jan 2019 s/d Dec 2019
PT Kustodian Sentral Efek Indonesia Indonesia Stock Exchange Building Tower I, Lantai 5 Jl. Jend. Sudirman Kav. 52-53, Jakarta 12190 Tel. (62-21) 5299 1003 Fax. (62-21) 5299 1129 Website:www.ksei.co.id	Custodian <ul style="list-style-type: none"> ▶ Securities deposit in Electronic form services ▶ Settlement of Securities transactions Services ▶ Securities administration Services ▶ Distribution of corporate Action services 	0	2019
PT Datindo Entrycom Jl. Jend. Sudirman Kav. 34-35 Jakarta 10220 Tel. (62-21) 570 9009	Shares Registrar <ul style="list-style-type: none"> ▶ Securities Administration Services ▶ Organizer of AGM Services ▶ Dividend Payment Services 	Rp1,195,656,000	2 (Two) months after proof of withholding tax is approved by BRI
PT Pemingkat Efek Indonesia (Pefindo) Panin Tower Senayan City Lantai 17 Jl. Asia Afrika Kav. 19 Jakarta	Lembaga Rating Penerbitan Obligasi Berkelanjutan III Bank BRI Tahap I Tahun 2019	Rp165,000,000	2019
PT Fitch Rating Indonesia Prudential Tower Lantai 20 Jl. Jend Sudirman Kav. 79 Jakarta 12190 Tel. (62-21) 5795 7755 Fax. (62-21) 5795 7750	Rating Agency	Rp761,995,000	2019
Moody's Singapore Pte. Ltd. 50th Raffles Place #23-06 Singapore Land Tower Singapore 048623	Rating Agency	Rp1,919,718,000	2019
Standard & Poors 30 Cecil Street #17-01/08 Prudential Tower Singapore 049712 Tel. (65) 6438 2881 Fax. (65) 6438 2321	Rating Agency	Rp973,770,000	2019
Purwanto, Sungkoro, & Surja (Ernst & Young) Indonesian Stock Exchange Building Tower 2, Lantai 7 Jl. Jend. Sudirman Kav. 52-53 Jakarta 12190 Tel. (62-21) 5289 5000 Fax. (62-21) 5289 4100	Public Accounting Firm <ul style="list-style-type: none"> ▶ Financial Statement Audit Services ▶ Limited Audit Review Services 	Rp2,200,000,000	The timeline of Work Implementation is since the date of Work Assignment Letter until the process of final comfort letter for the issuance of Shelf Bonds III Bank BRI Phase I Year 2019 is completed.

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Wow Banget
Buka Rekening
dari Hape



Dapetin kemudahan buka rekening dengan aplikasi BRI mo dari BANK BRI. Gak perlu ribet untuk bisa punya rekening tambahan, tapi cukup dengan hapemu.

#Loginkeseruanmu

Download Sekarang



atau
Scan QR





COMPANY PROFILE

AWARDS AND CERTIFICATIONS

National Awards

- | | |
|--|---|
| <p>1 Top Digital PR Award 2019 Trans Co. Info Brand
25 January 2019
Info Brand</p> <p>2 Top Brand Award Category of Savings Accounts (Britama Product – 2nd place)
14 February 2019
Top Brands</p> <p>3 Top Brand Award Category of Term Savings (BRI Simpedes Impian Product 2nd Place)
14 February 2019
Top Brands</p> <p>4 Top Brand Award Junior Savings (BRI Junio Product 1st place)
14 February 2019
Top Brands</p> <p>5 Top Brand Award Term Savings (Britama Rencana Product – 1st place)
14 February 2019
Top Brands</p> | <p>6 Top Brand Award Credit Cards (CC BRI Product – 4th place)
14 February 2019
Top Brands</p> <p>7 Top Brand Award Prepaid Cards (Brizzi Product – 4th place)
14 February 2019
Top Brands</p> <p>8 Top Brand Award Term Deposits (Term Deposits BRI Product – 2nd place)
14 February 2019
Top Brands</p> <p>9 Top Brand Award Mortgages (KPR BRI Product – 5th place)
14 February 2019
Top Brands</p> <p>10 Top Brand Award Mobile Banking (BRI Mobile Product – 2nd place)
14 February 2019
Top Brands</p> |
|--|---|



1

13

14

20

24

Awards and Certifications

- | | |
|--|--|
| <p>11 Top Brand Award Internet Banking (Internet Banking BRI Product – 3rd place)
 14 February 2019
 Top Brands</p> | <p>17 Wow Brand Electronic Money (BRIZZI Product -Bronze)
 14 March 2019
 Wow Brands</p> |
| <p>12 Top Brand Award Call Center (Call Center BRI Product – 4th place)
 14 February 2019
 Top Brands</p> | <p>18 Wow Brand ATM Network (ATM Product -Silver)
 14 March 2019
 Wow Brands</p> |
| <p>13 Awards Obsession Media Group (Best CEO)
 6 March 2019
 Obsession Media Group</p> | <p>19 Wow Brand Call Centre (BRI Call Center Product -Silver)
 14 March 2019
 Wow Brands</p> |
| <p>14 Awards Obsession Media Group (Best State Owned Enterprise Bank)
 6 March 2019
 Obsession Media Group</p> | <p>20 The Asian Banker 2019 Dubai Best Retail Bank In Indonesia
 22 March 2019
 The Asian Banker</p> |
| <p>15 Wow Brand Award Saving Account (Britama Product -Silver)
 14 March 2019
 Wow Brands</p> | <p>21 The Asian Banker 2019 Dubai Best Digital In Indonesia
 22 March 2019
 The Asian Banker</p> |
| <p>16 Wow Brand Credit Cards (Credit Card Product -Gold)
 14 March 2019
 Wow Brands</p> | <p>22 Best Social Media
 28 March 2019
 PR Indonesia Award</p> |
| | <p>23 The Best Internal Magazine
 28 March 2019
 PR Indonesia Award</p> |





COMPANY PROFILE

Awards and Certifications

- 24 **Website Of The Year 2018**
27 April 2019
Indonesia Website Award
- 25 **Website Of The Month**
27 April 2019
Indonesia Website Award
- 26 **BUMN Marketeers Awards The Most Promising Company In Marketing 3.0 (Awards Bank BRI -Gold)**
24 April 2019
BUMN Marketeers Awards
- 27 **BUMN Marketeers Awards The Most Promising Company In Entrepreneurial SOES (Awards Bank BRI -Silver)**
24 April 2019
BUMN Marketeers Awards
- 28 **BUMN Marketeers Awards The Most Promising Company In Branding Campaign (Awards Bank BRI -Gold)**
24 April 2019
BUMN Marketeers Awards
- 29 **BUMN Marketeers Awards The Most Promising Company In Tactical Marketing (Awards Bank BRI -Gold)**
24 April 2019
BUMN Marketeers Awards
- 30 **BUMN Marketeers Awards The Most Promising Company In Strategic Marketing (Awards Bank BRI Consumer Director -Handayani)**
24 April 2019
BUMN Marketeers Awards
- 31 **BUMN Marketeers Awards Best Of The Best (Awards Bank BRI)**
24 April 2019
BUMN Marketeers Awards
- 32 **BUMN Marketeers Awards CMO Of The Year (Awards Bank BRI Consumer Director -Handayani)**
24 April 2019
BUMN Marketeers Awards
- 33 **The Best Issuer Banking**
16 May 2019
Majalah Investor
- 34 **Leadership Achievement Award 2019**
29 May 2019
The Asian Banker
- 35 **Best Managed Bank**
29 May 2019
The Asian Banker
- 36 **Banking Service Excellence Awards 2019: Kategori Internet Banking**
27 June 2019
Infobank
- 37 **Best MSME Bank Credit**
28 June 2019
Berita Satu



38

39

40

41

42

44

Awards and Certifications

- | | |
|---|---|
| <p>38 The Best Book 4 Bank
 28 June 2019
 Berita Satu</p> | <p>45 The Best Of The Best Risk Management 2019
 3 August 2019
 Economic Review</p> |
| <p>39 Best CEO
 28 June 2019
 Asian Excellence Awards</p> | <p>46 Empowering BOC And Its Committees To Ensure GCG Implementation
 8 August 2019
 ICD (Indonesian Corporate Directorship)</p> |
| <p>40 Best CFO
 28 June 2019
 Asian Excellence Awards</p> | <p>47 IDX Channel Award: The Best Chief Executive Officer (CEO)
 14 August 2019
 IDXChannel</p> |
| <p>41 Best Investor Relations Company
 28 June 2019
 Asian Excellence Awards</p> | <p>48 IDX Channel Award: The Best Innovative Company in Finance Sector
 14 August 2019
 IDXChannel</p> |
| <p>42 CSA Award 2019: The Best Performance Issuer
 12 July 2019
 Bisnis Indonesia</p> | <p>49 IDX Channel Award: The Best Millenials Investor Choice
 14 August 2019
 IDXChannel</p> |
| <p>43 Innovative Banking Companies through BRInovasi and BRIVolution Transformation
 18 July 2019
 CSA Award</p> | <p>50 IDX Channel Award: The Best Innovation
 14 August 2019
 IDXChannel</p> |
| <p>44 Innovative Banking Companies through BRInovasi and BRIVolution Transformation
 26 July 2019
 Warta Ekonomi</p> | <p>51 Mortgage Product of The Year
 22 August 2019
 The Asian Banker</p> |





COMPANY PROFILE

Awards and Certifications

- | | |
|--|--|
| <p>52 BrandZ Top 50 The Most Valuable Indonesian Brands 2019: 2nd Place
23 August 2019
BrandZ</p> <p>53 The Best CSR In Asia Money Awards
26 August 2019
Asia Money</p> <p>54 Top Bank Buku IV 2019
28 August 2019
Top Business - Asia Business Research Center</p> <p>55 Top Bank for Credit Growth
28 August 2019
Top Business - Asia Business Research Center</p> <p>56 Top MSME Micro Loans 2019
28 August 2019
Top Business - Asia Business Research Center</p> <p>57 Top SMS Banking 2019
28 August 2019
Top Business - Asia Business Research Center</p> <p>58 Best Innovative Bank
29 August 2019
Infobank</p> <p>59 Best Transaction Growth As Acquirer
29 August 2019
Infobank</p> | <p>60 Top 20 Companies With Highest Market Capitalization (IBIA)
29 August 2019
Pikiran Rakyat</p> <p>61 The Best Issuers 2019 In Finance Sector (Asset Above 800T)
29 August 2019
Pikiran Rakyat</p> <p>62 The Most Successful Microbanking
29 August 2019
Infobank</p> <p>63 The Biggest TAX Payer Bank
29 August 2019
Infobank</p> <p>64 2018 Financial Performance
29 August 2019
Infobank</p> <p>65 2004-2018 Very Good Financial Performance
29 August 2019
Infobank</p> <p>66 Planet Tourism Indonesian Award 2019 : Credit Card Category
5 September 19
MarkPlus Center for Tourism and Hospitality (MPTCH), MarkPuls, Inc</p> |
|--|--|



53



60



57



63



64



Awards and Certifications

- | | |
|--|---|
| <p>67 Indonesia Go Champion: Financial Service Category
 5 September 19
 ASEAN Marketing Summit 2019</p> | <p>73 Empowerment of Persons with Disabilities CSR Award 2019
 18 September 19
 The LA Tofi School of CSR</p> |
| <p>68 Best Operating Model Master dengan produk Agen BRlink
 13 September 2019
 IDC (International Data Corporation)</p> | <p>74 Development of the Tourism Village CSR Award 2019
 18 September 19
 The LA Tofi School of CSR</p> |
| <p>69 Kompas Gramedia Collaboration Awards: Kontan BeRI untuk negeri
 14 September 19
 Kompas Gramedia</p> | <p>75 Health Quality Improvement CSR Awards 2019
 18 September 19
 The LA Tofi School of CSR</p> |
| <p>70 Kompas Gramedia Collaboration Awards: Jelajah Terumbu Karang
 14 September 19
 Kompas Gramedia</p> | <p>76 The Best Bank Book IV Performance
 20 September 19
 Bisnis Indonesia</p> |
| <p>71 Economic Community Empowerment CSR Award 2019
 18 September 19
 The LA Tofi School of CSR</p> | <p>77 Stability + Profitability
 20 September 19
 Bisnis Indonesia</p> |
| <p>72 Improving the Quality of Education in the 2019 CSR Award
 18 September 19
 The LA Tofi School of CSR</p> | <p>78 Indonesia Best Corporate Social Initiative Award 2019 : The Best Of Creating Shared Value
 21 September 19
 Mix Marketing & Communication</p> |
| | <p>79 Excellence in brand building among indonesia millennials in 2019
 26 September 19
 Iconomics</p> |



70

76

81

82

83



COMPANY PROFILE

Awards and Certifications

- | | |
|---|---|
| <p>80 Indonesia Best Corporate Social Initiative Awards 2019
4 October 2019
MIX</p> <p>81 Best 3T Regional RKB Program in 2018
7 October 2019
SOE Ministry</p> <p>82 The Best Bank in Fostering the Government Programs Through Simpel
19 October 2019
Financial Services Authority (OJK)</p> <p>83 Best of The Best Company
30 October 2019
Forbes Indonesia</p> <p>84 Fundamental Long-term Market Cap and Net Income Companies
30 October 2019
Forbes Indonesia</p> <p>85 Winner of Educational Assistance for Underprivileged High-Achiever Students
30 October 2019
Bidikmisi Awards 2019</p> <p>86 Social Economy Contribution : Gold
05 November 19
RRI Financial Award 2019</p> | <p>87 3rd place Listed Financial SOE Category
16 November 19
ARA Award</p> <p>88 Flight Executive Best Net
17 November 19
PGY TOUR</p> <p>89 Dukcapil Partner Award
25 November 19
Dukcapil Go Digital</p> <p>90 Best Supporting Bank Money Market Deepening Repurchase Transactions According to GMRA
28 November 19
Bank Indonesia</p> <p>91 Best Supporting MSME Banks BUKU 3 and 4 Banks
28 November 19
Bank Indonesia</p> |
|---|---|



Awards and Certifications

- | | |
|---|--|
| <p>92 Best In Country Indonesia
 3 December
 IR Magazine Awards-South East Asia</p> <p>93 The Best Public Company Financial Sector
 4 December 2019
 CNBC Indonesia Award 2019</p> <p>94 Indonesia Humane Entrepreneurship Award 2019
 5 December 2019
 Asia Council for Small Business (ACSB) dan
 International Council for Small Business
 (ICSB) Indonesia</p> <p>95 Indonesian Most Trusted Company
 11 December 2019
 Indonesian Institute for Corporate
 Governance (IICG)</p> <p>96 The Bank in Digital Services
 27 December 2019
 Tempo Group</p> <p>97 The Best Financial Performance Bank
 category of Conventional Bank
 27 December 2019
 Tempo Group</p> | <p>98 The Best SOE 2019 in Finance of Banking Sector
 12 December 2019
 Investor Magazine</p> <p>99 The Best Performing Bank 2019 : Core Capital Up To Rp. 30 Trillion BUKU 4
 11 December 2019
 The Finance</p> <p>100 The Best CFO In Financial Institutions 2019 : BUKU 4 Bank
 11 December 2019
 The Finance</p> |
|---|--|





COMPANY PROFILE

CERTIFICATION

ISO 9001:2015

The Accounting and Financial Management Division received the ISO 9001:2015 certification with the scopes of "Design of Accounting Policy & Accounting Control, Preparation and Verification of Published Financial Statements, Budget Planning and Control, and Corporate Financial & Tax Compliance" from Certifications Institution PT SGS Indonesia. This is a testament of continuous improvement in quality development and monitoring of Accounting Policy by the Division to address the needs of BRI stakeholders to ensure fairness of the Financial Statements.

Asset & Liabilities Management Division successfully attained the ISO 9001:2015 certificate from Certification Institution SGS Indonesia which valid since 6 May 2018 to 6 May 2021 with the scope of Preparation of Data for Financial Statement and Provision of External Report (Commercial Banks Monthly Report). This is proved that BRI always improve the quality of data preparation for financial statements, hence improving the quality of financial statements presented by BRI.

The Operation Center Division of BRI received the ISO 9001:2015 certification with 8 (eight) scopes: "Operation Centre System for RTGS, Clearing, Remittance, Card Perso Processing, Payment System Reconciliation, ATM Reconciliation, Treasury and e-Banking Settlement, Cash and Trade Finance" from Certifications Institution PT Lloyd's Register Indonesia. This achievement is expected to continually improve the transaction process in BRI hence resulting in improved customer satisfaction.

The Goods and Service Procurement Division received the ISO 9001:2015 certifications from PT Lloyd's Register Indonesia in relations with "Provision of Inventory, Purchase Payment and Archiving Service". This certification is recognized in both nationally and internationally by the National Accreditation Committee and United Kingdom Accreditation Services (UKAS) Management System.

BRI Corporate University received the ISO 9001:2015 from the certification institute Lloyd's Register. This Verification recognized the management System Standard of BRI Corporate University regarding the "Provision of Banking Training Services". This a testament that BRI Corporate University strives to improve its education operational quality and upholding learners satisfaction.

The International Business Division received the ISO 9001:2015 certification from Lloyd's Register Indonesia. This certification recognized the management System Standard within the International Business Division in terms of "Provision of Trade Processing Centre Service Including Supporting Function of Policy and Development & Monitoring Trade Finance". This is a testamen that BRI strives to enhance its operational quality hence becoming the trusted intermediaries.

BRI Human Capital Operations Division has received ISO 9001:2015 Certificate from Certification Institution SGS Indonesia that valid since 19 September 2018 up to 9 November 2021. This shown BRI commitment in developing and providing best services to employees. This ISO certificate is provided for quality management system in data management, communication, and Compensation payment and benefit of Human Capital with technology-based services that are fast, proper and accurate.

The Fixed Assets & Property Procurement Management Division has obtained ISO 9001: 2015 certification from the PT Lloyd's Register Indonesia Certification Institute which is valid from November 26, 2018 to November 25, 2021 related to the "Provision of Establishment Strategy and Policy of the AT Management Division & Property Procurement Including Vendor Management". This certification has also been recognized nationally and internationally by the National Accreditation Committee (KAN) and the United Kingdom Accreditation Services (UKAS) Management System.

Certification

The Estimation Desk has been awarded ISO 9001: 2015 certification from the PT Lloyd's Register Indonesia Certification Agency, which was valid from 29 November 2018 to 28 November 2021, related to "Provision of Cost Estimation Processes". This certification has also been recognized nationally and internationally by the National Accreditation Committee (KAN) and the United Kingdom Accreditation Services (UKAS) Management System.

The Marketing Communication Division has obtained ISO 9001: 2015 certification from the PT Lloyd's Register Indonesia Certification Institute which is valid from October 23, 2019 to October 22, 2022, with the scope of work "Marketing Plan & Database Analysis". This is one proof that the Marketing Communication Division is always improving the quality of integrated communications to support the improvement of BRI Bank Business.

The Internal Audit Unit has obtained an ISO 9001: 2015 certificate from the SGS Indonesia Certification Institute which is valid from May 20, 2018 to December 4,

2020. The certification is given to all work units of the Internal Audit Unit including the Division of Audit Quality Standards Development, Internal Audit at Headquarters, Internal Audit Information Technology and 19 BRI Internal Audits throughout Indonesia. This indicates that BRI IAU has implemented a quality management system in conducting audits so that it can help realize IAU's vision of being a reliable strategic business partner in order to achieve BRI's vision and become a benchmark of best practice for the Internal Audit Unit in Indonesia.

ISO 27001:2013

Digital Center of Excellence Division has also received ISO 27001:2013 certificate that valid since 14 December 2018 up to 13 December 2021 from BSI Institution with the scope of the management of information security in provision of big data and analytics. This shown BRI seriousness to developing big data technology that will support BRI business development strategy in the future.



COMPANY PROFILE

BRI CREDIT RATINGS

FITCH

Long Term Foreign Currency IDR	BBB-, Stable Outlook
Short Term Foreign Currency IDR	F3
Support Rating Floor	BBB-
Support Rating	2
Viability Rating	bbb-
National Long-Term Rating	AA+ (idn), Stable Outlook
Rupiah Subordinated Debt	A+ (idn)
Senior Unsecured Notes	BBB-

Standard and Poor's

Outlook	Stable
Issuer Credit Rating	BBB-
Stand-Alone Credit Profile (SACP)	bbb-

PEFINDO

National Rating	id AAA, Stable Outlook
-----------------	------------------------

MOODY'S

Outlook	Stable
Bank Deposit	Baa2/P-2
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	Baa1 (cr)/P-2(cr)

JAPAN CREDIT RATING AGENCY, Ltd

Long Term Foreign Currency	BBB
Outlook	Stable
Long Term Local Currency	BBB+
Outlook	Stable

OFFICE ADDRESSES AND/OR BRANCH OFFICES OR REPRESENTATIVE OFFICES

[December 2019]

OFFICE NETWORK

HEAD OFFICE

Gedung BRI I dan II,
 Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210
 Tel. : (021) 2510244, 2510254, 2510264
 Fax. : (021) 2500065, 2500077

REGIONAL OFFICE

Banda Aceh

Jl. Cut Meutia No. 17
 Banda Aceh
 Tel. : (0651) 22822
 Fax. : (0651) 23487, 22352

Bandar Lampung

Jl. Raden Intan No.51 Tanjung Karang, Bandar
 Lampung 35118
 Tel. : (0721) 259340
 Fax. : (0721) 259397

Bandung

Gedung Menara BRI Lt.4, Jl. Asia Afrika 57 - 59,
 Bandung
 Tel. : (022) 4200363, 4207977
 Fax. : (022) 4236710

Banjarmasin

Jalan Jend A. Yani KM 3,5 No 151 Banjarmasin
 Tel. : (0511) 3252056, 3257057, 3251647, 3251649
 Fax. : (0511) 3252992, 32521649

Denpasar

Jalan Hayam Wuruk No 123, Denpasar
 Tel. : (0361) 228715
 Fax. : (0361) 225402

Jakarta 1

I. Veteran No.8, Jakarta Pusat
 Tel. : (021) 3840802
 Fax. : (021) 3453685

Jakarta 2

Jl. Gatot Subroto Kav.9-11
 Gedung Mulia Lt.2 No. 72,
 Jakarta Selatan 13330
 Tel. : (021) 52920581,52920585
 Fax. : (021) 52920586, 52920587

Jakarta 3

Jl. Kapten Soebianto Djojokusumo Kav CBD II No.I, Kel.
 Lengkong Gudang, Kec.Serpong
 Tel. : (021) 29703751 ex 52
 Fax. : (021) 7255732

Jayapura

Gedung BRI
 Jl. Pasifik Permai, Kompleks Ruko Dok II, Kel.
 Bhayangkara, Distrik Jayapura Utara, Kota Jayapura,
 Papua 99112
 Tel. : (0967) 524652, 524453
 Fax. : (0967) 524862, 537191

Makassar

Jl. Jend. Urip Sumoharjo KM 4, Kel.Karuwisi Utara, Kec.
 Panakukkang, Kota Makassar
 Tel. : (0411) 312498, 323507
 Fax. : (0411) 312731

Malang

Jl. Laksmana Martadinata 80 Lt. 4, Malang
 Tel. : (0341) 555422, 555425, 555620, 555423,
 555420
 Fax. : (0341) 555421

Manado

Jl. Sarapung No.4-6, Manado
 Tel. : (0431) 863592, 863378
 Fax. : (0431) 862779, 866966

Medan

Jalan Putri Hijau No 2A, Medan
 Tel. : (061) 45256666, 4528323
 Fax. : (061) 4536082

Padang

Jl Bagindo Azis Chan No. 30 Padang
 Tel. : (0751) 7052111, 7052528 / (Sementara) (0751)
 71045, 778910 892311, 892312
 Fax. : (0751) 7054995 / (0751) 72653

Palembang

Jl. Kapten A. Rivai No.15, Palembang
 Tel. : (0711) 310173, 310178
 Fax. : (0711) 312343



COMPANY PROFILE

Office Addresses and/or Branch Offices or Representative Offices

Pekanbaru

Jl. Jenderal Sudirman No. 11-11A
Rt. 01/RW 01 Simpang Tiga, Pekanbaru
Tel. : (0761) 8011100 , 8011110
Fax. : (0761) 7865019

Semarang

Jl. Teuku Umar No. 24 Semarang
Tel. : (024) 8311110
Fax. : (024) 8318436

Surabaya

Jalan Jend Basuki Rahmat No 122-138 Gedung BRI
Tower Lt 20, Surabaya
Tel. : (031) 5324230

Yogyakarta

Jl. Cik Di Tiro No.3 Terban, Gondokusuman, Kota
Yogyakarta
Tel. : (0274) 510850,520268
Fax. : (0274) 514166, 584883

SPECIAL BRANCH OFFICE

Gedung BRI II
Jl. Jend. Sudirman Kav. No
Tel. : (021) 5709060
Fax. : (021) 5713181

OVERSEAS BRANCH OFFICES

New York Agency

140 Broadway 36th Floor
New York, NY 10005
Tel. : +1 212 3793840
Fax. : +1 212 3793850

Hong Kong Representative

Room 221, 22/F Lippo Center Tower 2
89 Queensway, Hong Kong
Tel. : (852) 98815293
Fax. : (852) 28623693

Singapore Branch

50 Collyer Quay, #08-06,
Oue Bayfront, Singapore 049321
Tel. : +65 68050680

Cayman Island

Cayman Island Branch
190 Elgin Avenue Grand Cayman,
KY1-9005, Cayman Island
Tel. : +1 212 3793840

BRI Timor-Leste Branch

Grand Diocese Colmera Complex,
Rua Nicolau Dos Reis Lobato
Colmera Dili, Timor Leste
Tel. : +6703311372

- a. BRI Audian Sub-Branch Timor Leste
Rua 12 De Novembro No. 12 St. Cruz Municipi Dili,
Timor Leste
Tel. : +670 3311208
- b. BRI Fatuhada Sub-Branch
Times Square Complex, Rua Nicolau Doc Reis
Lobato Fatuhada Dili, Timor Leste
Tel. : +670 3310436
- c. BRI Hudilaran Sub-Branch
Top One Complex, Rua Hudilaran Bairopite Dili,
Timor Leste
Tel. : +670 3311208

Office Addresses and/or Branch Offices or Representative Offices

[December 2019]

Number of Work Units Under the Guidance of Regional Offices, KCK & UKLN

Regional Offices	Branch Offices	Sub-Branch Offices	Cash Offices	BRI Units	Teras BRI	Teras BRI Keliling	Teras BRI Kapal
Banda Aceh	11	15	9	141	35	1	-
Bandar Lampung	14	16	13	188	59	-	-
Bandung	30	45	60	608	231	26	-
Banjarmasin	31	31	22	290	122	7	-
Denpasar	31	27	19	298	158	4	1
Jakarta 1	25	54	68	96	69	-	-
Jakarta 2	31	69	67	191	77	-	-
Jakarta 3	36	55	42	260	106	-	1
Jayapura	13	13	11	86	36	1	-
Makassar	36	28	22	348	130	-	-
Malang	24	36	20	528	205	5	-
Manado	18	17	15	205	52	43	1
Medan	24	34	27	270	104	15	-
Padang	14	8	11	157	54	-	-
Palembang	21	29	13	234	92	-	-
Pekanbaru	22	20	19	171	100	1	1
Semarang	22	38	44	421	142	-	-
Surabaya	25	39	24	290	125	8	-
Yogyakarta	33	34	58	600	152	1	-
Special Branch Offices	1	-	4	-	-	-	-
Overseas Units (UKLN)	5	3	-	-	-	-	-
TOTAL	467	611	568	5.382	2.049	133	4



COMPANY PROFILE

SUBSIDIARIES

PT Bank BRISyariah (BRI Syariah)

Jl. Abdul Muis No. 2-4,
Jakarta 10160
Tel. : (021) 3450226, 3450227
Fax. : (021) 3518812, 3441904

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)

Gedung BRI Agro
Jl. Warung Jati Barat No. 139
Jakarta 12740
Tel. : (021) 79199980, 80667600
Fax. : (021) 79199950

BRI Remittance Company Ltd Hongkong (BRI Remittance)

Lippo Centre
Tower II 22nd Floor
89 Queensway, Admiralty
Hong Kong
Tel. : +852 25271318
Fax. : +852 28613693

PT Asuransi BRI Life (BRI Life)

Kantor Pusat BRI Life
Gedung Graha Irama
Lt. 2, 5, 7, 11 & 15,
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)

Gedung Lippo Kuningan
Lt. 11 dan GF
Jl. H.R. Rasuna Said Kav. B-12, Karet, Kuningan
Jakarta Selatan, 12920
Tel. : (021) 5745333
Fax. : (021) 5745444

PT Danareksa Sekuritas (DS)

Gedung BRI II, Lt. 23
Jl. Jend. Sudirman Kav 44-46
Jakarta 10210
Tel. : (021) 50914100

PT BRI Ventura Investama (BRI Ventures)

District 8 Office, Prosperity Tower
Lt. 16 Unit F, SCBD Lot 28
Jl. Jend. Sudirman Kav 52-53 Senayan
Kebayoran Baru, Jakarta 12190

PT. Asuransi Bringin Sejahtera Artamakmur (BRINS)

Graha BRINS
Jl. Mampang Prapatan Raya No. 18
Jakarta Selatan 12790
Call center : (021) 1500699
Tel. : (021) 791 70477, 791 70478
Fax. : (021) 791 97432

CORPORATE WEBSITE INFORMATION

As the public company, Bank BRI facilitates information access to all stakeholders through its official website: www.bri.co.id. This is referring to the OJK regulation No. 8/POJK.04/2015, which requires the issuers to provide information such as:

1. General information of issuers or public companies;
2. Information for investors;
3. Information on Corporate Governance; and
4. Information on Corporate Social Responsibility

Moreover, in general based on the transparency principle and disclosures, BRI website contains:

- Company sites;
- Career;
- Investor Relations;
- Subsidiaries;
- GCG; and
- CSR BRI.

The information on company sites, consist of:

- General information on BRI comprising of: BRI History, Vision and Mission, General Information for Issuers, Management and Information for Investors.
- Information on Deposits products, such as Saving Deposits, Time Deposits and Current Accounts of BRI.
- Information on Loans product consist of Micro Loan, Retail Commercial and Middle Loans, and BRIGuna.
- Information on International products, consisting of BRI Trade Finance & Services, BRIFast Remittance, Financial Institution, BRI Money Changer, Overseas Unit.
- Information on Bank's Services consist of Business Services, Financial Services, Institution, E-Banking and Treasury.
- Information on Consumer Product, consisting of Credit Card, Mortgage Loan, and Vehicle Loans.
- Information on Banking Investment, consist of Pension Fund, Government Bonds & SR, Trustee, Custodian Services.

- Information on Prioritas Services, consist of Services & Privileges, Mutual Fund, BRIPrioritas Card, Outlets, Customers Criteria.
- Information on Auction, consist of Assets Auction, Procurement Auction.
- Information on GCG, consist of General Meeting of Shareholders, Articles of Association, GCG Structure and Policy, Code of Conduct, Asean Corporate Governance Scorecard, Audit Committee including Audit Committee Charter, Nomination and Remuneration Committee, Whistleblowing System, and Shareholders Rights.
- On Career, BRI welcomes career opportunities for public interested in joining as employee through BRI e-recruitment portal.
- While Investor Relations elaborates the overview, financial information, GCG, services to Shareholders, Event and News.
- Furthermore at the subsidiary section, provide general information on subsidiaries and can be linked with each subsidiary website.
- In addition to the above, BRI Website has covered the Company Group Structure, Profile of the Board of Commissioners and Directors, as well as information for the shareholders.

BRI Website is also fulfilling the ASEAN Corporate Governance Scorecard (ACGS) that includes:

- Part A. Rights of Shareholders
- Part B. Equitable Treatment of Shareholders
- Part C. Role of Stakeholder
- Part D. Disclosure & Transparency
- Part E. Responsibilities of the Board

Overall, BRI Website has reflected BRI's commitment in upholding transparency principles.



COMPANY PROFILE

WORKSHOPS AND TRAININGS OF THE BOARD OF COMMISSIONERS, BOARD OF DIRECTORS, COMMITTEES, CORPORATE SECRETARY, AND INTERNAL AUDIT UNIT

Workshop & Training of Members of the Board of Commissioners

No.	Name	Date	Organizer	Topics	City
1.	Andrinof A. Chaniago	25 – 29 March 2019	SRW & Co	Asian Global Leadership Programme	London
		21 – 23 August 2019	LPS	LPS International Seminar	Bali
		22 – 25 September 2019	Bank Central of Kuwait	International Banking Conference: Shaping The Future	Kuwait
		29 October - 07 November 2019	LPPI	Executive Risk Management Refresher Program Batch 3, "Coping with Complex Digital Society"	Swedia
2.	A. Fuad Rahmany	25 – 29 March 2019	SRW & Co.	Asian Global Leadership Programme	London
		27 – 28 June 2019	BARa Risk Forum	Application of PSAK 71	Bali
		29 Okt – 7 Nov 2019	LPPI	Executive Risk Management Program Batch 3	Oslo dan Stockholm
3.	Rofikoh Rokhim	30 – 31 January 2019	CECT CSR	Social Return on your CSR Investment	Jakarta
		4 – 8 March 2019	University of Chicago	Merger and Acquisition	Chicago
		10 – 14 June 2019	London School of Economics and Political Science	Data Science for Executives : Vocabulary data, Data Anonymity, Vocabulary Machine, Machine Learning, and Measurement Model.	London
		27 – 28 June 2019	BARa Risk Forum	Application of PSAK 71	Bali
		21 – 23 August 2019	LPS	LPS International Seminar	Bali

Workshops and Trainings of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

No.	Name	Date	Organizer	Topics	City
4.	A. Sonny Keraf	29 June – 7 July 2019	IBI & LSPP	International Risk management Refreshment and Wealth Management Certification Programme	Moscow
		4 – 8 November 2019	Linkage	The Linkage 20 Conversations @ Harvard	USA
5.	Nicolaus Teguh Budi Harjanto	10 – 14 June 2019	London School of Economics and Political Science	Data Science for Executive: Vocabulary data, Data Anonymity, Vocabulary Machine, Machine Learning, and Measurement Model.	London
6.	Hendrikus Ivo	28 November 2019	BSMR	Pancasilanomics in the Development of Equitable Financial Sector in the Nationwide Risk Management Perspective	Jakarta
7.	Hadiyanto	10-15 April 2019	IMF World Bank	Spring Meeting IMF	Washington DC
8.	Wahyu Kuncoro	4 November 2019	BSMR	Level II Risk Management Certification	Jakarta
9.	Mahmud	26 March 2019	LSPP	Operational and Fraud Risks in the Banking sector	Jakarta
10.	Gatot Trihargo	26 March 2019	LSPP	Operational and Fraud Risks in the Banking sector	Jakarta



COMPANY PROFILE

Workshops and Trainings of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

Workshop & Training of Members of the Board of Directors

No.	Name	Date	Organizer	Topics	City
1.	Suprajarto ^{*)}				
2.	Sunarso				
3.	Sis Apik Wijayanto ^{*)}	21 February 2019	Ikatan Bankir Indonesia (IBI)	Risk Management & Compliance Refreshment Program	Jakarta
4.	Mohammad Irfan ^{*)}				
5.	Haru Koesmahargyo	26 March 2019	LSPP	Risk Management Refreshment Program "Operational and Fraud Risks in the Banking Sector"	Jakarta
		23 July 2019	LSPP	How Do Bank Manage Liquidity Risk	Jakarta
		29 Oktober - 7 November 2019	LPPI	Executive Risk Management Refresher Program Batch 3 dengan topik Coping with Complex Digital Society	Oslo dan Stockholm
6.	Indra Utoyo	20 March – 22 March 2019		Announcement of Winners : International Excellence in Retail Financial Services Awards 2019	Conrad Dubai, United Arab Emirates
		25-31 May 2019	SAP	Benchmark Teknologi New Finance System	Amerika Serikat
		23-24 May 2019	Benchmark ORACLE	Benchmark Teknologi New Finance System	Malaysia
		21 June 2019	BRI Corporate University	Information Technology Planning & Development Division Socialization	Jakarta
7.	Priyastomo	12 – 21 July 2019	LPPI	Executive Risk Management Refresher Program "Enterprise Risk Management and Its Challenges in Industrial Revolution 4.0"	Spanyol – Italia – Prancis
8.	R. Sophia Alizsa ^{*)}	19 - 22 May 2019	ATD Global	ATD International Conference & Exposition 2019	Washington D.C - Amerika Serikat
		05 July 2019	Daya Dimensi Indonesia	Value-Based Leadership : Leading Cultural Transformation	Jakarta

Workshops and Trainings of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

No.	Name	Date	Organizer	Topics	City
9.	Handayani	29 June - 6 July 2019	Aberdeen Standard Investment	Edinburgh Investment Forum 2019 : Connecting You To Deeper Insights In an Uncertain World	Inggris
		24 - 25 October 2019	BARA	PSAK 71 Impairment Deep Dive in Risk Management Perspective	Jakarta
10.	Supari	26 March - 28 March 2019	Credit Suisse	Credit Suisse 22nd ASIA Investment Conference	Hongkong
11.	Osbal Saragi Rumahorbo ^{*)}	12 – 21 July 2019	LPPI	Executive Risk Management Refresher Program "Enterprise Risk Management and Its Challenges in Industrial Revolution 4.0"	Spainol – Italia – Prancis
12.	Ahmad Solichin Lutfiyanto	25 February – 01 March 2019	BRI	dbAccess Indonesia Corporate Day dan Non Deal Roadshow	Amerika Serikat
		29 October - 07 November 2019	LPPI	Executive Risk Management Refresher Program Batch 3, "Coping with Complex Digital Society"	Swedia
13.	Azizatul Azhimah	29 - 30 April 2019	BRI Corporate University	In House Training Internal Control Over Financial Reporting (ICoFR) 2019	Jakarta
		09 July 2019	BRI Corporate University	Brilian Shine " Tantangan dan Peluang Perbankan di Era Industri 4.0"	Jakarta
		05-09 August 2019	BRI Corporate University	Group Head (GH), Kepala Bagian (Kabag), Dealer, dan Staf Divisi Treasury Business Enhancement Program Tahun 2019	Jakarta

^{*)} Effective as of 2 September 2019



COMPANY PROFILE

Workshops and Trainings of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

Workshop & Training of Members of Committees

No.	Name	Date	Organizer	Topics	City
1.	Pamuji Gesang Raharjo Audit Committee	27-28 June 2019	BARA Risk Forum	Application of PSAK 71 Principles, Practices, and Fundamental Issues	Denpasar
2.	Sunu Aji Noor W Audit Committee	27-28 June 2019	BARA Risk Forum	Application of PSAK 71 Principles, Practices, and Fundamental Issues	Denpasar
3.	Suindiyo Risk Management Monitoring Committee	27-28 June 2019	BARRA	PSAK 71 Impairment Deep Dive in Risk Management Perspective	Bali
4.	Sumaryo Risk Management Monitoring Committee	27-28 June 2019	BARRA	PSAK 71 Impairment Deep Dive in Risk Management Perspective	Bali

Workshop & Training of Corporate Secretary

No.	Name	Date	Organizer	Topics	City
1.	Hari Purnomo	14 March 2019 – 16 March 2019	LSPP	Level 4 and 5 Risk Management Certification Education and Testing	Jakarta
2.	Bambang Tribaroto	14 March 2019	BRI Corporate University	BRILian Shine Refreshment Risk Management with the theme "The Role of Stakeholders in Minimizing Internal and External Fraud"	Jakarta

Workshop & Training of Corporate Secretary

No.	Date	Organizer	Topics
1.	8 February 2019	BRI Corporate University	LHC – "Work Life Balance" Psychoeducation
2.	14 March - 18 March 2019	BRI Corporate University	LHC - IHT Interpretation Training of BUMN Superior Performance Evaluation Criteria (KPKU)
3.	14 March 2019	BRI Corporate University	BRILian Shine Refreshment Risk Management with the theme "The Role of Stakeholders in Minimizing Internal and External Fraud"
4.	01 July - 02 July 2019	BRI Corporate University	LHC - TOT Change Agent Coordinator Education in 2019
5.	10 July - 11 July 2019	BRI Corporate University	TOS - Educational Enhancement Special Request Training Master of Ceremony (MC)
6.	16 July - 18 July 2019	BRI Corporate University	RCA- Personal Branding Education in 2019
7.	17 July 2019	BRI Corporate University	LHC - BRILIAN SHINE Leading And Winning In The Era Of Digital Transformation
8.	26 July 2019	BRI Corporate University	TOS - BRILian Shine "How a Bank Creates Value"

Workshops and Trainings of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

No.	Date	Organizer	Topics
9.	05 August - 07 August 2019	BRI Corporate University	LHC - Educational Enhancement Program to Internalize Professionalism Value "Brilliant Presentation"
10.	29 August 2019	BRI Corporate University	BRILian SHine "Bulding Capability And Acknowledgement"
11.	29 August – 30 August 2019	BRI Corporate University	LHC-IHT PRODUCT LIFE CYCLE
12.	11 September - 13 September 2019	BRI Corporate University	TOS - Headquarters Supervisor Enhancement Education in 2019
13.	03 October - 04 October 2019	BRI Corporate University	Education Enhancement for Division Secretary, Desk, Regional Office, Regional Internal Audit Office
14.	20 October 2019	BRI Corporate University	TOS - BRILian Shine with the theme "Digital Leadership"

Workshop & Training of Internal Audit Unit

No.	Date	Organizer	Topics
1.	January 2019	BRI Corporate University	Special Request for Internal Audit of Yogyakarta Region in 2019
2.	09 January - 10 January 2019	BRI Corporate University	AIW BRI Lampung Special Request 2019
3.	16 January - 17 January 2019	BRI Corporate University	Special Request for Head of Internal Audit of BRI Selindo Area
4.	21 January - 23 January 2019	BRI Corporate University	Resident Auditor Branch Office Enhancement Program Intermediate (R)
5.	23 January - 25 January 2109	BRI Corporate University	Special Request AIW Surabaya
6.	February 2019	BRI Corporate University	Special Request Auditor AIW BRI Jakarta 3
7.	6 February 2019	BRI Corporate University	Special Request Auditor, RAK & RAU AIW Jakarta 1
8.	06 February - 08 February 2019	BRI Corporate University	Resident Auditor Unit Enhancement Program Intermediate (R)
9.	06 February - 08 February 2019	BRI Corporate University	Auditor Audit Intern Wilayah Enhancement Program Intermediate (R)
10.	20 February - 21 February 2019	BRI Corporate University	Enhancement Special Request bagi RAK dan RAU AIW Malang Tahun 2019
11.	04 March - 05 March 2019	BRI Corporate University	Auditor Kanins BRI Bandung Special Request Enhancement in 2019
12.	20 March - 22 March 2019	BRI Corporate University	Training of Trainer (TOT) Root Cause Analysis
13.	25 March - 29 March 2019	BRI Corporate University	Enhanced Special Request for Investigative Audit
14.	26 March - 28 March 2019	BRI Corporate University	Enhancement Special Request for Internal Audit Auditors BRI Jakarta Area 2 of 2019



COMPANY PROFILE

Workshops and Trainings of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

No.	Date	Organizer	Topics
15.	27 March - 29 March 2019	BRI Corporate University	ITOS - Educational Special Request In House Training IT Strategic Plan
16.	27 March - 29 March 2019	BRI Corporate University	Enhanced Special Request for Internal Audit of the BRI Manado Region in 2019
17.	28 March - 29 March 2019	BRI Corporate University	Special Request for AIW Denpasar Auditors in 2019
18.	April 2019	BRI Corporate University	Enhancement Special Request for Auditors Internal Auditors BRI Pekanbaru Region
19.	4 April 2019 – 15 April 2019	BRI Corporate University	Special Request for Internal Auditors in Padang Region 2019
20.	10 April - 11 April 2019	BRI Corporate University	Special Request for Auditors, RAK AIW BRI Banjarmasin in 2019
21.	10 April - 11 April 2019	BRI Corporate University	Special Request for RAU AIW BRI Banjarmasin in 2019
22.	10 April - 12 April 2019	BRI Corporate University	TOS-Educational Enhancement AIW Medan 2019
23.	23 April - 24 April 2019	BRI Corporate University	Enhancement Special Request for RAU AIW BRI Semarang in 2019
24.	23 April - 25 April 2019	BRI Corporate University	Enhancement Special Request for Auditors, RAK AIW BRI Semarang in 2019
25.	24 April - 26 April 2019	BRI Corporate University	Special Request Auditor Kanins BRI Makassar
26.	24 April - 26 April 2019	BRI Corporate University	Special Request for Auditors, RAK and RAU AIW BRI Banda Aceh in 2019
27.	24 April - 28 April 2019	BRI Corporate University	Enhancement Special Request for Auditors, RAK & RAU AIW Surabaya in 2019
28.	29 April - 30 April 2019	BRI Corporate University	In House Training Internal Control Over Financial Reporting (ICoFR) 2019
29.	02 May - 03 May 2019	BRI Corporate University	Enhancement Special Request for Internal Audit Auditor of BRI Palembang Region in 2019
30.	June 2019	BRI Corporate University	Associate Auditor Competency Development Program
31.	17 June - 19 June 2019	BRI Corporate University	Resident Auditor Branch Office Enhancement Program Intermediate (R)
32.	19 June - 21 June 2019	BRI Corporate University	Resident Auditor Unit Enhancement Program Intermediate (R)
33.	20 June - 22 June 2019	BRI Corporate University	Resident Auditor Unit Enhancement Program Intermediate (R)
34.	26 June - 28 June 2019	BRI Corporate University	Regional Internal Auditor Enhancement Program Intermediate (R)
35.	03 July - 05 July 2019	BRI Corporate University	Resident Auditor Branch Office Enhancement Program Intermediate (R)
36.	03 July - 05 July 2019	BRI Corporate University	Resident Auditor Unit Enhancement Program Intermediate (R)

Workshops and Trainings of The Board of Commissioners, Board of Directors, Committees, Corporate Secretary, and Internal Audit Unit

No.	Date	Organizer	Topics
37.	15 July - 16 July 2019	BRI Corporate University	TOS - Educational Enhancement Special Request Group Head of Audit Board
38.	05 August - 07 August 2019	BRI Corporate University	Resident Auditor Branch Office Enhancement Program Intermediate (R)
39.	12 August - 14 August 2019	BRI Corporate University	Resident Auditor Unit Enhancement Program Intermediate (R)
40.	19 August - 21 August 2019	BRI Corporate University	Resident Auditor Branch Office Enhancement Program Intermediate (R)
41.	16 September - 18 September 2019	BRI Corporate University	TOS - Enhancement Special Request Education for RAK and RAU Kanins Banda Aceh in 2019
42.	25 September - 27 September 2019	BRI Corporate University	TOS - Educational Enhancement Special Request Internal Audit Medan Kanins 2019
43.	27 September 2019	BRI Corporate University	TOS - Educational Enhancement Special Request Audit Intern Kanins BRI Jakarta 2 Year 2019
44.	07 October - 10 October 2019	BRI Corporate University	Resident Auditor Unit Enhancement Program Intermediate (R)
45.	09 October - 11 October 2019	BRI Corporate University	TOS - Enhancement Special Education Request In House Training PSAK 71 of 2019
46.	November 2019	BRI Corporate University	TOS - Enhancement Special Request Education In House Training PSAK 73 Year 2019
47.	3 November – 5 November 2019	BRI Corporate University	Resident Auditor Unit Enhancement Program Intermediate (R)
48.	12 November – 13 November 2019	BRI Corporate University	TOS - Enhancement Special Request Education In House Training PSAK 73 Year 2019
49.	28 November – 29 November 2019	BRI Corporate University	Enhancement training special request program for Auditors, RAK and RAU Intern Semarang Region



COMPANY PROFILE

CERTIFICATION OF RISK MANAGEMENT OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

Certification of Risk Management of the Board of Commissioners

Name	Position	MR Certification / Refreshment		
		Certification Institution	Level	Date
Andrinof A. Chaniago	President/Independent Commissioner	LSPP	Level 2	21 April 2017
Gatot Trihargo	Vice President Commissioner	BSMR	Level 1	11 April 2015
A. Fuad Rahmany	Independent Commissioner	BSMR	Level 2	9 April 2017
A. Sonny Keraf	Independent Commissioner	LPPI	Level 2	9 July 2018
Mahmud	Independent Commissioner	LPPI	Level 5	9 July 2018
Rofikoh Rokhim	Independent Commissioner	LSPP	Level 2	2 November 2017
Nicolaus T. Budi Harjanto	Commissioner	LSPP	Level 1	6 April 2017
Hadiyanto	Commissioner	LSPP	Level 1	14 May 2018
Wahyu Kuncoro	Vice President Commissioner	LSPP	Level 1	29 November 2018
Hendrikus Ivo	Independent Commissioner	BSMR	Level 3	28 November 2019
Loeke Larasati Agoestina	Commissioner	BSMR	Level 1	11 January 2019
		LSPP	Level 1	1 November 2019

Certification of Risk Management of the Board of Directors

Name	Position	MR Certification / Refreshment		
		Certification Institution	Level	Date
Supari	Director	LSPP	Level 5	11 January 2018
Osbal Saragi R	Director	BSMR	Level 5	06 April 2018
R. Sophia Alizsa	Director	BSMR	Level 5	06 January 2018
Ahmad Solichin	Director	BSMR	Level 5	06 April 2018
Azizatun Azhimah	Director	MCI	Certified Wealth Manager (CWM)	11 January-16 March 2019
			Level 3	17 – 19 January 2019
		LSPP	Level 4 & 5	5 October 2019
Herdy Rosadi Harman	Director	LSPP	Level 4 & 5	5 October 2019



PESTA RAKYAT

Simpedes

Berbagi Suka Se-Indonesia

PENGUMUMAN PEMENANG
PANEN HADIAH
Simpedes
PERIODE 1

Pawai PRS
Karnaval

Panggung PRS
Hiburan & kesenian

Pojok X'sis
Area milenial

Panen Hadiah
Penarikan hadiah undian

Pasar
Bazaar aneka produk

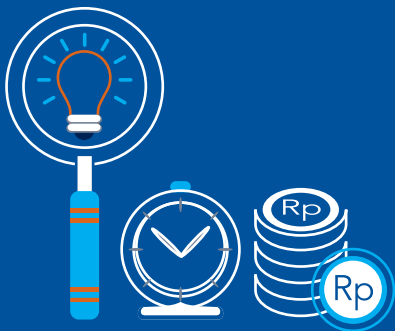
Peduli
Berbagi bersama Bank BRI

Sambut kembali kemeriahan Pesta Rakyat Simpedes di kota anda! Jangan lewatkan keseruan acaranya dan dapatkan kesempatan memenangkan hadiahnya!



04

MANAGEMENT DISCUSSION & ANALYSIS



The overall macroeconomics indicators of Indonesia during 2019 delivered good performances.

Amid the sluggish global economy, BRI was able to sustain its profitability growth. Net profit was recorded at Rp34.41 trillion at the end of 2019. Total consolidated assets reached Rp1,416.76 trillion in 2019 or grew 9.2%. While loans growth was posted at 8.3% or to Rp907.4 trillion from previous year with maintained Non Performing Loans (NPL) at 2.8%. The high level of CAR at 22.7% became BRI core capital in journeying through 2019 and preparing to embarking the dynamics year of 2020.

The largest loans growth was contributed from BRI core business, which is Micro, Small and Medium Enterprises (MSMEs). Micro segment posted loan growth of 13% or reaching Rp329.5 trillion. This is the highest growth compared to other Business Segments, and it was further able to disburse to more than 10 million micro customers. With 35.8% contribution of Micro Loan to total loans (Bank only), the growth is aligned with the corporate targets to continuously sustaining to reach 40% in 2022.



 **BANK BRI**

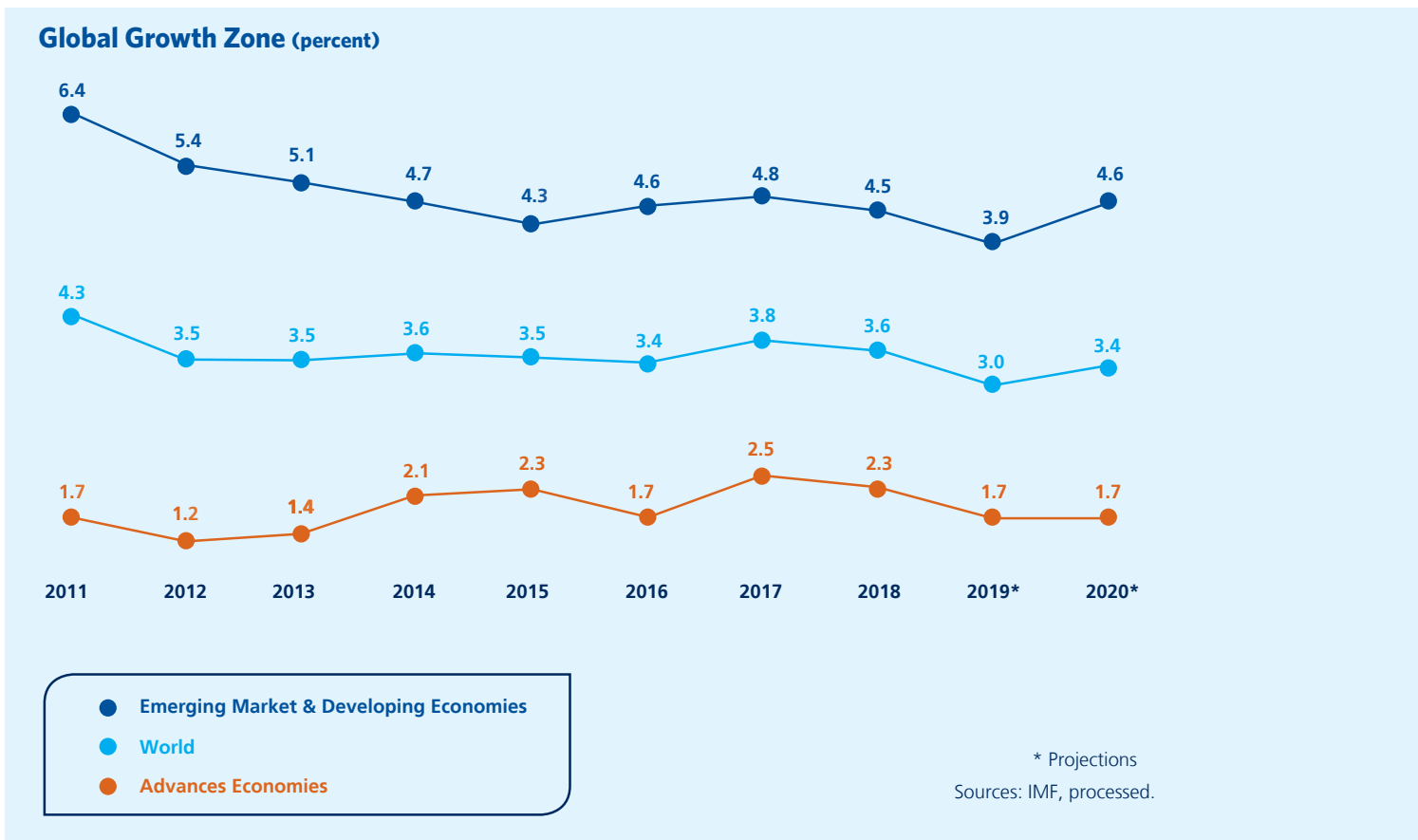


MANAGEMENT DISCUSSION
& ANALYSIS

ECONOMY AND INDUSTRIAL REVIEW

GLOBAL ECONOMY

Sluggish growth of global economic continued in 2019, however uncertainties in global financial market were decreasing. Despite continued geopolitical risks, positive developments were evidenced from the discussion of trade tariffs between the US and China, including the UK's Brexit process from the European Union.



Economy and Industrial Review

The International Monetary Fund (IMF) forecasted a 3.0% growth of global economy in 2019, while in 2020 is projected to increase by 3.1%, this trend is expected to derive from economic growth of developing countries.

Economic growth of the US and China in 2019 tends to slowdown because of limited stimulus and the impact of tariffs imposition that have been previously imposed. Japan and Europe recorded economic recovery even though it's remained limited because of improving domestic demand.

Positive development on trade tariffs agreement of the US and China has decreased the risks of global financial markets and have a positive impact on the economic development of developing countries through the inflows of foreign funds.

To address the continued weakened global economy, the world's central banks strive to stimulate the economy by lowering interest rates or maintain it to the low level. The Fed for example, maintained the rate at a level of 1.75% until the end of 2019. This step was ensued by other central banks of both developed and developing countries, including Bank Indonesia (BI).

INDONESIAN ECONOMY

Amidst the upheaval of the world trade wars, Indonesia's economic growth remains positive, recording a 5.02% growth in 2019, which resulted from maintained household consumption, accelerated fiscal expansion, and export improvements. Several regions experienced investment activities improvement, such as Sulawesi from the nickel downstream as well as government efforts on economy transformation policies. This gradually improves confidence in the business communities. Building investment was also continually improved, which was encouraged by improvement in construction activities.

Growth of Indonesian Economy Indicators

Indicators	2017	2018	2019
GDP Growth (%)	5.07	5.17	5.02*
GDP Nominal (USD Billion)	1,015.29	1,022.45	1,111.71*
GDP/Capita (USD)	3,885	3,871	4,164*
Export (USD Billion)	168.88	180.73	167.53
Import (USD Billion)	150.07	181.16	170.72
Trade Balance (USD Billion)	18.81	-0.44	-3.2
Foreign Exchange Reserve (USD Billion)	130.20	120.65	129.2
Reference Rate 7 Day Reverse Repo (%)	4.25	6.00	5.00
Inflation (%)	3.61	3.13	2.72
JCI (real value)	6,356	6,194	6,299

Sources: BPS, BI, IMF
 *Q3 2019

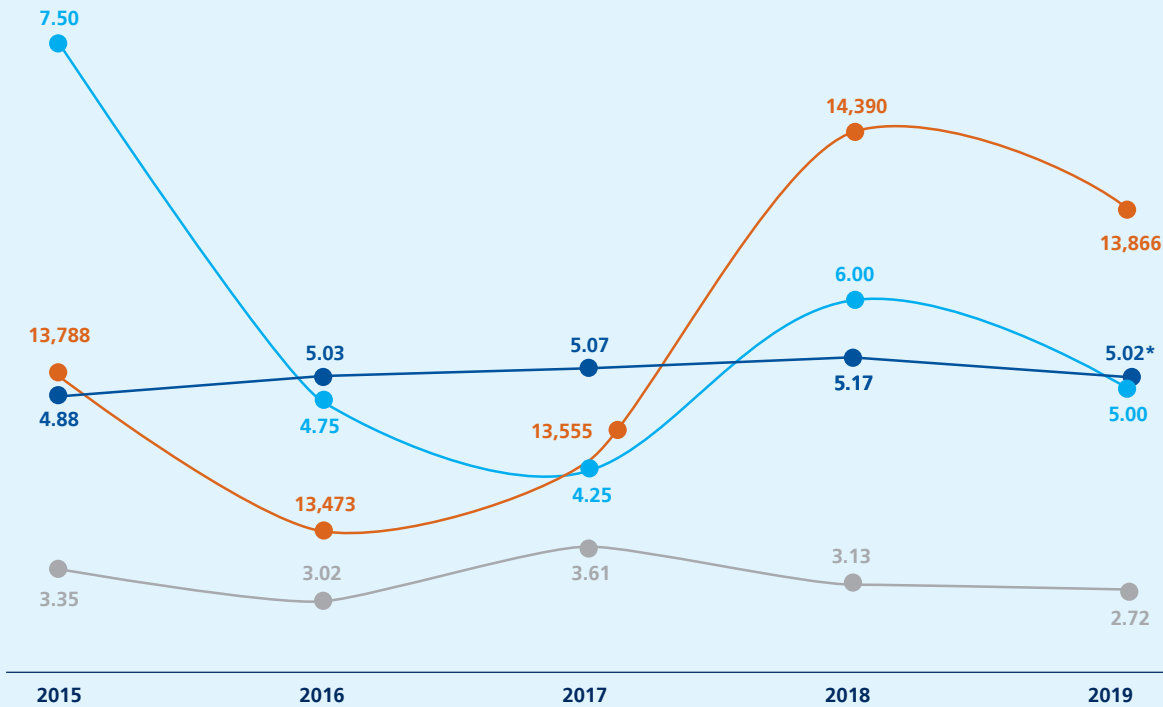
Indonesia's foreign exchange reserve reached US\$129.2 billion in 2019, or equivalent to 7.5 months of import financing and Government foreign debt payment, as well as above the standard of international limits of around 3 months of import. While BI 7-Day Reverse Repo was closed at 5.00% position at the end of 2019. This position was maintained because of the stabilized inflation, and maintained momentum of Indonesia's economic growth.



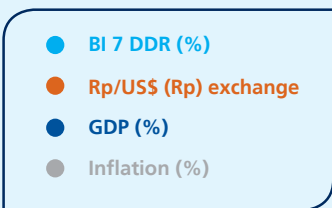
MANAGEMENT DISCUSSION & ANALYSIS

Economy and Industrial Review

Indonesia Macro Indicators



*) Q3 2019



The Rupiah exchange rate maintains strong position compared to 2018 because of the improved performance of Indonesia Balance of Payments (NPI). Moreover, the strengthening of Rupiah was also spurred by the supply of foreign exchange from exporters and continued inflow of foreign capital aligned with maintained Indonesia’s economic prospect, as well as the attractiveness of domestic financial market that remains large.

Subsequently, the capital market developments in 2019 remain influenced by global and domestic sentiment. As of the end of 2019 the Jakarta Composite Index (JCI) was at 6,299.53 position or increased by 2.18% compared to the end of 2018.

Economy and Industrial Review

INDONESIAN ECONOMY PROJECTIONS IN 2020

The global economic growth has undeniably slowed in 2019. However, there are signals that the growth conditions in 2020 will return with better acceleration. The IMF predicts the global economy in 2020 will grow 3.4%, or improved than 3.0% in 2019. The positive signals include easing global trade tensions, continuing accommodative monetary policies, orderly settlement of Brexit, and stable economic conditions in developing countries that are under pressure.

Indonesian Economy Projections in 2020

No.	Assumption	State Budget 2020	IMF	WORLD BANK	ASIAN DEVELOPMENT BANK	BRI *
1	Economic Growth (%)	5.3	5.1	5.3	5.2	5.03 – 5.10
2	BI 7 DRR (%)	-	-	-	-	4.25 – 4.50
3	Inflation (%)	3.1	3.1	-	-	3.10 – 3.60
4	Exchange Rate Rp/US\$ (Rp)	14,400	-	-	-	13,825 – 14,100

*) BRI Economist & Corporate Research Group

The Fiscal and monetary authorities also forecast the Indonesian economy to increase in the range of 5.1-5.3% in 2020, or better than 2019 which is predicted to grow at a maximum of 5.1%. Several positive sentiments that bolster Indonesia's economic growth in 2020 include the expected stable Rupiah's exchange rate in accordance with its fundamentals, controlled inflation in the target range of 3.10±3.60%, good NPI conditions as foreign capital inflows continue, positive impact from the easing monetary policy in developed economies, as well as adequate liquidity on the Indonesian money market and banking.

NATIONAL BANKING INDUSTRY

As at December 2019, the resilience of commercial banks was maintained by the strengthening of Capital Adequacy Ratio (CAR) that reached 23.3%. On the contrary the commercial banks' loan growth was declined aligned with sluggish economic financing, which only reached 6.08% (yoy). Nevertheless, the Non Performing Loan (NPL) ratio was relatively well maintained at 2.5% in December 2019.

Indonesian Banking Main Financial Indicators

Indikator	2017	2018	2019
Assets (Rp Trillion)	7,388	8,068	8,345*
Loans to third party (Rp Trillion)	4,738	5,295	5,616.8
Third Party Funds (Rp Trillion)	5,289	5,630	6,000.86
Profit after Tax (Rp Trillion)	131	150	131*
CAR (%)	23.01	22.89	23.3
NPL (%)	2.59	2.37	2.5*
NIM (%)	5.15	5.00	4.9
ROA (%)	2.38	2.50	2.45*
BOPO (%)	79.28	78.33	80.83*
LDR (%)	89.57	94.04	93.6

*) Data as of October 2019



MANAGEMENT DISCUSSION & ANALYSIS

Economy and Industrial Review

On the other hand, the growth of commercial banks' Third Party Funds (TPF) was limited in coherent with slowed loan growth. As at December 2019 TPF grew by 6.58% (yoy). As such, to strengthen liquidity, the commercial banks continued to optimize non-TPF funding sources.

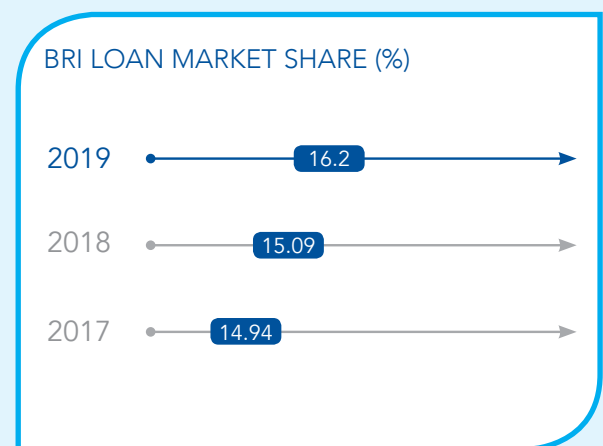
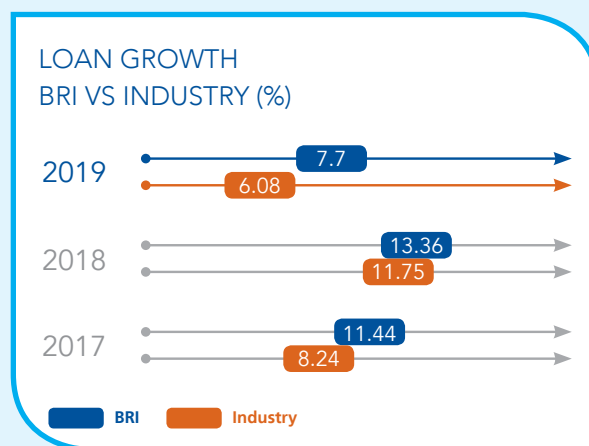
The profitability was relatively stable amid the sluggish loan and TPF growth during 2019. Return on Assets (ROA) ratio was recorded at 2.45% as of October 2019, slightly lower from 2018 position of 2.50%. This was due to the decline in profit margin of commercial banks to maintain loan growth momentum. Net Interest Margin (NIM) slightly decreased by 4.9%. Nevertheless, the bank's ability to maintain efficiency is reflected by relatively stable Operating Expense to Operating Income (BOPO) ratio of 80.83%. (October 2019). The commercial banks hence are able to maintain the decrease of profitability.

REVIEW OF BANKING INDUSTRY & BRI

LOAN GROWTH 2019

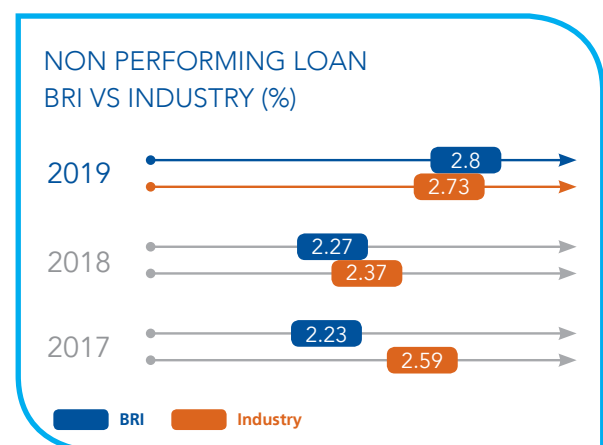
Amid the slowed loan growth of commercial banks during 2019, BRI was able to increase its loan growth above the industry. BRI and industry loan growth was recorded at 7.7% and 6.08% respectively, or increased

to Rp877.4 trillion and Rp5,616.8 trillion. Aligned with the growth, BRI's market share also strengthened by 16.2% as of December 2019.



CREDIT QUALITY

The average NPL ratio of commercial banks increased by 2.5% in 2019 from the 2018 level of 2.37%. BRI also recorded increase credit quality ratio by 2.8% as of December 2019 compared to 2018 position of 2.27%. Nevertheless, BRI's NPL remain controlled under the maximum limits of NPL at 5% and under the average NPL of Industry.



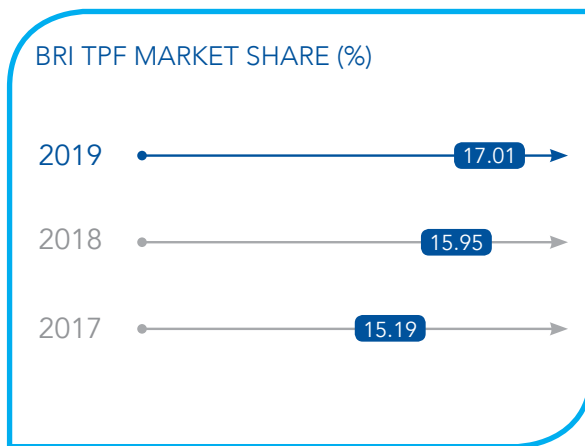
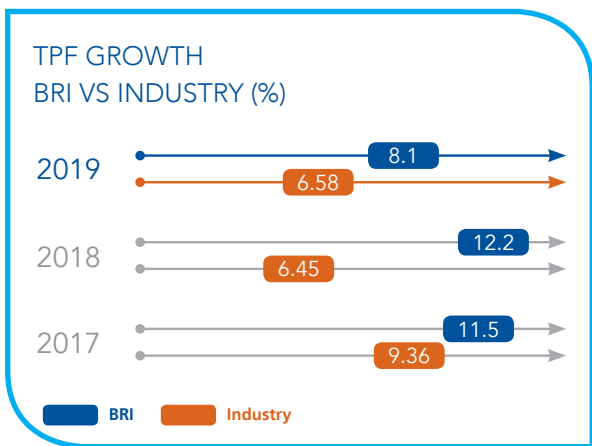


MANAGEMENT DISCUSSION & ANALYSIS

Review of Banking Industry & BRI

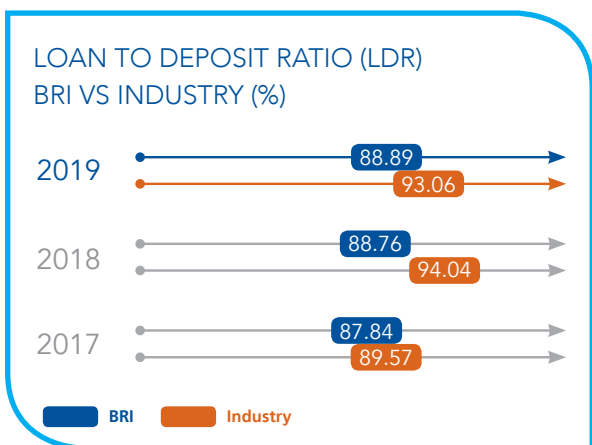
THIRD PARTY FUNDS (TPF) GROWTH

BRI third party funds increased to Rp996.38 trillion as of the end of December 2019 compared to Rp923.31 trillion in the previous year. On growth percentage, BRI TPF grew above industry averages at 8.1% (yoy). While commercial banks TPF grew by 6.6% (yoy) or increased to Rp6,000.9 trillion. In line with the increase of TPF, BRI TPF market share against commercial banks' TPF increased by 17.01%.



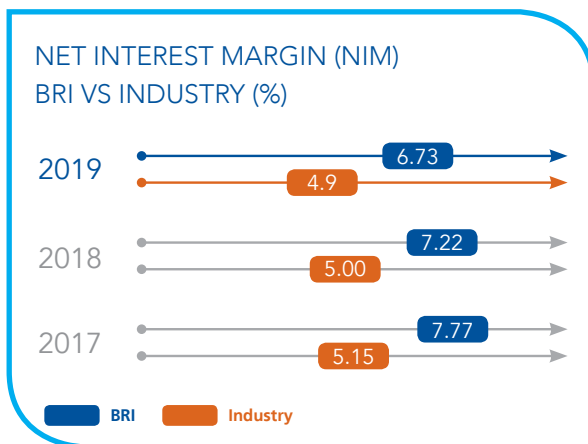
Liquidity

As at December 2019, BRI liquidity as reflected by LDR was maintained at sufficient level of 88.64%, or slightly decreased compared to 2018 position of 88.96%. BRI LDR level was far better compared to commercial banks LDR of 93.06%.



Profitability

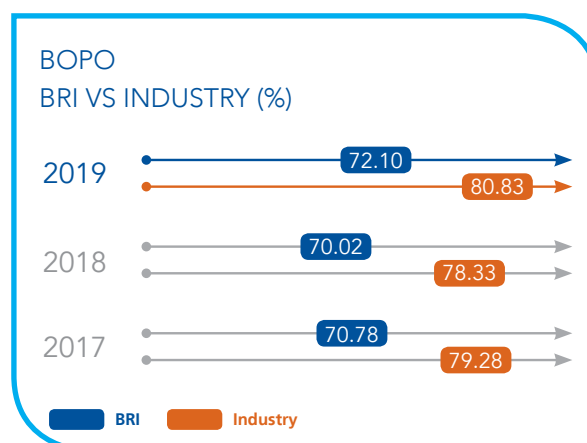
During 2019, BRI and commercial banks profitability as reflected from Net Interest Margin (NIM) was both pressured. BRI NIM was decreased by 6.98% and commercial banks at 4.9% from previous 2018 position of 7.45% and 5% respectively. As such, BRI is able to maintain its NIM level above the average NIM of commercial banks in 2019.



Review of Banking Industry & BRI

Operating Expense to Operating Income (BOPO)

On efficiency as reflected by BOPO ratio indicator, BRI is able to maintain at the lower level of 70.10% as of the end of 2019. While commercial banks recorded increased by BOPO by 80.83% from 78.33% in 2018.



National Banking Performance Projections in 2020

In 2020, on the back of maintained financial system stability, the national banking performance is believed to be able to positively grow. The Financial Services Authority (OJK), BI, and the Indonesian Deposit Insurance Corporation (LPS) predict moderate growth on loan and TPF growth. This is in coherent with the decrease of interest rates, adequate liquidity and easing macroprudential policies.

	2018		2019		2020 Projections	
	Loans	TPF	Loans	TPF	Loans	TPF
OJK	10%-12%	8%	12%-14%	8%-10%	14%	10%-12%
BI	10%-12%	9%-11%	10%-12%	8%	10% - 12%	8%-10%
LPS	10%-12%	10%-12%	10.5%	7.4%	11.5%	8.4%

BRI fully supports the Government, monetary and financial services authority directives and policies for 2020, including the economic sector transformation policy that focus on manufacturing, tourism, and MSME industries. The rapid trend of digitalization also provides opportunities for the Indonesian banking industry. Digital innovation can strengthen relationships between economic agents from the smallest to the largest, from individual consumers, MSMEs, to large corporations. Digitalization of the economy and finance opens up the potential for economic and financial inclusion.

As the axis of financial system, banking also continues the end-to-end digital transformation. Hence it can expand the use of digital applications for various financial services to the public, including for retail payment systems as well as opening up MSME financing opportunities on a broader scale.



MANAGEMENT DISCUSSION & ANALYSIS

BANK STRATEGIC PLANS

BRI SHORT TERM PLAN IN 2020

As stated in its corporate plan year 2020, BRI sets the annual theme to become the Integrated Financial Solution. BRI aims to provide excellent customer services by offering satisfactory experience for a broad range of not only conventional banking products but also its subsidiaries products. This is done through technological development as a main foundation in providing excellent customer services including digital transformation and data analytics. All are directed to achieve the Bank's long-term target to become The Most Valuable Bank in South East Asia and Home to the Best Talent.

The following are BRI short term strategic targets:

- **Focus on fee-based income**
Fee-based income is one of BRI focuses on income sources in 2020. Increase of fee-based income will be enforced through value chain and transaction banking from corporate and SME segments, including digital banking product implementation. Business integration with subsidiaries is also expected to spur fee-based income growth.
- **Earnings Assets Growth that Focus on MSME**
BRI loan expansion plan will be focused on Micro, Small and Retail segment, yet it also considered the medium and corporate business that may render trickle down business to SME segment. This segment is also expected to bolster financial inclusion program to reach the communities that are still un-bankable.
- **Low-Cost Fund (CASA) Growth**
Service capacity improvement that supports customer transaction convenience is expected to spur low cost fund acquisition. Products revamping that based on customer needs are also developed specifically for tech savvy millennial customers, and un-bankable communities. This strategy is expected to achieve CASA target of around 62%-64%.
- **Assets Quality Improvements**
Continuous improvement of assets quality is carried out by maintaining credit quality of MSME segment. The main focus will be placed on corporate segment, by maximizing credit quality restructuring and improvement, hence to maintain NPL ratio.

- **Operations Capabilities Enhancement**
BRI aims to provide service excellence for seamless customer transaction experience through investment enhancement on IT and non-IT fields. One-stop service development through integration with Subsidiaries' products can be aligned with the operations capabilities enhancement.

The Short Term Program is part of the 2018-2022 Corporate Plan, which is guided by BRI vision and mission statement and the factors that influence the banking industry development in Indonesia in the future. Some of these factors include:

- Tourism sector development with 5 super priority destinations that currently develops by government will spur economic growth, where large exposure for infrastructure and its related fields will create business opportunity for banking industry.
- Weakened economy resulted from the trade war between the US and China can render negative impact on banking industry, as it potentially reduces people's purchasing power that subsequently impacts on the increase of banking NPL.
- Indonesia demographic conditions with the increasing number of middle class productive age population with higher purchasing power and increasingly dominated by millennial generations that are familiar with digital technology.
- Changes in the customer preferences that influence the growth of digitally savvy customers, namely changes in the customers behavior that prefer digital methods to elevate faster, safer and save time in business conducts.

Bank Strategic Plans

MEDIUM TERM PLAN

BRI medium term plan is developed as a milestone to achieve future vision and mission. BRI sets the annual themes to enhance sound and sustainable growth through the strategy that focus on achieving long-term targets. BRI also focuses on financial sustainability that aims to not only on growth aspect, but as well as engagement on business sustainability and environmental aspect.

Focus of medium term are as follows:

- Deposits growth that focus on CASA
Operations quality enhancement and system reliability as well as product rejuvenation that focus on customer centric and customer journey are expected to improve customer loyalty to continue their transaction in BRI. This will increase low-cost fund acquisition and total transaction, which will eventually increase BRI profitability.
- Focus on MSME segment specifically Micro business
Going forward, BRI will continue to focus on MSME business. The operating units that are spread throughout Indonesia will become the driving force to increase market share in this segment. BRI micro loan composition is targeted to reach 40% in 2020. Medium and corporate segment will support the business through value chain and transaction banking development integrated with the MSME segment.
- Fee-based income growth
Fee-based income growth will be focused on transaction banking, e-channel, e-banking and fee transactions from bancassurance. These transactions will bolster BRI non-interest income.
- Assets quality improvement
MSME credit quality is expected to be maintained at a sound ratio, where credit quality improvement of corporate segment is expected to decrease NPL level below the banking industry.



MANAGEMENT DISCUSSION & ANALYSIS

Bank Strategic Plans

LONG TERM PLAN

Long-Term Strategic Plan

In the development of Corporate Plan 2018-2022, in addition to being guided by BRI vision and mission statement, the Long Term Plan development will become the guidelines for BRI transformation process. BRI aspires to become The Most Valuable Bank in South East Asia and Home to The Best Talent by 2022.

Business Focus 2018-2022

Micro	Consumer	Retail & Medium	Corporate	Subsidiaries
To maintain and grow the micro segment market share	To stay ahead in Salary based loans and being the top 3 place in other categories	To be the foremost bank in Medium and Retail segment in Indonesia	Corporate segment profitability increase	Subsidiaries contribution improvement

BRI Long Term Plan will be implemented in 3 waves of transformation as follows:



BRI FOR INDONESIA

HIGHLIGHTS

BRI has 54 SOE Creative House (Rumah Kreatif BUMN-RKB) throughout Indonesia and 1 RKB Teras Kapal with **329,969** RKB's members in 2019.

Family Hope Program (Keluarga Harapan Program) Disbursement through BRI reached **Rp 13.39 trillion** in 2019, for **3.76 million** Beneficiaries.

Non Cash Food Assistance Program Disbursement through BRI reached **Rp 4.84 trillion** in 2019, for **5.44 million** Beneficiaries



BRI grants the Farmer Cards (Kartu Tani) distribution to **3.25 million** farmers and collaborates with 6,109 fertilizer kiosks.

From **45,857** provincially-owned enterprises (BUMDes) throughout Indonesia, BRI has acquired **22,654** BUMDes account.

BRI's KUR disbursement ceilings from 2015 to December 2019 reached **Rp 323.4 trillion** and has been disbursed to **16.6 million** debtors.

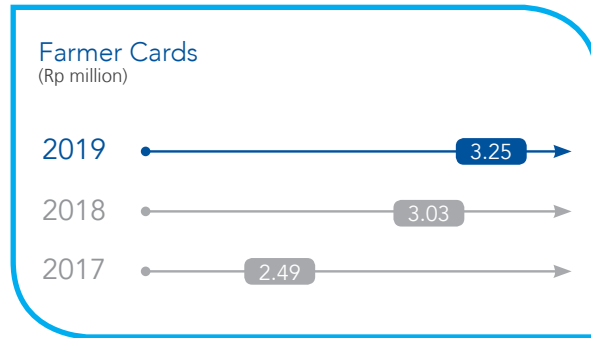
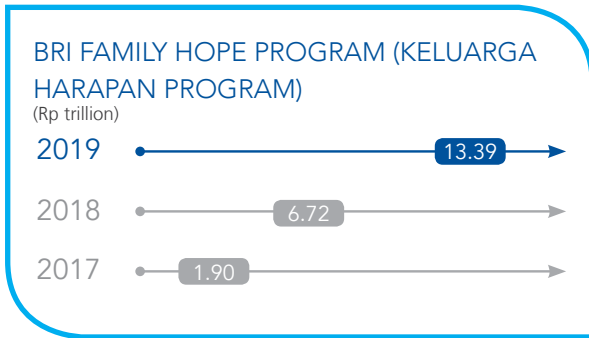
BRINCUBATOR was carried out in RKB in 5 cities with more than **500** MSMEs participants.





MANAGEMENT DISCUSSION & ANALYSIS

BRI for Indonesia



BRI is committed to succeed the government's program as an agent of development, hence BRI has allocated investment in the prosperity of community living in rural areas. This is an important aspect as investing in the company's future business.

The programs were focused on access to Poverty Alleviation (Distribution of Social Aid and Non-Cash Food Assistance), Empowerment of Village Communities (through BUMDes), Improvement of Farmers' Welfare (Agricultural Entrepreneurship), and access to Financial Inclusion, as well as other social activities.

BRI participates through programs as follows:

Cashless Social Assistance PKH and BPNT

In 2019, BRI has become one of SOEs which appointed to disburse cashless social assistance program. The Family Hope Program (Keluarga Harapan Program-PKH) and Non Cash Food Assistance (BPNT), with disbursement mechanisms as follows:

Each social assistance program and subsidy is disbursed in non-cash using banking system for easy controlling, monitoring, and reduce of fraud.

The use of banking system by utilizing digital finance is aimed at expanding financial inclusion. The use of various cards in disbursing social assistance funds was integrated into one card, namely the Kartu Keluarga Sejahtera (KKS), which is disbursed through bank agents and e-channel banks. In this instance, BRI and HIMBARA worked with the Ministry of Social Affairs.

The disbursement areas of BRI has spread across 34 Provinces, 265 Regencies/Cities, 3,470 Districts and 32,931 Villages. In supporting this program, BRI has provided network infrastructure in the form of 5.5 million ATM cards (KKS), 408 points of BRI'sat network and BRILink Agents.

The Social Assistance program is served by 240 BRI branches throughout Indonesia. Through this program BRI has played a role in increasing financial inclusion, poverty alleviation and community empowerment.

Agricultural Entrepreneurship Program

The Agricultural Entrepreneurship Program is a program initiated by the Ministry of SOEs. This program aims to encourage farmers in certain economies of scale to become entrepreneurs. The government provides support through modern agricultural infrastructure.

BRI's role in supporting the program is as follows:

- Participate in fostering off-taker companies, PT Mitra Desa Bersama (MDB) Cisuka.
- Disbursement of Farmer Cards to 9,436 farmers in 4 districts namely Cisayong, Sukahening, Sukaratu and Jamanis.
- Provide micro loans to 2,505 farmers with a nominal value outstanding of Rp56 billion.

The six steps of Agricultural Entrepreneurship are as follows:

Modernization of Production Process

Changing the agricultural process from traditional to modern



Strengthening the Farmers

The farmers in certain economies of scale that are suitable to be developed no longer work individually but in groups



Groups Strengthening

If possible the group becomes a business entity or even a legal entity



Institutional Strengthening

The Institution (Business Entity/Legal Entity) is the off taker for farmers



Financial Inclusion

Provide access to banking services for farmers



Farmers' Welfare

This ecosystem will increase the welfare of farmers from upstream to downstream



Provincially-Owned Enterprises (BUMDes) & BUMN Shop

BUMDes is a business entity whose entire or most of its capital is owned by the Village through direct participation from village assets that are separated to manage assets, services, and other businesses for the maximum welfare of villagers. (Law No. 6 of 2014 concerning Villages).

For BUMDes, Bank BRI collaborates with the Ministry of Rural Development and Transmigration Villages to provide assistance and guidance for BUMDes with the principle of symbiotic mutualism including:

- Providing financial literacy education
- Conducting entrepreneurship training activities
- Assist and socialize the procedures for establishing BUMDes
- Making BUMDes as a BRILink Agent

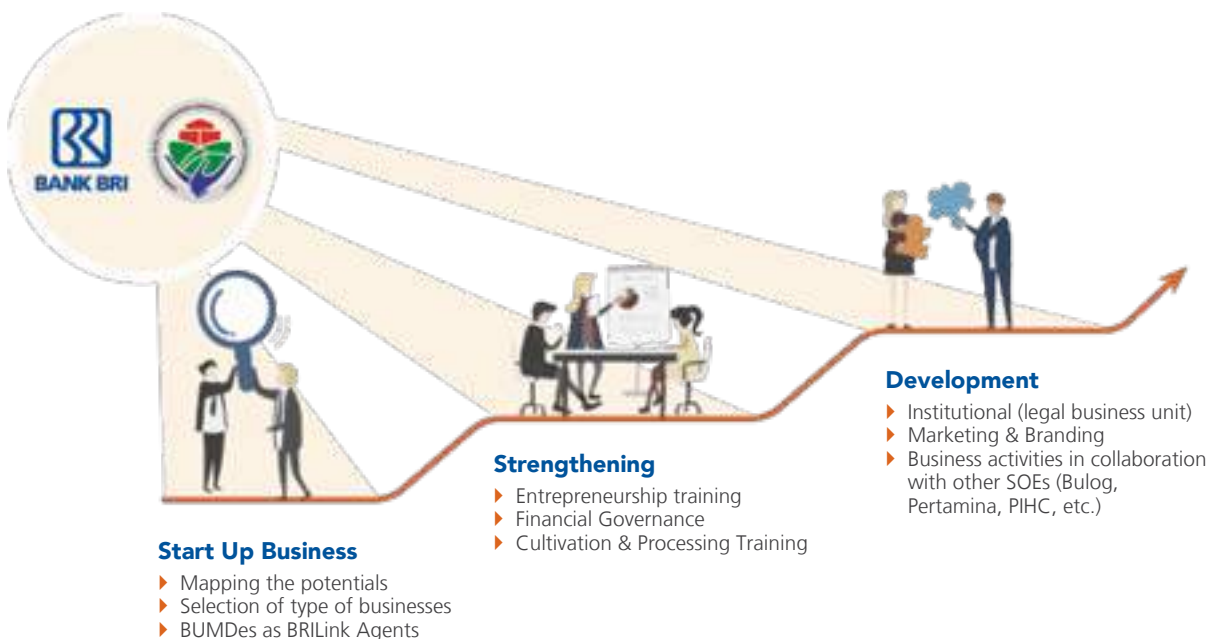


MANAGEMENT DISCUSSION & ANALYSIS

BRI for Indonesia

This collaboration effectively began in January 2017 and has delivered positive results. In 2017 the BUMDes accounts acquisition reached 7,153 accounts, increased to 17,545 accounts in 2018. Currently BUMDes accounts in 2019 reached 22,654. The BUMDes BRILink reached 8,662 in 2019, increasing from 3,020 in 2018 and 1,319 in 2017.

Moreover, the method of BRI assistance to BUMDes can be illustrated as follows:



In addition, the BUMDes BRILink can also increase village's financial literacy. For example, the establishment of BUMN Shop. BUMN Shop which is a BUMN synergy in an effort to improve the village economy through BUMDes, where BUMDes will be used as Bank Agents, Bulog RPK Agents, Pertashop - Pertamina, PIHC Fertilizers, and Telkom Wi-fi Corner.

As a manifestation of BRI's empowerment to the Village Community, BRI provides assistance to BUMDes by creating a modern retail store managed by BUMDes under the name BUMN Shop.

BRI has established 9 BUMN Shops in Tasikmalaya Regency, West Java and 2 BUMN Shops in Trenggalek Regency, East Java. In addition to providing business and income added value to BUMDes, the presence of BUMN Shop also has a social role to reduce the issue of unemployment in the village by opening jobs. From

the 11 BUMN Shops, there are currently 32 employees absorbed from the local villages (the native villagers).

Social Forestry Program

This Social Forestry Program is a BUMN Synergy Project that provides benefits of certainty of arable land and tenure rights to farmers around the forest, banking access through KUR funding from banks, support of agricultural production facility subsidies and fostering more intensive management of forest land, thereby to improve the welfare of surrounding communities Forest.

Until 2019, the Government will allocate 12.7 million hectares for Social Forestry, in the form of five schemes, namely Village Forest, Community Forest, Community Forest Plantation, Forestry Partnership, and Customary Forest.

BRI for Indonesia

Bank BRI also supports the Social Forestry Program through the disbursement of KUR funds amounting to Rp43 billion to 2,221 farmers or 100% of farmers receiving Social Forestry Decree.

Moreover, BRI also provides assistance of production equipment such as hand tractors, grain thresher, corn shellers, packaging equipment, reservoirs and water pumps. The assistance is expected to help reduce the costs of farming, hence it can increase income for farmers. One of them was the assistance of the Eucalyptus Oil Refining Tool which was given to the Forest Farmers Group in Wonoharjo Village, Kemusu Sub-District, Boyolali. This group consists of 404 farmers and manages 433 ha of Social Forestry Program areas. Through the addition of this eucalyptus oil refining tool, forest farmers can be more productive in their business hence they can increase their income and to be more prosperous.

BUMN Creative House (RKB)

BUMN Creative House is a forum for BUMN collaborative steps in establishing the Digital Economy Ecosystem through guidance for SMEs to increase their capacities and capabilities. BUMN Creative House will take the role as a data and information center as well as a center for SMEs education, development and digitalization. Currently there are 54 BRI RKBs, the last RKB built was the Bakauheni RKB at the Bakauheni Executive port, Lampung.

The main objective of BUMN Creative Homes is to increase the capacity and capability of SMEs hence quality of Indonesian SMEs can be realized through Go Modern (a training to prepare and foster SMEs in improving product quality, branding and packaging), Go Digital (an advanced training of the Go Modern Module, contains material related to the use of digital applications and automation in business and marketing processes), Go Online (a training on expanding online market access through market places that have been provided with Blanja.com, or other e-commerce).

To support learning materials and knowledge management for training in all RKBs, a standardized training curriculum is developed. RKB also collaborates/ partners with various agencies and institutions to improve the quality of training and RKB members are

expected to establish the communities according to their business fields to further empower their businesses.

Going forward, SME's members of the RKB will be certified according to the level of training in the RKB, namely the Go Modern, Go Digital, and Go Online Certificates. In December 2019, there were 329,969 members of the RKB of MSME entrepreneurs with 4,133 trainings.

RKB (Creative House)	2017	2018	2019
Number of RKB	52	53	54
Total Member	286,330	302,942	329,969
Trainings	908	2,220	4,133

BRI's involvement in the RKB program received appreciation from the SOE ministry. On 7 October 2019 BRI received an award from BUMN Awards for the Best RKB Category C (Remote Area).

Farmer Cards (Kartu Tani)

The Farmer Card (Kartu Tani) is a co-branding debit card between the Association of State-Owned Banks (HIMBARA) and the Ministry of Agriculture. This card can be used as farmers' identities, reading subsidized fertilizer quotas, subsidized fertilizer payment transactions at the Fertilizer Kiosk, and banking transactions through electronic channels.

The BRI Farmer Card (Kartu Tani) was first initiated in Central Java on 4 March 2015. Further on 20 February 2017 the Minister of Agriculture and Minister of SOEs have instructed Bank of HIMBARA to carry out a trial of the Farmer Card (Kartu Tani) program in Java. BRI was assigned to distribute Farmer Card (Kartu Tani) in 19 provinces including Riau Islands, Banten, DKI Jakarta, West Java (Tasikmalaya District), Central Java, Yogyakarta, West Kalimantan, North Kalimantan, Central Kalimantan, East Kalimantan, West Sulawesi, South Sulawesi (14 districts/cities), Central Sulawesi, Maluku, North Maluku, West Nusa Tenggara (5 districts/cities), East Nusa Tenggara, Papua and West Papua.



MANAGEMENT DISCUSSION & ANALYSIS

BRI for Indonesia

Pursuant to the Minister of Agriculture Regulation No. 47/Permentan/SR.310/12/2017 Regarding the Allocation and Highest Retail Price of Subsidized Fertilizer for the Agricultural Sector in the 2018 Fiscal Year, Farmer Card (Kartu Tani) are given to farmers who are members of farmer groups and carry out farming activities with maximum land area of 2 Ha for the food crop, horticulture, plantation, animal husbandry sector and a maximum of 1 ha for the aquaculture sector. Farmers with farmer groups are required to make a RDKK (Definitive Plan for Subsidized Fertilizer Needs) which will be uploaded in the Ministry of Agriculture's E-RDKK system by the District Agricultural Mentor. Furthermore, the Bank will open an account and issue a Farmer Card (Kartu Tani) for Farmers who have registered at the Ministry of Agriculture's E-RDKK.

Every subsidized fertilizer buying transaction which use Farmer Card (Kartu Tani) can be monitored real time online by the Government through a dashboard supported by BRI, hence the Government is able to ensure the subsidized fertilizer disbursement is done correctly, by name by address. In addition, the monitoring dashboard helps fertilizer producers to obtain data on the distribution of subsidized fertilizer needs and data on the source of subsidized fertilizer production costs to the government. BRI also uses the data of farmers receiving the Farmer Card (Kartu Tani) as a loan pipeline to increase the scale of farmers' cultivation business.

The use of Farmer Card (Kartu Tani) as subsidized fertilizer payment card in Fertilizer Kiosk is also took the role as Lakupandai agent, a form of literacy and financial inclusion for agricultural ecosystem in Indonesia.

With Farmer Card (Kartu Tani), farmers get certainty of subsidized fertilizer availability hence the farming activities are not disrupted. In addition, farmers whose data is submitted in the system obtain additional benefits, such as other farming production facility, absorption of harvest from off-taker companies, registration of farming insurance and bank loans.

Until 2019, BRI has distributed 3.25 million Farmer Card (Kartu Tani) to farmers who receive subsidized fertilizer and 6,190 Fertilizer Kiosks have become BRILink agents.

BRIncubator

BRIncubator is a development program or competition between potential MSMEs to leverage capacity and capability for upgrade, including digitalization and focus on export validation.

BRIncubator first held in 2018 in 5 cities, Padang, Bandung, Solo, Malang and Makassar with 500 MSMEs participants who are members of RKB BRI.

In 2019 second BRIncubator was held in 5 cities, namely Central Jakarta, Semarang, Yogyakarta, Sidoarjo and Gianyar with total participants of 500 MSMEs who are members of RKB BRI. They were selected down to 250 MSMEs to attend BRIncubator process which consists of workshop, coaching and mentoring by national certified trainers. Further, MSMEs were given lessons and assistance by the mentor for 6 months, from June to December 2019. The maximal ratio of assistance was 5 MSMEs assisted by 1 mentor, hence the assistance program performed optimally.

By the end of BRIncubator, three best MSMEs from each city received cash prizes which can be allocated for the business developments and continues to get assistance from RKB BUMN to Go Global and ready for the export market. Furthermore, BRIncubator program will be expanded to reach more participants and cities throughout Indonesia.

Financial Literacy & Inclusion

Financial inclusion and literacy activities are activities in the form of socialization or education related to introduction on entrepreneurship, business development, and BRI banking products or services. The activities that have been carried out are as follows:

Financial Inclusion (Simpel) Savings

The Financial Inclusion Program conducted by BRI through Simple Savings continues to receive positive responses from students throughout Indonesia.

Simpel Savings is also a means of disbursing funds from the Smart Indonesia Program from the Ministry of Education and Culture. This was evidenced by an increase in accounts to 22.6 million accounts,

BRI for Indonesia

compared to 2018 of 20.39 million accounts. In 2019, the Simpanan Pelajar savings balance was Rp4.6 Trillion. For BRI's participation in the success of the Financial Inclusion program, OJK awarded BRI as the Best Bank in Fostering the Government Program through Simpel for two consecutive years on FinExpo activities in 2018 and 2019.

Go Global Enhancement

Go Global Enhancement is an advanced training held to increase the capacity and capability of selected MSMEs to be able to market their products globally. BRI in collaboration with the Indonesian Center for Export Education and Training (PPEI) organized this export training activity. The Go Global Enhancement activities that have been carried out in 2019 are as follows:

No.	Location	Date	Participants
1	Malang	23-25 April 2019	30
2	Solo	10-12 September 2019	30
3	Makassar	23-25 October 2019	30
4	Bukit Tinggi	5-7 November 2019	30
5	Bandung	12-14 November 2019	30

MSMEs Clustering

BRI MSMEs debtor clustering planning is developed to help customers access the market, promote, and find a buyer. In addition, the purpose of establishing MSME clustering is also for financial close system, the possibility of having an off taker, as well as focused on mentoring and development according to the segment. BRI divides MSMEs clustering based on economic and or commodity sectors, regions, business similarity, and the background of MSME entrepreneurs.



MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONAL OVERVIEW PER BUSINESS SEGMENT

BUSINESS STRUCTURE

MICRO BUSINESS

- MICRO BUSINESS
- BRILINK
- PROGRAM BUSINESS

The Micro and Program Businesses are aimed at serving the needs for banking products and services of individual customers and micro-entrepreneurs to empower community businesses.

RETAIL BUSINESS

- MICRO, RETAIL COMMERCIAL & MEDIUM LOANS BUSINESSES
- CONSUMER LOANS BUSINESS
- RETAIL DEPOSITS BUSINESS
- RETAIL BANKING SERVICES BUSINESS

The Retail Business is aimed at serving small and medium entrepreneurs (SMEs), including through consumer and commercial banking products and services.

CORPORATE BUSINESS

- SOE CORPORATE BUSINESS
- INSTITUTION FUNDS & TRANSACTION BANKING BUSINESS
- NON-SOE CORPORATE BUSINESS
- SYNDICATION & NON-BANK FINANCIAL INSTITUTION SERVICES BUSINESS
- INTERNATIONAL BUSINESS
- TREASURY BUSINESS
- CAPITAL MARKET SUPPORTING BUSINESS

BRI's Corporate Business Segment serves major corporations and institutions, both State-Owned Enterprises (SOEs) and non-SOEs, that provide trickle down business for the MSME segment through a comprehensive range of lending and deposits products as well as banking services, including international banking services, treasury, and capital market supporting services. In addition, this business segment offers syndicated loans and provides committed and uncommitted limit facilities to the Non-Bank Financial Industry (IKNB) in the domestic market.

SUBSIDIARIES

- PT BANK BRI SYARIAH – BRI SYARIAH
- PT BANK RAKYAT INDONESIA AGRONIAGA TBK – BRI AGRO
- PT BRI MULTIFINANCE INDONESIA – BRI FINANCE
- PT ASURANSI BRI LIFE – BRI LIFE
- BRI REMITTANCE CO. LTD. – BRI REMITTANCE
- PT BRI VENTURA INVESTAMA – BRI VENTURE
- PT DANAREKSA SEKURITAS
- PT BRINGIN SEJAHTERA ARTAMAKMUR – BRINS

Business activities of the Subsidiaries include conventional and Islamic banking, financing services, remittance services, life insurance, general insurance, venture capital and securities.



MANAGEMENT DISCUSSION & ANALYSIS

MICRO BUSINESS

Micro Business Directorate

As part of achieving BRI's long-term strategy of increasing the composition of Micro loans to 40% in 2022, in 2019 the Director of Micro Business ensured the achievement of micro business performance targets: increase in Micro segment business volume, maintained quality of Micro loans, and the implementation of Micro segment strategic initiatives in order to achieve sustainable profitability.

HIGHLIGHTS

Micro Business Loans Outstanding reached

Rp329.54 trillion

increased by **13.00%**

compared to Rp291.62 trillion in 2018.

Micro Business Deposits reached

Rp296.56 trillion

increased by **9.17%**

compared to 2018 of Rp271.65 trillion. Micro Business Low Cost Funds (CASA) accounted for 84.6% of the total Micro Deposits.

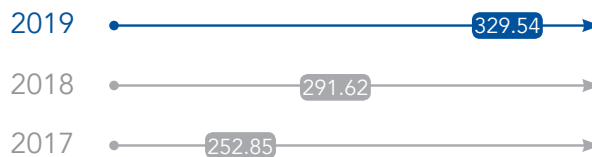
Micro Business' Profit reached

Rp18.64 trillion

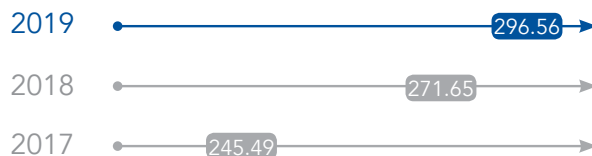
increased by **8.54%**

compared to 2018 of Rp17.17 trillion.

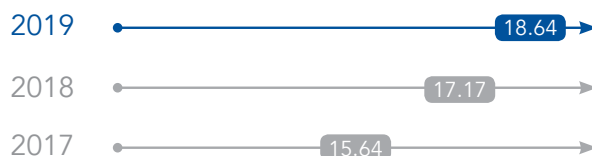
Micro Business Loans (Rp trillion)



Micro Business Deposits (Rp trillion)



Micro Business Profit (Rp trillion)



Micro Business

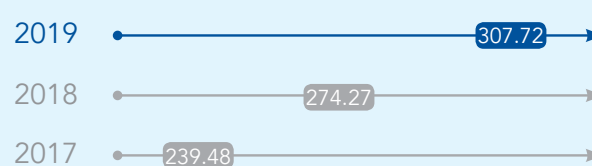
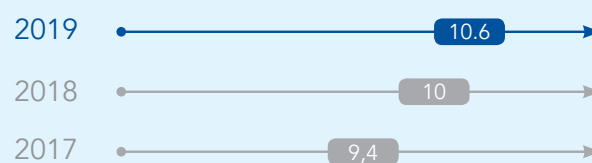
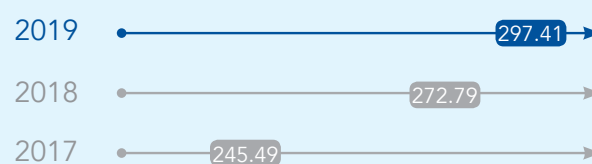
MICRO BUSINESS (INDIVIDUAL)

HIGHLIGHTS

Micro Loans reached **Rp307.72 trillion** increased by **12.19%** compared to 2018 of Rp274.27 trillion.

Micro Loans were disbursed to **10.6 million** micro-entrepreneurs across Indonesia.

Micro Deposits reached **Rp297.41 trillion** increased by **9.02%** compared to 2018 of Rp272.79 trillion.

Micro Loans
(Rp trillion)Micro Debtors
(Rp trillion)Micro Deposits
(Rp trillion)

BRI is fully committed to support the development of micro-enterprise in Indonesia through Micro Business financing. BRI's Micro Business also contributes to the success of various government programs in improving financial inclusion and literacy, as well as economic empowerment in Indonesia. In 2019, BRI Micro Loans reached Rp307.72 trillion in 2019, grew by 12.19% (yoy) compared to 2018 of Rp274.27 trillion. BRI Micro Loans were distributed to 10.6 million micro-entrepreneurs across Indonesia.



MANAGEMENT DISCUSSION & ANALYSIS

Micro Business

MICRO BUSINESS PROGRAMS & STRATEGIES IN 2019

The Micro segment has always been the main pillar of BRI lending business due to its large financing potential in Indonesia. In addition to having the capacity and capability to serve this segment, BRI also believes that the Micro Business has proven its resilience, including in strenuous economic situation. BRI has implemented digital transformation throughout the Micro Business process in order to increase productivity and efficiency. This is in line with BRI's efforts to realize its vision of becoming the Most Valuable Bank in South East Asia. For that purpose, BRI has carried out BRIVOLUTION strategic initiatives that re-engineers the lending business process through the implementation of BRISPOT in the Micro Business segment.

BRISPOT Micro has been implemented thoroughly and built upon agility and collaboration that involves all stakeholders. It started with the strategic assessment phase, design clinic, prototyping, continuous interaction, trials, and it finally led to nation-wide rollout with the Steering Committee constantly monitoring its development.

Some of BRI's strategies to improve Micro Business in 2019 are as follows:

1. Increasing operating income from interest and non-interest income by:
 - a. Cooperating with insurance companies to sell general insurance products to existing customers and new customers to increase Fee-Based Income (FBI).
 - b. Redesigning Simpedes savings products according to market needs to increase the number of customers and the volume of deposits.
 - c. Reviewing policies on the management of micro loan quality and improving recovery.
 - d. Developing the Kupedes Ekstra Cepat (KECE) loan product for micro-entrepreneurs who need a loan of maximum Rp5 million as the target market.

2. Improving business processes that are effective and efficient by:
 - a. Developing business models and improving business processes for lending and deposits product feature services.
 - b. Reviewing and revising the policies to support the simplification of business processes.
 - c. Optimizing business of both existing and non-existing customers through the concept of integrated marketing and value chain.
 - d. Improving the capabilities and understanding of marketing force in mastering financial products and services.
3. Conducting aggressive marketing supported by targeted marketing programs through Simpedes Instant Prize, Dormant Account Activation, Simpedes Ramadhan Market and Simpedes Community Festival.
4. Enhancing the capabilities of the community and MSME entrepreneurs through:
 - a. Incubation programs (training/education, assistance and financing) for MSME entrepreneurs and start-ups, either existing customers or the general public.
 - b. Developing SOE Creative House (RKB) as a media/forum for training, assistance and other productive activities.
 - c. Encouraging the creation of an export oriented BRI MSME community through the digital platform BRI Indonesia Mall as a partner place for MSMEs.

BRISPOT implementation in the Micro business segment has proven to accelerate loan processing time from an average of 5 days to an average of less than 2 days. In terms of productivity, the business process re-engineering was able to increase productivity of each Loan Officer (Mantri) by around 20%, as it is now possible for them to serve more customers and faster. Moreover, BRISPOT Micro has also been equipped with the best risk mitigation features in its class, so that micro lending customer monitoring can be performed better.

Micro Business

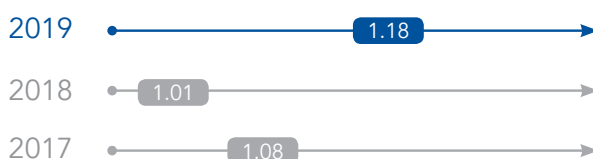
MICRO BUSINESS PERFORMANCE IN 2019

In 2019, the Micro Business posted positive performance thanks to its innovative range of products and appropriate business strategies.

Micro Loans Performance

BRI's Micro Loans reached Rp307.72 trillion in 2019, grew by 12.19% (yoy) from Rp274.27 trillion in 2018. The number of debtors also grew to 10.6 million debtors from previously 9.9 million debtors. The growth of micro loans was balanced with maintained loan quality. The level of non-performing loans (NPL) of BRI's micro loans has been about 1% over the last three years.

Micro Business NPL (%)



Micro Deposits Performance

Micro Business Third party funds (TPF) was Rp297.41 trillion in 2019, increased by 9.02% from Rp272.79 trillion in 2018. The share of Micro Business CASA continued to dominate, at 84.42% of the total Micro Business DPK in 2019.

From operational standpoint, with 7,568 micro outlets spread across Indonesia, BRI was able to serve micro customers' needs of banking products and services. In fact, to meet customers' needs, BRI added 1 Teras Kapal to serve customers in the Anambas Islands region in Riau Islands so that in total, micro service network of BRI consists of 5,382 BRI Units, 2,049 Teras BRI, 133 Teras Mobile (38 of which are 4WD vehicles to reach customers in the mountainous areas), and 4 Teras Kapal to provide financial access to communities in the coastal areas. Furthermore, in addition to providing regular services, Teras BRI/Mobile/Kapal played a role in restoring banking services in areas that experienced disasters during 2019.

In the service development strategy, aside from optimizing BRI's office network, BRI also consistently developing the BRILink Agent network. Through BRILink Agents, which as of December 2019 had reached 422,160 agents, an additional of 20,610 agents from the previous year of 401,550 agents, BRI's banking services will be more easily accessible by its customers, which then expected to further encourage financial inclusion in Indonesia.





MANAGEMENT DISCUSSION & ANALYSIS

Micro Business

Outlets	2017	2018	2019
BRI Units	5,382	5,381	5,382
Teras BRI/Teras Kantor	2,536	2,069	2,049
Teras Mobile/Teras Keliling	635	133	133
Teras Kapal	3	3	4
Total	8,556	7,586	7,568
BRIlink Agents	279,750	401,550	422,160

LENDING PRODUCT INNOVATION (KREDIT EKSTRA CEPAT/KECE)

BRI developed a product to capture the potential for financing with non-large nominal value, a short period of time, and the ease of getting a loan. KECE loan is micro loan with loan ceiling of up to Rp5 million with a maximum tenor of 6 months. The requirements are easy, no collateral is required, and installments are flexible (daily and weekly).

DEPOSITS PRODUCT INNOVATION (TEMAN SIMPEDES)

An additional feature of Simpedes savings account that uses a locked container, which can only be opened using Universal Key held by a BRIlink Agent. The money collected in the Teman Simpedes then routinely deposited (monthly) to BRI Simpedes savings account through BRIlink Agent.

SUPPORT TO GOVERNMENT PROGRAMS

The existence of BRI's Micro Business also reflects BRI's support in the success of government programs, both in terms of increasing Financial Literacy and Inclusion as well as empowering the economic community in the frontier, outermost, and underdeveloped (3T) regions.

To improve financial literacy and inclusion, BRI's Micro Business launched Basic Savings Account (BSA) product to the public, namely Tabunganku, which increased to 8.5 million accounts compared to 2018 of 7.6 million accounts, and Simpanan Pelajar (Student Savings), which increased to 22.9 million accounts from 16.45 million accounts in 2018.

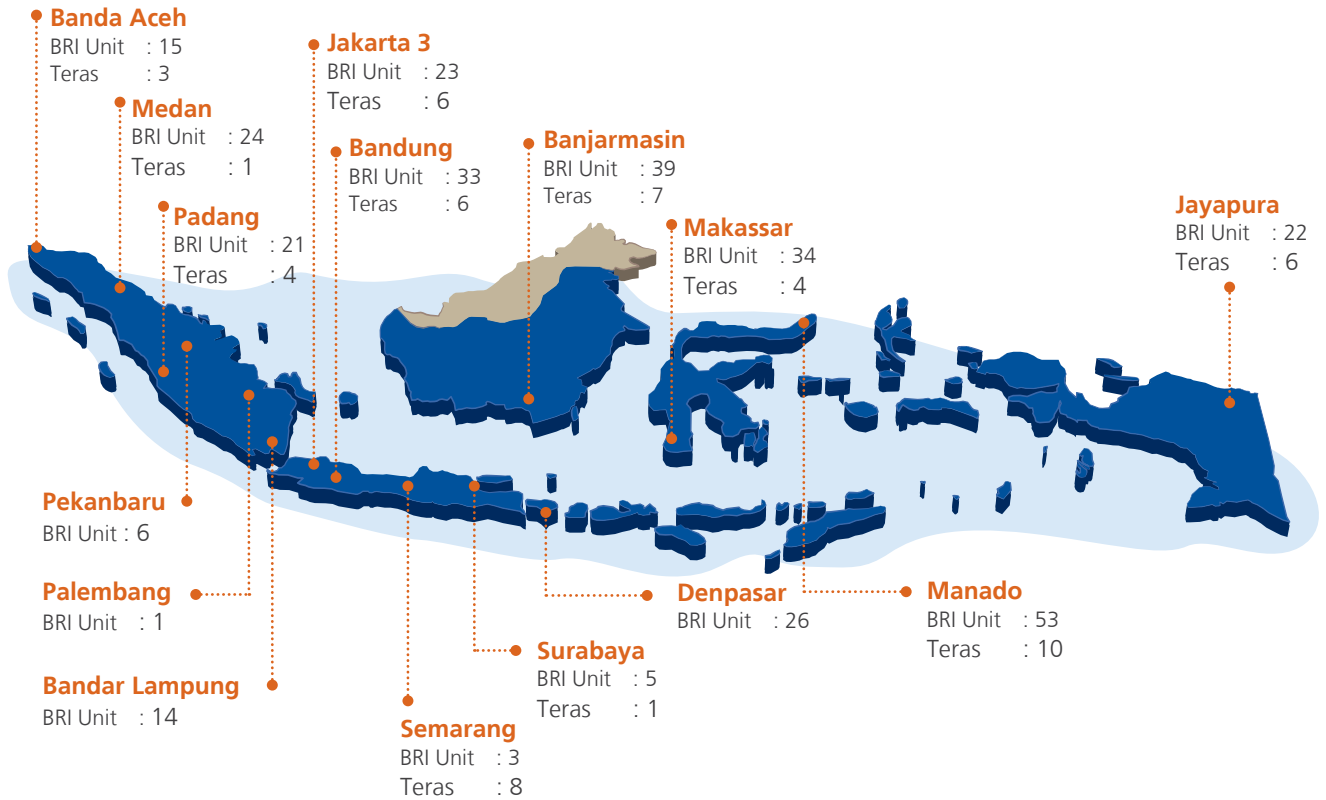
Meanwhile, to deliver economic empowerment to communities in the 3T areas, BRI provides Remote Area Micro Operating Unit (UKO) services. The criteria for BRI Micro Unit are:

- Considerable distance between the Main Branch Office and Micro Unit traveling time of ≥ 2 hours drive.
- Micro Unit sites are difficult to access with various terrains involved, e.g. aquatic, hills, and forests.
- Public transportation facility inadequate, i.e. irregular availability. As of 2019, BRI has had 375 remote area working units spread across Indonesia.

In addition, BRI also serves customers in remote areas through Teras Kapal services which are equipped with satellite-based digital banking services (BRIsat). In fact, in 2019, BRI added 1 Teras Kapal: the Teras BRI Kapal Bahtera Seva IV, to be operated in Anambas Islands, Riau Islands Province. The Bank's vessel will operate in Tarempa, Bayat, Lingai, Telaga Besar, Keramut and Letung Islands. Currently, BRI has a total of 4 Teras Kapal serving the Thousand Islands, Labuan Bajo, East Nusa Tenggara, South Halmahera Islands and Anambas Islands.

However, not only reaching out to new customer bases, Teras Kapal also has social goals. BRI's Teras Kapal Bahtera Seva III also provides creative home services to serve customers from the micro enterprise community.

Remote Area Micro UKO in 2019



Operational Route of BRI Kapal Teras





MANAGEMENT DISCUSSION & ANALYSIS

Micro Business

MICRO BUSINESS STRATEGY FOR 2020

BRI's Micro Business Target for 2020 is to strengthen and maintain BRI's position as market leader in micro business in Indonesia. BRI realizes that competition in the micro business is getting tougher because it does not only compete with other banks, but also with fintech companies and their technology-based peer-to-peer lending.

BRI is confident it can achieve its long-term target of 40% micro loans composition of total loans. This is supported by BRI's decades of experience in serving the micro segment, thousands of BRI work units spread across Indonesia, business processes that are increasingly supported by reliable digital capabilities and qualified human resources for generations. Therefore, BRI's Micro Business strategies for 2020 are as follows:

1. Revitalizing Loan Officers' work patterns.
2. Rejuvenating asset liabilities products.
3. Developing new products and services for new segments.
4. Improving HR capabilities.
5. Enhancing BRISPOT (Collection, Credit Scoring Features).
6. Developing future customer based by optimizing the functions of social entrepreneurship and incubation.
7. Strengthening the management information system (MIS).
8. Implementing the "Road to Micro-Business Sustainable Growth" initiative strategy which is divided into 4 (four) initiatives as follows:
 - a. Product Initiative
 - b. Business Process Initiative
 - c. Micro HR Initiative
 - d. Empowerment Initiative

BRILINK SERVICE

HIGHLIGHTS

The number of BRILink Agents reached **422,160** Agents increased by 20,610 Agents compared to 2018 of 401,550 Agents.

The Financial transactions volume of BRILink reached **Rp672.61** trillion increased by 31.19% compared to 2018 of Rp512.69 trillion.

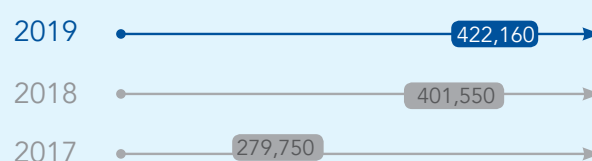
Fee-Based Income of BRILink reached **Rp788.71** billion increased by 75.73% compared to 2018 of Rp448.82 billion.

BRILink's CASA reached **Rp8.43** trillion increased by 53.23% compared to 2018 which of Rp5.5 trillion.

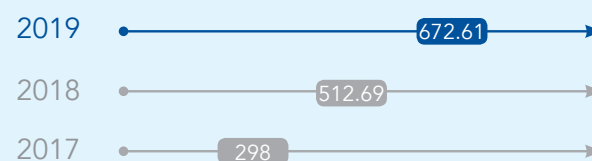
The number of BRILink transactions reached **521.32** million transactions, increased by 37.65% compared to 2018 of 378.72 million transactions.

Supporting Government programs, including financial inclusion in the 3T areas, Disbursement of Farmers' Card, BRILink Agent Synergy with Village-Owned Enterprises (BUMDES) and Non-Cash Food Assistance Program (BPNT) Disbursement.

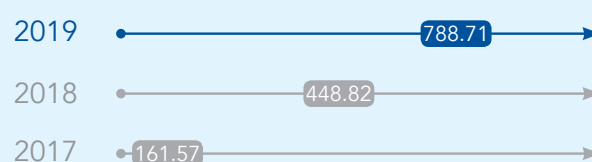
Number of BRILink Agents



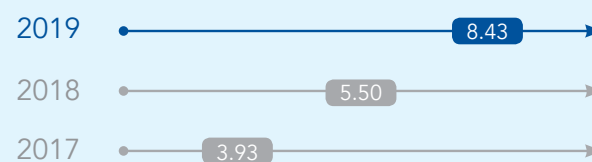
BRILink Transaction Volume (Rp Trillion)



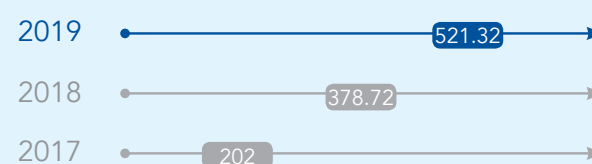
BRILink Fee-Based Income (Rp Billion)



BRILink CASA (Rp Trillion)



Number of BRILink Transactions (Rp Million)





MANAGEMENT DISCUSSION & ANALYSIS

BRILink Service

BRILINK

BRILink is BRI's branchless banking channel to serve financial transactions. It executes the Laku Pandai (branchless banking service for financial inclusion) and LKD (Digital Financial Services) initiatives. BRI works together with its customers for them to become Agents that provides online banking transactions using various devices, such as Electronic Data Capture (EDC) and smartphones. Through BRILink, BRI continues to encourage improvement in financial literacy to the surrounding un-bankable communities. BRILink has also increased BRILink Agents' additional income and business revenue. This proves BRI's commitment to make BRILink a One Stop Financial Solution that supports financial inclusion.

BRILink, which was launched in 2014, has sprung up both in terms of the number of agents and transactions. The rapid increase in BRILink's performance has proven that BRI is focused on overseeing the agency business. The Sharing Fee that is mutually beneficial and the increasing public trust in financial services offered by BRILink Agents also support the development of BRILink's business performance.

BRILINK STRATEGY IN 2019

For 2019, the aim of BRILink was to optimize the business potential of BRILink, therefore, the strategies taken are:

1. Expanding the reach of BRILink Agents to more strata in the society, especially the micro segment.
BRI also continued to improve financial literacy to the surrounding un-bankable communities.
2. Increasing the role of BRILink Agents as pipeline for BRI's micro business, such as micro loan and deposits referral
3. Increasing fee-based income from BRILink Agents, for example by increasing banking transactions conducted through agents or cross-selling in the form of marketing the Health Accident & Life Micro Insurance (AMKKM)
4. Collaborating with other institutions, such as startup companies to develop features, for example the development of Artajasa small denominations mobile credit top-up, Dinomarket Electronic shopping, and Bukalapak General Trading and Tokopedia transaction Payment

In addition, BRILink was also increasingly developing its business process operations in 2019 by:

1. Refining the process of BSA Savings account opening to make it simpler and faster.
2. Developing the applications and governance of BRILink Android EDC
3. Developing services that synergize with SOEs and the government, including Pegadaian, Insurance (Home, place of business, CIS, CIT and Lentera Mikro) and Link Aja

BRILINK PERFORMANCE IN 2019

BRILink continues to grow, both in the number of agents and transaction volume. In 2019, the number of agents reached 422.160 Agents. With 123,295 agents used EDC devices and 298,865 agents used mobile phone devices. The number of financial transactions reached 521 million transactions, with transaction value of Rp672.61 trillion. The increase in BRILink's profitability is shown by the increase in FBI which reached Rp789 billion. In addition, BRILink CASA acquisition also increased by Rp8.4 trillion. BRILink also marketed the Accident Health & Life Micro Insurance (AMKKM) with annual premium of only Rp50,000.

BRILINK DEVELOPMENT STRATEGY FOR 2020

For 2020, BRILink will continue the delivery channel expansion strategy with a focus on the quality of BRILink Agents by utilizing BRISat technology so that it can reach areas that are not yet covered by service providers. It will also standardize its Android-based Agent devices.

With the ease of opening deposits accounts and loan referral in the BRILink Application, BRILink Agents, as a solution to the microfinance ecosystem, can make a wide range of purchase and payment transactions for the micro-community. BRI is committed to continuously increasing access to banking and financial services with village coverage of 69.18% to total villages in Indonesia. Furthermore, BRILink will also continue to improve service quality by adding product features and maximizing collaboration with Startups that have services and selling value products needs and in line with the penetration of digital businesses. In standardizing the Android-based agent devices, a new EDC Android device standard will be implemented.

BRILINK'S SUPPORT TO GOVERNMENT PROGRAMS

BRILink participated in supporting government programs to improve inclusion, financial literacy and community economic equality, as follows:

- Ministry of Agriculture**
 In the disbursement of Farmers' Card, BRILink Agents are mandated as distributors of subsidized fertilizer and other banking transactions using Farmers' Card. The use of Farmers' Card an instrument to pay subsidized fertilizer at Kios Pupuk Lengkap, also acts as BRILink agents. In 2019, BRI disbursed 3,246,109 Farmers' Card to all farmers in Indonesia. Disbursement of the cards was accompanied by the empowerment of subsidized fertilizer distribution kiosks as BRILink Agents so that they can provide other banking transactions services using the card. In 2019, there were 6,152 Kios Pupuk Lengkap Agents.
- Ministry of Village, Development of Disadvantaged Regions and Transmigration**
 In an effort to bring One Stop Services to Villages, BRI synergies with BUMDES (Village-Owned Enterprises) in an effort to improve the village economy. One of the initiatives is making BUMDES into BRILink Agent. In 2019, as many as 9,252 Bumdes were BRILink Agents.
- Ministry of Social Affairs**
 As an Agent of Development, BRI was assigned by the government to channel the BPNT (Non-Cash Food Aid) program. Assistance is provided to families of beneficiaries on a non-cash, was disbursed through BRILink Agent as the distributor of aid. During 2019, there were 57,303 BRILink agents helped BPNT disbursement.
- Financial Inclusion**
 BRILink strives to realize digital technology-based financial inclusion that reaches all regions of Indonesia with the support of BRISat to 406 BRILink agents in the hinterland. Until 2019, BRILink had reached 51,661 villages or 69.18% of the total villages in Indonesia. With the opened wider financial access, micro-entrepreneurs can reach banking services even in remote villages. BRILink also encourages saving habit in local communities through Teman Simpedes.
- Support to the economy**
 BRILink boosting the economy of the surrounding community by referring BRI loans: KUR and Kupedes, to MSMEs for working capital loans and investment loans



MANAGEMENT DISCUSSION & ANALYSIS

PROGRAM BUSINESS

HIGHLIGHTS

Program Business Loans Outstanding Reached

Rp21.81 trillion

increased by **25.82%**

compared to 2018 of Rp17.34 trillion.

Food Loans Outstanding reached

Rp4.70 trillion

increased by **26.29%** compared

to 2018 of Rp3.72 trillion. While the disbursement of subsidized Warehouse Receipt Loans reached Rp14.75 billion.

In 2019, BRI disbursed

Rp87.89 trillion of KUR to 4.07

million debtors, increased by **9.73%**

from Rp80.18 trillion in 2018.

BRI has always been committed to support the government efforts to improve the economy, equitable development and economic prosperity of the community by providing banking services to micro and small businesses.

BRI is one of the banks channeling the micro-loan program Kredit Usaha Rakyat (KUR) which provides benefits, such as accelerating business development in the real sector, expanding employment opportunities, and increasing financing access according to the Nawacita program.

One of the success indicators of lending to the MSME sector is an increase in the business scale of the debtor, which is measured by the Bank through the addition of loan facilities that reflects the increase in business scale.

PROGRAM BUSINESS PRODUCTS AND SERVICES

BRI always strives to make real contributions to the society through various programs that directly touch various groups.

In its implementation, BRI provides services through the following products and services:

- **KUR Mikro**
KUR Mikro aims to allow micro-enterprises engaged in the productive sector (non-trade) and non-productive (trade). The KUR Mikro loan schemes consist of working capital and investment loans specifically dedicated to developing of micro enterprises. The target customers include individual business owners with maximum loan ceiling of Rp25 million. This loan is subsidized by the government and guaranteed by loan protection insurance from state-owned insurance companies.
- **KUR Kecil**
KUR Kecil provides the same services as KUR Mikro but for entrepreneurs with a larger business scale, with a maximum loan ceiling of Rp500 million.

Program Business

- **KUR TKI**
KUR TKI is a government assistance program for migrant workers who own side businesses in their hometowns. This program aims to improve the standard of living of migrant workers and provide employment as preparation for the unproductive period of working abroad.
- **Food Loan**
Food Loan aims to support food and maritime sovereignty, and improve the welfare of Indonesian farmers and fishermen. BRI provides Food Loans to accommodate food business development and to strengthen the production sector.
- **Warehouse Receipt Loan**
Warehouse Receipt Loan is a loan program to help farmers who have supplies that can be used as collateral in the short-term.
- **Partnership Loan**
Partnership Loan is low-interest loan that aims to help the economy of unbanked people who own productive businesses and development potential. The training was also held to increase the knowledge and skills is provided to partners who receive partnership loans.
- **Farmers' Card**
Farmers' Card is a multi-function card that is useful as an identity card as well as a financial services card. The cardholders who have received allocated subsidized fertilizers can redeem the fertilizers in the Kios Pupuk Lengkap (KPL).

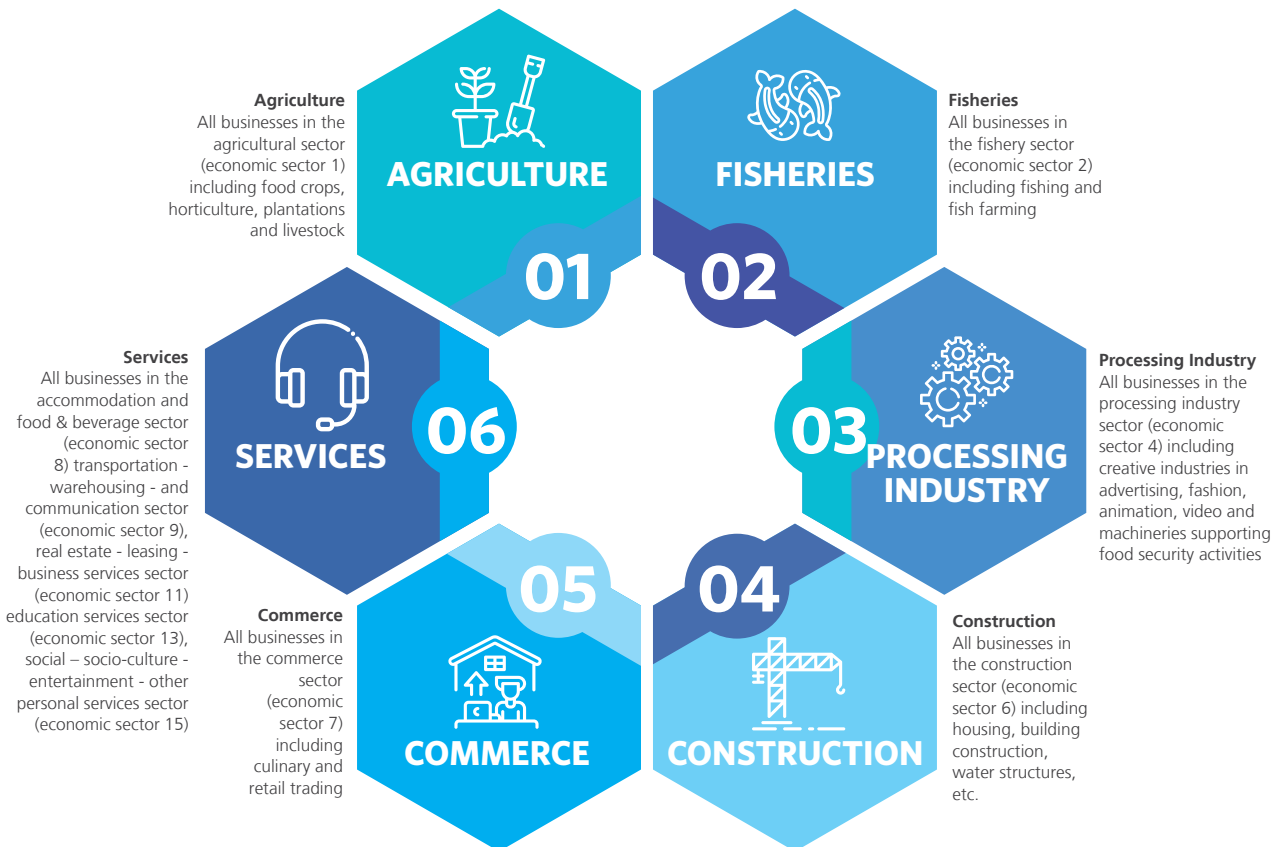
PROGRAM BUSINESS INDUSTRY SECTOR

BRI committed to empowering economically disadvantaged people or the small business sector by providing affordable sources of business financing. This is in line with BRI's commitment to the government to channel loans to the Production Sector (Agriculture, Fisheries, Processing, and Services).



MANAGEMENT DISCUSSION & ANALYSIS

Program Business



PROGRAM BUSINESS STRATEGY IN 2019

Program Business development strategies for 2019 include:

- Developing agricultural commodity-based marketing programs.
- Developing/ evaluating the capability and productivity of human resources through in-house training programs and workshops.
- Optimizing internal and external value chains by aligning the potential of trickle down business.
- Running a thematic marketing program for Food Loans distribution.

PROGRAM BUSINESS PERFORMANCE IN 2019

In 2019, Business Program loans outstanding was Rp21.81 trillion, increased by 25.78% from 2018 of Rp17.34 trillion. This achievement was driven by several factors, including:

1. Successful KUR Disbursement

BRI disbursed Rp87.89 trillion of KUR to 4.07 million debtors in 2019. Since 2015, the total disbursement of BRI KUR has reached Rp323,344 trillion to 16.64 million debtors. This is a proof of BRI's seriousness in developing Indonesia's MSME sector.

Program Business

This achievement was a result of the strategies implemented, e.g.: dedicated KUR marketing force, the Loan Officers, for KUR Mikro and RM Pangan for KUR Kecil, as well as BRISpot implementation disbursement of KUR still refers to the prudential principles of lending so that loan quality is maintained.

2. Food Loans and Warehouse Receipt Loans Outstanding

Food Loans Outstanding in 2019 grew by Rp4.70 trillion, or an increase of 26.29% from 2018 of Rp3.72 trillion. While the disbursement of subsidized Warehouse Receipt Loans reached Rp14.75 billion.

3. Maintained Asset Quality

BRI always prioritizes the prudential principles by paying attention to loan quality. This can be seen from the NPL level of Program Business Loans that have been maintained at around 1% in the last three years.

BRI also succeeded in achieving its commitment to focus on the penetration and development of the micro, small and medium businesses (MSME) segment, which is reflected in the increase of debtor' loan facilities, or commonly referred to as "upgrade", as an indicator of the success of lending to the MSME segment.

The additional loan facilities is assumed to be the result of an increase in the business scale of the debtor. Throughout 2019, a total of 378,588 debtors of KUR Mikro (with loan ceiling of up to Rp25 million) were upgraded into Kupedes debtors (with loan ceiling of up to Rp250 million).

STRATEGY & DEVELOPMENT PROGRAM BUSINESS FOR 2020

In order to improve the business effectiveness of the program in 2020, there are several strategies and developments, including:

1. Accelerating KUR Kecil

Determining the distribution of allocations, business models and integration of KUR loan monitoring with MSME empowerment program

2. BRISpot KUR Kecil

Utilizing BRISpot KUR Kecil in 2020 to accelerate the initiative and decision-making processes.

3. Cluster

Forming Clusters through the utilization of RKB and Agricultural Entrepreneurship. Advanced MSME from the advanced Partnership Loans, advanced Mekaar and advanced KUR Mikro.

4. BRIncubator

Improving literacy quality through a more integrated incubation program (BRIncubator).

5. Customer Base Potential

Making Government/Ministry/agency program initiatives (Social Aid, KWP, Social Forestry, Farmers' Card, KUSUKA, BUMDES, Productive Villages Program in villages with a huge number of migrant workers, RKB) as potential future micro segment customer bases.

6. Monitoring Dashboard

Developing a monitoring dashboard to measure the success of the implementation of government programs and MSME empowerment.

7. UMKM Smart Mobile Apps

Digitizing the empowerment of MSMEs by equipping it with self-assessment, training modules, incubation calendar and report & tracking.



MANAGEMENT DISCUSSION & ANALYSIS

RETAIL BUSINESS

HIGHLIGHTS

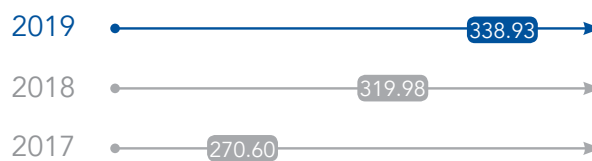
Retail Business Loans Outstanding reached **Rp338.93 trillion**, an increase of 5.92% compared to 2018 of Rp319.98 trillion.

Retail Business Deposits reached **Rp374.45 trillion**, an increase of **9.75%** compared to 2018 of Rp341.33 trillion.

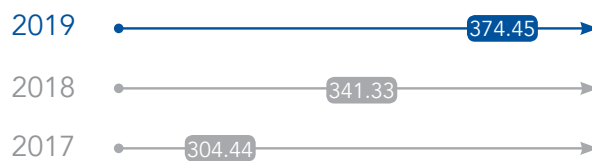
Retail Business Fee-Based Income reached **Rp8.19 trillion**, an increase of **20.69%** compared to 2018 of Rp6.79 trillion.

Retail Business Profitability reached **Rp11.41 trillion**, an increase of **7.43%** compared to 2018 of Rp10.62 trillion.

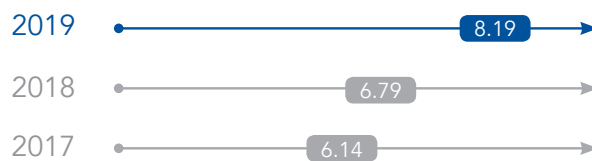
RETAIL BUSINESS LOANS (Rp Trillion)



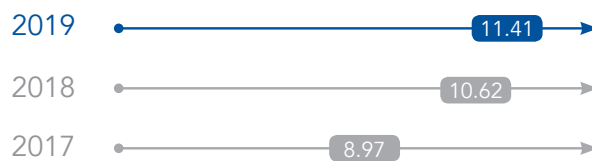
RETAIL BUSINESS DEPOSITS (Rp Trillion)



RETAIL BUSINESS FEE-BASED INCOME (Rp Trillion)



RETAIL BUSINESS PROFIT (Rp Trillion)



SMALL, RETAIL AND MEDIUM LOANS BUSINESS

Directorate of Small, Retail & Medium Business

As one of BRI's mainstay segments, the Directorate of Small, Retail and Medium Business continues to focus on quality loan growth, supported by a range of business strategies that were implemented in 2019, such as developing Dynamic Loan product, collaborating with fintech, optimizing trickle down business and early warning system to ensure improvement in loan quality. The successful implementation of these strategies is demonstrated by the growth of small, retail & medium loans and the achievement of profitability for this segment.

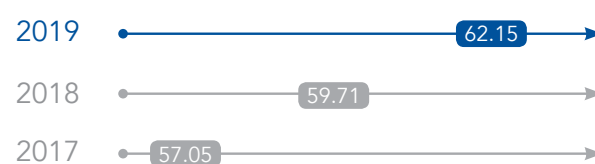
HIGHLIGHTS

Small, Retail and Medium Loans Outstanding reached **Rp 198.42 trillion**, an increase of **4.91%** compared to 2018 amounting to Rp189.13 trillion.

SMALL, RETAIL, AND MEDIUM LOANS (Rp Trillion)



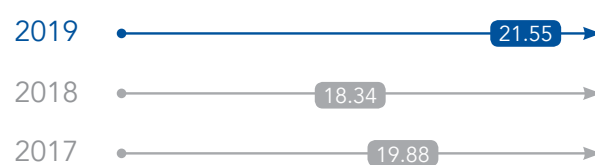
SMALL LOANS (Rp Trillion)



RETAIL LOANS (Rp Trillion)



MEDIUM LOANS (Rp Trillion)





MANAGEMENT DISCUSSION & ANALYSIS

SMALL, RETAIL & MEDIUM LOANS BUSINESS PRODUCTS

Through the Small, Retail and Medium Business, BRI has designed products that meet the needs of its customers, including:

1. Working Capital Loan

This productive loan facility finances business operations intended for production processes or as additional working capital. The product's advantages include loan tenor and repayment that follow the debtor's business characteristics and New Account Sweep.

2. Investment Loan

A productive loan facility for the purpose of purchasing, building, expanding, renovating or capital goods refinancing. This product has a number of advantages, such as loan tenor that is aligned with debtor's cash flow capability.

3. Partner Loan/Supply Chain Financing

- KMK Pre-Financing is a working capital loan facility for vendors/suppliers to finance their working capital needs during project implementation of BRI's Partner Main Companies.
- KMK Post-Financing is a working capital loan facility for vendors/suppliers to finance the takeover of receivables from project completion billing of BRI's Partner Core Companies.
- KMK Distributor (Distributor Financing) is a working capital loan facility for distributors/agents, specifically for payment of product purchases to BRI's Partner Main Companies.
- Partner Investment Loan is an investment loan facility for the purchase, construction, expansion, renovation, including refinancing of fixed assets in order to support the business operations of partner companies of BRI's Partner Core Companies.

These products have several advantages, including:

- Attractive interest rates and loan fees.
- Collateral relaxation and Personal Fund Sharing.
- Digital operations through the Supply Chain Module in the BRI Cash Management System.

4. Dynamic Loan

Dynamic Loan is either Working Capital Loan or Investment Loan with loan interest incentives that dynamically changed automatically every month, based on the distribution of financial transactions and the debtor's BRI Demand Deposits performance in the previous month. The advantages are a more attractive loan interest rate compared to conventional loans and New Account Sweep.

5. Retail Loan with Fixed Installments

It is a productive loan facility for working capital or investment purposes intended for retail segment debtors with fixed principal and interest amount installment payment. Advantages of products with fixed installments include:

- Loan tenor of up to 5 years.
- Maximum installment is 80% of RPC.

6. Online Bank Guarantee

Online Bank Guarantee (BG) is an online and digital Bank Guarantee submission and BRI Bank Guarantee monitoring features in the BRI Cash Management System. This product has several advantages, including:

- Online and digital Bank Guarantee application through BRI CMS, without having to visit BRI work unit in person.
- Confirmation and monitoring of the validity and maturity of the Bank Guarantee by project owners through BRI CMS without the need for manual confirmation to BRI work unit.

7. KMK Accepted Invoice BPJS Health

Financing provided for Healthcare Facilities to take over bills to BPJS Health based on approved invoices. The advantages are as follows:

- Financing amounted to 100% of the Invoice value.
- No additional collateral.

Small, Retail & Medium Loans Business Products

8. Invoice Financing through Investree (Peer-to-Peer Lending Fintech) Platform.

BRI is collaborating with this financial technology (fintech) company, e.g.: in the distribution of invoice financing with cooperation schemes conducted through online platform at <https://www.investree.id>.

The advantages of this product include:

- Digital and swift loan service procedures, while upholding the prudential principles.
- Loan fees are relatively cheap
- No additional collateral

SMALL, RETAIL & MEDIUM LOANS BUSINESS STRATEGIES IN 2019

Lending business for the Small, Retail and Medium Business segment had a number of strategies and programs in place to achieve its targets. The strategies have taken into account many factors such as economic conditions, target markets, and business opportunities. Throughout 2019, the strategies and programs implemented by the Retail and Medium Loans Business are as follows:

- Clustering. Business penetration through business community approach.
- Scale Up. Increasing debtor capacity through RM business advisory function.
- Partnership. Optimizing the cooperation in loan disbursement with various peer-to-peer lending Fintech.

- Optimizing the utilization of BRIsSpot Retail as a form of business process simplification and increasing the productivity of small segment loans.
- Optimizing the Loan Portfolio Guidelines as a guide in sound lending and specifically tailored to the potential and risks in each BRI working area.
- Optimizing the Early Warning System in order to support RM monitoring activities in order to identify and resolve potential debtor symptoms more quickly.
- Organizing the Pipeline Management Forum on a regular basis in all work units in order to create planned and targeted loan expansion and growth, which is supported by the New Mapping Model to support pipeline management.
- Optimizing the Supply Chain Financing to BRI's partner Core Companies and thematic Marketing Program Implementation by region.
- Focusing on the Corporate Business Division Value Chain Business (VCB): intensive acquisition process to realization activities on debtors resulting from TDB.
- The gradual implementation of the BRISpot Retail in which services, initiatives and loan decisions are carried out digitally with gadgets so as to create a faster and paperless Service Level Agreement (SLA).
- Collaborating with insurance companies related to the risk transfer mechanism for small and retail segment loans.
- Development of KMK/WA Monitoring Application as one of the tools to monitor loan disbursement in accordance

with applicable terms and conditions.

- Increasing the capacity and competence of marketing force (RM & BM) through education and training programs.
- Small business market development using the One Market One Branch approach. RM becomes the PIC (Person in Charge) in the acquisition of market traders.
- Developing Scoring system for upgraded MSMEs in collaboration with LPEM-FEB UI.

SMALL, RETAIL & MEDIUM LOANS BUSINESS PERFORMANCE IN 2019

In 2019, BRI separated the management of Commercial Retail Loans Business into Small Loans Business and Retail Loans Business. As a result, the Small Loans Business is defined as loan with loan ceiling of more than Rp250 million to Rp1 billion, while the Retail Loans Business is defined as loan with loan ceiling of more than Rp1 billion to Rp25 billion, and the Medium Loans Business is loan with loan ceiling of more than Rp25 billion to Rp200 billion. The performance of the Retail and Medium Loans Business throughout 2019 is as follows:

Small Loans Business

Until the end of 2019, the performance of the BRI Small Business segment showed positive growth, reaching Rp62.15 trillion, or grew by 4.09% compared to 2018 of Rp59.71 trillion.



MANAGEMENT DISCUSSION & ANALYSIS

Small, Retail & Medium Loans Business Products

Retail Loans Business

The Retail Loans business reached Rp.114.72 trillion, with an increase of 3.27% compared to 2018 of Rp111.08 trillion.

Medium Loans Business

The Medium Lending Business reached Rp21.55 trillion, with an increase of 17.48% compared to 2018 of Rp18.34 trillion.

SUPPORT TO GOVERNMENT PROGRAMS

Through financing in the Small, Retail & Medium Lons Business segment, BRI participates in supporting government programs especially in terms of increasing the number of entrepreneurs and increasing the access of small, retail and medium entrepreneurs to additional business capital needs, reducing poverty levels, increasing employment absorption and reduce unemployment.

BRI through the Retail and Medium Loans Business segment has supported Government programs, especially in increasing the number of medium-scale entrepreneurs. In addition, this will also increase employment and reduce unemployment.

SMALL, RETAIL & MEDIUM LOANS BUSINESS STRATEGIES FOR 2020

For 2020, the growth of the Small, Retail and Medium Lending Business will be supported by digital-based business strategies to grow more dynamically.

The Small, Retail & Medium Loans Business strategies for 2020 are as follows:

- Developing Loan Invoice Financing Digital Platform Application.
- Developing a point-to-point notification system for RM in the BRISpot Retail Application to maintain loan quality.
- Developing the Sales Planning System application in the medium lending business process.
- Optimizing the use of BRISpot Retail to increase the productivity of Commercial Retail loans.
- Conducting marketing activities for Retail & Medium Lending Business, adjusted to the conditions of business competition.
- Optimizing the value chain business, especially with potential Corporate customers.
- Discipline in the implementation of pipeline management forum in order to support qualified loan growth.
- Increasing the capacity and competence of marketing force (RM & BM) through education and training programs.
- Conducting partnership cooperation with peer-to-peer lending companies.
- Clustering of agricultural commodities.
- Implementing dunning SMS Features for Small segment customers
- BRI Product/scheme initiatives/customized acceleration of lending to debtors with invoices

CONSUMER LOANS, RETAIL DEPOSITS, AND RETAIL BANKING SERVICES BUSINESS

Consumer Directorate

Given the huge potential of consumer business in Indonesia, the development of consumer business is a priority for BRI. Consumer business is not only related to consumer loans such as Mortgages, Motor-Vehicles, payroll loans or Credit Cards and retail customer deposits, but also captures the potential of retail payment transactions which is currently growing. For this reason, the Director of Consumer continues to ensure the achievement of profitability of the Consumer segment business, increase in the Consumer segment business volume, increase in the volume of retail payment transactions and increase in the quality of Consumer loans.

CONSUMER LOANS BUSINESS

HIGHLIGHTS

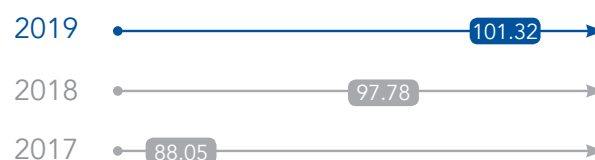
BRIGuna Loans outstanding reached **Rp101.32** trillion, an increase of **3.61%** compared to 2018 of Rp97.78 trillion.

Mortgage loan (KPR) outstanding reached **Rp32.32** trillion, an increase of **19.18%** compared to 2018 of Rp27.12 trillion.

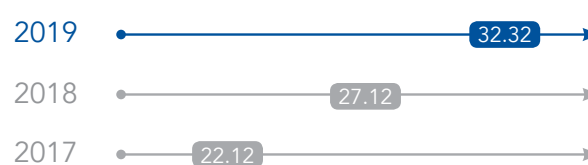
Motor vehicles loan (KKB) outstanding reached **Rp4.14** trillion, an increase of **12.70%** compared to 2018 of Rp3.67 trillion.

Credit Cards outstanding reached **Rp2.68** trillion, an increase of **22.91%** compared to 2018 of Rp2.18 trillion.

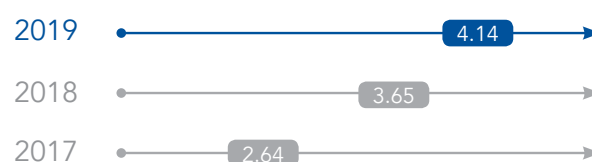
BRIGuna (Rp Trillion)



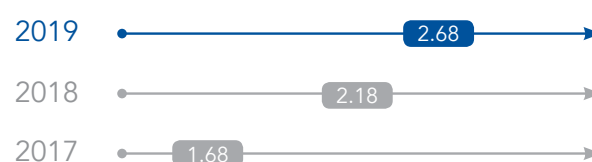
Mortgages (Rp Trillion)



Motor Vehicles (Rp Trillion)



Credit Cards (Rp Trillion)





MANAGEMENT DISCUSSION & ANALYSIS

Consumer Loans Business

CONSUMER LOANS BUSINESS PRODUCTS

BRI's Consumer Loans Business provides products that make it easy for individual customers to own a home, vehicle, and various other consumer goods needs. BRI Consumer Loans offer competitive interest rates and fast processing.

1. BRIGuna

BRIGuna is a multipurpose loan aimed at customers with fixed income. There are five loans schemes options available in BRIGuna: BRIGuna Karya, BRIGuna Purna, BRIGuna Umum, BRIGuna Pendidikan, and BRIGuna Talangan.

BriGuna Karya is a non-secured loan facility (KTA) from BRI intended for salaried prospective borrowers/debtors. BriGuna Karya can be used to finance a variety of customer needs, for both productive and non-productive purposes, such as: purchase of movable/immovable goods, home improvement, and college/school needs, medical treatment, wedding, etc. Meanwhile, BriGuna Purna is a loan facility intended for prospective borrowers/debtors whose source of payment (repayment) derives from a fixed income (pension fund). It can be used to finance productive and non-productive needs, for example: purchase of movable/immovable goods, home improvement, children's college/ school needs, medical treatment, children's wedding, etc.

BriGuna Umum is a loan facility intended for salaried prospective borrowers/debtors. The loan can be provided from active employment until retirement. It can be used to finance productive and non-productive needs, for example: purchase of movable/immovable goods, home improvement, children's college/ school needs, medical treatment, children's wedding, etc.

BriGuna Pendidikan is a BriGuna product specifically intended for postgraduate students with fixed salary or fixed income.

2. Mortgages Loan (KPR)

Mortgage loan is a housing loan for purchases of new/used home, credit take over, construction and renovation of buildings from residential houses, shop houses (ruko) to offices (rukan). There are several types of KPR that are designed based on the characteristics of customers, as follow:

- a. a. Special Mortgage loan for Civil Servant and Military and Police Personnel, a BRI Non-Subsidized Regular Mortgage loan that is adjusted to facilitate housing financing to ASN and Military and Police Personnel.
- b. b. Subsidized Mortgage loan (KPRS) and Mortgage loan for Teachers & Education Personnel, which provide KPP and KPR Sejahtera (FLPP) facilities from Bank BRI for teachers and education personnel. This product has several advantages, including waived administration and provision fees, as well as competitive interest rates.
- c. c. KPRS ASRI, a subsidized housing financing program for low-income families, including ASN and Military/Police Personnel with a maximum base salary of Rp4 million. KPRS ASRI products have a number of advantages, including competitive interest rates, waived administration and provision fees, minimum down payment according to Loan to Value (LTV) provisions, and a maximum term of 20 years or until the retirement age.
- d. d. KPRS or FLPP (Housing Financing Liquidity Facility), a subsidized housing financing program aimed at low-income families with a maximum base salary of Rp4 million.
- e. e. Seasonal Mortgage loan programs such as KPR HOKI, KPR Lebaran, KPR Merdeka and KPR HUT.

3. Motor Vehicle Loan (KKB)

KKB is loan to finance two-wheeled, premium two-wheeled, and four-wheeled vehicles through direct and cooperative scheme.

Consumer Loans Business

4. Credit Card

Credit card is card-based, non-collateral loan that make it easy and convenient for customers to conduct transactions at cooperating merchants.

CONSUMER LOANS BUSINESS STRATEGY IN 2019

To increase sales and market share of each Consumer Loans product, BRI implemented a number of strategies throughout 2019 as follows:

BRIGuna

- Developing consumer loan collection support system.
- BRIGuna's thematic marketing program with a variety of interesting promotions, such as BRIGuna Awal Tahun, BRIGuna HOKI, BRIGuna Ramadhan, BRIGuna Ajaran Baru, BRIGuna Purna "Sembako", and BRIGuna Merdeka.
- Marketing programs for BRIGuna for SOEs and other Institutions and BRIGuna Milenial.

Mortgage Loans and Motor-Vehicles Loans

- Seasonal and thematic marketing programs for Mortgages and Motor-Vehicles Loans.
- Marketing programs for HOP (Home Ownership Program) and COP (Car Ownership Program) Kawan and Non Kawan.
- Digitizing Mortgages loan process by utilizing the BRISpot Consumer application and implementing the centralization of CLF (Consumer Loan Factory).

Credit Card

- Developing and focusing on acquisitions with cross-selling.
- Optimizing trickle down business customers (value chain and corporate sales).
- Increasing cooperation with a number of potential companies/institutions for Business Cards.
- Increase collaboration with many merchants, both offline and online (e-commerce).

CONSUMER LOANS BUSINESS PERFORMANCE IN 2019

During 2019, BRI's Consumer Loans Business performance experienced positive growth, in line with the maintained public purchasing power. The implementation of a business strategy that was right on target was also very helpful for BRI in improving its business performance. From time to time, BRI customers and prospective customers are enthusiastic about using this BRI product. The performance of BRI Consumer Lending Business in 2019 is as follows:

BRIGuna

BRIGuna loans outstanding reached Rp101.32 trillion in 2019, an increase of 3.61% compared to 2018 of Rp97.78 trillion.

Mortgage Loans

Mortgage Loans outstanding reached Rp32.32 trillion in 2019, an increase of 19.18% compared to 2018 of Rp27.12 trillion.

Motor-Vehicles Loans

Motor-Vehicles Loans outstanding reached Rp4.14 trillion in 2019, an increase of 12.70% compared to 2018 of Rp3.67 trillion.

BRI Credit Card

BRI's credit card outstanding reached Rp2.78 trillion in 2019, an increase of 27.52% compared to 2018 of Rp2.18 trillion. Also, the transaction value and the number of credit cards reached Rp9.75 trillion and 1.97 million credit cards in 2019, or grew by 30.52% and 17.01% (yoy).



MANAGEMENT DISCUSSION & ANALYSIS

Consumer Loans Business

Credit Card	2017	2018	2019	Δ yoy (%)
Credit Card Outstanding (Rp trillion)	1.67	2.18	2.78	27.52
Transaction Value (Rp trillion)	6.29	7.47	9.75	30.52
Fee Based Income (Rp billion)	180.61	257.74	338.23	31.23
Number of Credit Cards (million)	1.38	1.68	1.97	17.26
New Credit Cards Acquisition (million)	0.11	0.16	0.16	1.03

SUPPORT TO GOVERNMENT PROGRAMS

BRI always supports government programs to improve people's welfare. One of the Government's programs is to overcome the gap between housing supply and needs (backlog). In this instance, the Government has provided housing financing with the FLPP (Housing Financing Liquidity Facility) program. BRI also supports this move by channeling FLPP loans to Low Income Communities (MBR), Civil Servant and TNI-Polri.

CONSUMER LOANS BUSINESS STRATEGIES FOR 2020

Overall, BRI plans to implement a number of strategies to develop the Consumer Loans Business in 2020. These strategies include:

BRIGuna

- Optimizing digital-based business process to increase the productivity of marketing force.
- Optimizing BRI payroll customers
- Expanding new market share outside the ASN, TNI and POLRI

Mortgages and Motor-Vehicles Loans

- Transforming the Mortgages and Motor-Vehicles Loans collection system.
- Intensification, extension, and digitization in PKS Developers and Dealers and multifinance companies through BRISpot Consumer.
- Optimizing Leads Management in BRISpot.
- Synergize BRI KKB operations with BRIFinance.

- Development of KKB Smart.
- Continuing seasonal and tactical programs by improving customer experience for KPR and KKB.
- Packaging more attractive marketing programs for customers who want to use FLPP, HOP and COP products and services, electric car vehicle financing, and BRIPintar.
- Cooperating with Fronting services, such as rumah.com, Loan Market, JITU, and Semen Indonesia.

Credit Card

- Optimizing leads management database.
- Optimizing acquisition of merchant/cooperation partner database.
- Acquisition of indicative income database with digital signature.
- Government Credit Cards for LN and APBD Work Units.
- Corporate cards for financing distributor.
- Co-branding in Traveloka Pay Later, Affinity Card (Goes To University) program, and Syariah Card program.
- Acquisition of merchants and customers for Ceria digital lending

RETAIL DEPOSITS BUSINESS

HIGHLIGHTS

Retail Deposits Business reached **Rp374.45** trillion, an increase of **9.7%** compared to 2018 of Rp341.33 trillion

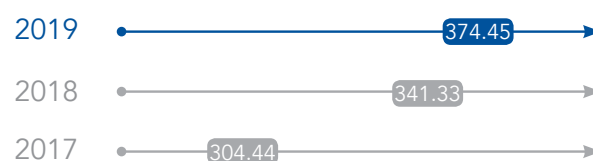
Retail Business' CASA reached **Rp219.44** trillion, an increase of **5.54%** compared to 2018 of Rp207.92 trillion or **58.57%** of total TPF

Demand Deposits reached **Rp64.71** trillion, an increase of **9.31%** compared to 2018 of Rp59.20 trillion

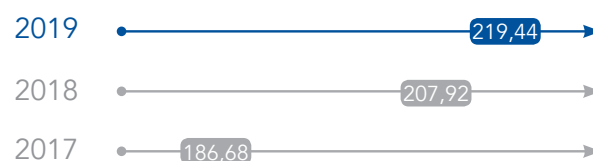
Savings reached **Rp154.73** trillion, an increase of **4.04%** compared to 2018 of Rp148.72 trillion

Time Deposits reached **Rp155.19** trillion, an increase of **16.32%** compared to 2018 of Rp133.42 trillion

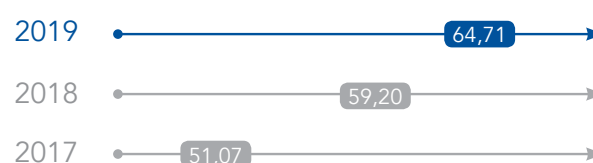
Retail Deposits Business
(Rp Trillion)



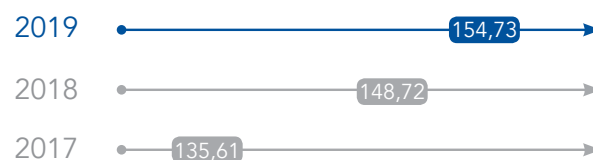
CASA
(Rp Trillion)



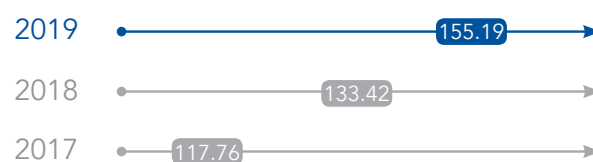
Demand Deposits
(Rp Trillion)



Savings
(Rp Trillion)



Time Deposits
(Rp Trillion)





MANAGEMENT DISCUSSION & ANALYSIS

Retail Deposits Business

RETAIL DEPOSITS BUSINESS PRODUCTS

BRI offers a variety of Retail Deposits products to meet the customers' needs. The following are Retail Deposits products available in 2019:

BRI BritAma Savings

This savings product is intended for customers looking for convenience in conducting banking transactions. Deposits can be made at any time and withdrawal frequency is unlimited as long as a sufficient balance is maintained, and requirements are met. BRI BritAma savings comes with e-banking facilities, making it easier for customers to conduct transactions. In addition, this savings product gives personal accident insurance protection to customers free of charge.

In line with the increasingly diverse needs of customers, BRI continues to develop various types of BritAma Savings, as follows:

- **BritAma Bisnis**
BRI savings product that is mainly intended for business needs by providing more flexibility in doing transactions, more clarity in transactions recording and more advantages to support the customers' business needs.
- **BritAma Special Edition for Millennials**
Savings product with an elegant specially-designed debit card for millennials and provides a range of transaction conveniences that are supported by e-banking features and online real time system which will enable customers to conduct transaction at anytime, anywhere.
- **BritAma Rencana**
Investment savings product in rupiah with fixed monthly deposits during a certain period of time complemented with life insurance protection coverage for customers.
- **BritAma Valas**
Savings product in foreign currencies, offering transaction convenience and competitive exchange rates. Available in 10 types of currency, including USD, AUD, SGD, CNY, EUR, AED, HKD, JPY, SAR and GBP.

BRI Junio Savings

BRI Junio Savings is especially created for children aimed to encourage saving habit and introduce banking products and services from an early age. This product comes with e-Banking features, financial planning features (Junio Rencana), personal accident insurance coverage for children, and an attractive specially-designed Debit Card. Parents do not need to worry about the various transaction features because children's transactions can be monitored through SMS Notifications sent to their parents' mobile numbers.

BRI SiMuda Savings

Tabungan BRI SiMuda is intended for young individuals, specifically students and youth, in the age group of 18-30 years old. This product is complemented with insurance feature and/or investment product. BRI SiMuda Savings has two features, namely SiMuda RumahKu which is used for saving down payment on Mortgage Loan and SiMuda InvestasiKu for investment in Mutual Funds. These products are equipped with free premium insurance facility in the first year.

Haji Savings

Tabungan Haji is intended for customers planning for Hajj trip to Mecca. Savings deposit for this product can be done at any BRI work unit. This savings is equipped with free life insurance protection for customers' enhanced convenience.

BRI Demand Deposits

BRI Demand Deposits have features of Mass Debit, Account Sweep to Salary crediting that facilitates companies to execute effective and efficient payment salary to employees.

BRI Giro provides various currency options including IDR, USD, SGD, AUD, CNY, JPY, EUR, GBP, SAR, NOK, AED and HKD. For ease of transaction, in addition to Cheque and Giro Order, BRI provides Debit Card, IBBiZ (Business Internet Banking) or CMS (Cash Management System) that are flexible to meet the customer needs.

To facilitate customers who require deposit acceptance or payment facility, BRI offers BRIVA (BRI Virtual Account) that also targets the digital trading market. BRIVA

Retail Deposits Business

continues to expand through its collaboration with various prominent fintech and e-commerce platforms such as Tokopedia, and Tiket.com to name a few.

DEPOBRI (BRI Time Deposit)

BRI Time Deposit is an investment option that is available in a variety of currencies aside from Rupiah with competitive interest rates. This product is suitable for customers aiming for greater returns compared with savings products. For account opening convenience, customers are provided with options of opening through BRI work units across Indonesia or Internet Banking. With affordable initial deposit, customers are also given the flexibility to select interest provision mechanism, either directly through the account or added to the deposit principal component (add on).

BRI has developed Scriptless Deposit to accommodate the needs of customers with lots of orders. Scriptless Deposit is deposit with proof of placement of funds in form of email notifications intended to create a more effective and efficient account management by customers.

RETAIL DEPOSITS BUSINESS PROGRAMS & STRATEGIES IN 2019

The growth of Third-Party Funds (TPF) in 2019 focused on the acquisition of low-cost funds (CASA), namely Current Accounts and Savings. Marketing activities are carried out based on the three pillars of strategy, namely acquisition, retention, and maintenance. In line with this, BRI has further implemented various programs, both at the local level (the initiation of each work unit) and national programs. The programs carried out during 2019 targeted three main segments namely, millennials, women and netizens. As for some of the running programs include:

1. BritAma Bebas Bayar
2. The Champion (Junio Gamification)
3. BritAma Rencana
4. BRI Poin Reward
5. BritAma Hot Deal
6. BritAma Rencana

7. Valas Goes To
8. Acquisition through Aplikasi BRImo

In addition to marketing programs, efforts to obtain low-cost funds are also realized through cross selling activities, especially with retail, mid-sized and consumer loan customers.

RETAIL DEPOSITS BUSINESS PERFORMANCE IN 2019

BRI observed robust business strategy implementation in 2019 and therefore had positive impact on BRI Retail Deposits achievement. In 2019, BRI's TPF reached Rp374.45 trillion, an increase of 9.7% compared to 2018 of Rp 341.33 trillion. Low-cost funds or BRI CASA reached Rp219.44 trillion, an increase of 5.54% compared to 2018 of Rp207.92 trillion, with a composition of the total TFP reaching 58.58%.

In the same period, BRI's Giro reached Rp64.71 trillion, an increase of 9.75% compared to 2018 of Rp59.20 trillion. While Savings reached Rp154.73 trillion, an increase of 4.04% compared to 2018 of Rp148.72 trillion, and Deposits reached Rp155.19 trillion, an increase of 16.32% compared to 2019 of Rp133.42 trillion.

SUPPORT TO GOVERNMENT PROGRAMS

BRI is committed to supporting Government programs in Indonesia, especially to increase the public's financial literacy. This was demonstrated among others through the BRI SiMuda Savings products that support the OJK program for financial literacy as well as giving the initial introduction to insurance and mutual-funds investment to the younger segment.

In 2019, BRI collaborated with Young On Top to reach young people market, especially students, by conducting road shows that explored the theme of reaching success at a young age. The road show, promoting BRI SiMuda Savings product, was held in 4 cities, namely Bandung, Malang, Surabaya and Semarang.



MANAGEMENT DISCUSSION & ANALYSIS

Retail Deposits Business

RETAIL DEPOSITS BUSINESS DEVELOPMENT STRATEGY IN 2020

BRI continues to innovate in increasing funds acquisition by focusing on CASA. This is in line with the main objective of the retail deposits business in 2020, which is being a CASA leader through BritAma, optimizing operational accounts and transactions to increase market share, encouraging cross selling activities in order to meet customer needs and expanding cooperation with several corporate partners that generate potential pipeline for new customers.

To achieve this strategy, BRI has made several innovations in business processes, product development and organizations to support the business achievements including:

1. Re-engineering Business Process by developing acquisitions through digital platforms.
2. Achieve CASA Leadership in all segments by acquiring payrolls of core customers, cooperating and delivering loyalty program with affluent and mass customers through BRI Poin.
3. Rejuvenating Deposits products and services to increase Fee Based Income.
4. Delivering integrated solutions through BRI's cross selling product activities.
5. Optimizing performance-based organizations.

RETAIL BANKING SERVICES BUSINESS

HIGHLIGHTS

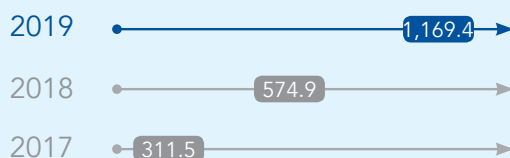
Fee Based Income of Retail Banking Business Services reached **Rp5.66 trillion**, an increase of **40.22%** compared to 2018 of Rp4.04 trillion.

Fee Based Income of Retail Banking Business Services
(In Trillion)



The number of internet banking transactions reached **1.17 billion** meningkat **103.4%** compared to 2018 of 574.9 million.

The number of internet banking transactions 2019
(In Trillion)



RETAIL BANKING SERVICES BUSINESS PRODUCTS

BRI offers various Retail Banking Services in accordance with customer needs. The following are the Retail Banking Services Business products provided in 2019:

Internet Banking BRI

Internet Banking BRI is one of the banking facilities that can be used to access customers' deposits account through internet networks. The service's advantages include its user-friendly interface and flexibility, security, and efficiency of banking transactions. BRI's internet banking does not require m-token or any additional device.

Mobile Banking BRI

BRI Mobile Banking allows customers to access their deposit accounts through their phones. BRI SMS banking serves customers banking transactions with two services, menu-based and plain text. In menu-based SMS, customers operate a banking menu to provide transaction instruction, while the in plain text customers transaction instructions by dialing 3300.

BRIZZI

An electronic money card, BRIZZI replaces cash as payment system in retail shopping or other purchases of goods and services. All BRIZZI transactions can be done at all merchants using BRI EDC machines. The BRIZZI top-up is also easy and can be done at BRI's partner merchants, such as Alfamart, Indomaret, Alfamidi, Yomart, and so forth. Moreover, the BRIZZI card can also be used for payment transactions for toll roads, public train, parking, and other public transportation such as Transjakarta.

BRIimo

BRIimo is BRI's internet-based digital financial application that eases customers in conducting transactions through its user interface and user experience (UI/UX) design. It has many other interesting features such as online account opening, cash withdrawals without cards, account aliases, promo info, login with fingerprint/face id, and account activity statements up to 12 months.



MANAGEMENT DISCUSSION & ANALYSIS

Retail Banking Services Business

Investment Products

BRI has a variety of investment products for customers who are interested in increasing their asset values. BRI's investment products are Retail Government Bonds, Retail Sukuk, Retail Saving Bonds, Sukuk Savings, Government Bonds in Forex (retailed (INDON & INDOIS)), Government Bonds in Rupiah (retailed), Swap Deposits and Financial Institution Pension Funds (DPLK).

In addition to these investment products, BRI cooperates with trusted and reputable Investment Managers which offers various mutual fund products, including money market funds, fixed income, mixed funds, stocks and protection.

BRI offers bancassurance investment products with its own separate selling point in order to meet diverse customer needs. BRI Bancassurance customer portfolio is divided into three segments, namely the micro, retail and priority segments.

BRI Prioritas Services provides banking services for Selected Individuals of BRI Prioritas. It covers not only banking services and general services, but also consultancy services on financial and investment planning, insurance (bancassurance) and pension fund planning.

RETAIL BANKING SERVICES BUSINESS PROGRAMS AND STRATEGY IN 2019

Seeing the huge potential of digital product users in Indonesia, BRI continues to innovate to meet customer needs through digital services. Therefore, BRI has carried out gradual transformation of the system and database processes in order to improve the reliability and efficiency of digital transactions.

One of the retail banking services products developed to meet customer transaction needs is BRImo. BRImo was developed with better user interface and user experience in mind. Its development process covered several stages,

such as strategic assessment, clinic design, prototyping, continuous iteration, and trials, until it was rolled-out nationally.

With BRImo, customers no longer need to visit BRI'S units in person to conduct banking transactions, but may use e-channel instead.

RETAIL BANKING SERVICES BUSINESS PERFORMANCE IN 2019

BRImo

Until 2019, Internet Banking transactions (including BRImo) grew by 107.48% (yoy) from 574.33 million transactions in 2018 to 1.19 billion in 2019. In addition, all BRImo transactions grew by 38.42 % (yoy), from Rp664.60 trillion in 2018 to Rp919.94 trillion in 2019.

In terms of productivity, Internet Banking/BRImo users grew by 56.90% (yoy) from 12.60 million users in 2018 to 19.76 million in 2019. BRImo is ready to compete with similar banking products, this can be seen from the rising top brand index assessment of BRImo which continues to increase every year.

BRIZZI

The number of electronic money users are rising higher each year in line with the market's preference for digital money which continues to strengthen and is supported by EU integration in the expanding digital ecosystem. BRI has innovated in meeting customer needs by expanding the cooperation of electronic money with various agencies (co-branding), including e-money acceptance for land and sea transportation modes. The number of BRIZZI cards grew by 31.25% (yoy), from 12.76 million in 2018 to 16.80 million in 2019.

Retail Banking Services Business

Debit Card & E-Money	2017	2018	2019	Δ yoy (%)
Brizzi Cards (million)	8,7	12,8	16,8	31,25%
Brizzi Volume (Rp Trillion)	0,8	5,8	15,6	168,97%
BRI Debit Cards (million)	56,2	44,6	55,6	24,57%

BRI Internet Banking and Mobile Banking

BRI's e-banking performance during 2019 showed significant growth. Throughout 2019, the number of BRI Internet Banking users increased by 54.76% from 12.6 million to 19.5 million, while the number of transactions surged significantly by 103.41% from 574.9 million in 2018 to 1.17 billion in 2019.

In the same period, BRI Mobile Banking users rose 15.42% from 22.7 million in 2018 to 26.2 million in 2019. The number of Mobile Banking Transactions also grew double digits, namely 16.66% from 317.6 million to 370.5 million.

E-banking	2017	2018	2019	Δ yoy (%)
Mobile Banking users (million)	18.5	22.7	26.2	15.42%
Mobile Banking Transactions (million)	277.4	317.6	370.5	16.66%
Internet Banking Users (million)	8.0	12.6	19.5	54.76%
Internet Banking Transactions (million)	311.5	574.9	1169.4	103.41%

Investment Products

Prioritas Services Performance also showed positive growth. Asset Under Management (AUM) of BRI Prioritas customers grew by 18.35% from Rp97.77 trillion in 2018 to Rp115.71 trillion in 2019. The Third-Party Funds of BRI Prioritas grew by 17.30% from Rp86.68 trillion in 2018 to Rp101.68 trillion in 2019. Likewise, the number of BRI Prioritas Customers increased by 15.25% from 61,054 customers to 70,364 customers in 2018.

SUPPORT TO GOVERNMENT PROGRAMS

BRI is fully committed to supporting Government programs including those related to increasing financial literacy and providing electronic payment instruments. BRI's support for increasing the use of electronic payment instruments is carried out through BRImo which is an internet data-based digital financial application and BRIZZI card that can be used for various payment needs such as toll roads, retail shopping, and so forth.



MANAGEMENT DISCUSSION & ANALYSIS

Retail Banking Services Business

RETAIL BANKING SERVICES BUSINESS STRATEGY IN 2020

Several strategies to be carried out in 2020 in supporting the BRI 2020 theme, namely integrated financial solutions are as following:

1. Focusing on fee-based income growth.
2. Improving service excellence, especially on enhancing system reliability and network connection with better database management.
3. Focusing on increasing debit card users and SMS notification features as well as bundling as super-apps with rising number of BRImo users.
4. Focusing on the acquisition of merchants according to the previous target (Millennial, Women, and Netizens).
5. Expanding collaboration with e-commerce merchants.
6. Building transaction ecosystem through BRI products.
7. Expanding BRIZZI acceptances

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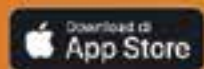
Seru Abis
Bisa Cek Mutasi
Rekening s.d 12 Bulan



Dapetin detail mutasi rekening selama setahun dengan aplikasi BRI mo. Serunya bisa cek transaksi sampai dengan 12 bulan terakhir hanya dengan hapemu.

#Loginkeseruanmu

Download Sekarang



atau
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MANAGEMENT DISCUSSION & ANALYSIS

Retail Banking Services Business

BRIMO

BRI^{mo}

The latest BRI Mobile application is based on data with UI/UX and latest features that can be used by BRI Customers and Non-Customers without having to come to the branch (Branchless) and equipped with options of Giro and Savings funding sources for each of its features.



Within one year of its initial launch, BRI Digital Banking has penetrated

2.2 million users. In 2019, transactions in BRI^{mo} reached 51 million times with sales volume reaching IDR32 trillion.

Product Vision



Product

The Efforts of Rejuvenations in savings products and transaction features via BRI Mobile Providing New Experiences for Existing and New BRI customers.



Innovation

Establishing Digital Attacker in banking product innovation as part of the urgency of carrying out New BRI Mobile Development



Application

Mobile applications that are in line with the digitalization era. Similar User Experience and User Interface in all banking applications for customer convenience. Application that can access all banking services with selection of different source of funds.



Award

Recognized as the Best Mobile Application in Southeast Asia

CORPORATE BUSINESS

HIGHLIGHTS

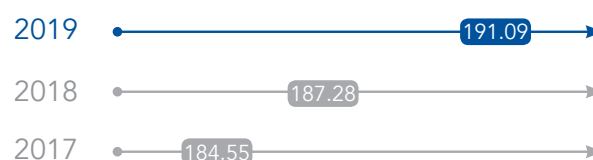
Outstanding Corporate Loans reached **Rp191.09 trillion**, up **2.04%** from 2018 of Rp187.28 trillion.

Corporate Deposits reached **Rp298.73 trillion**, up **4.8%** from 2018 of Rp285.05 trillion.

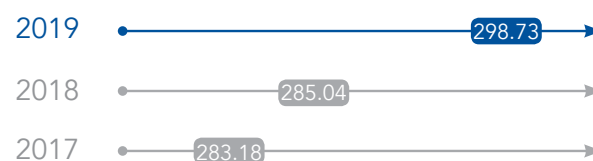
Corporate Business Fee Based Income reached **Rp2.74 trillion**, up **16.76%** from 2018 of Rp2.36 trillion.

Corporate Business Profitability stood at **Rp500.99 billion**. It increased by **10.62%** from 2018 of Rp452.91 trillion.

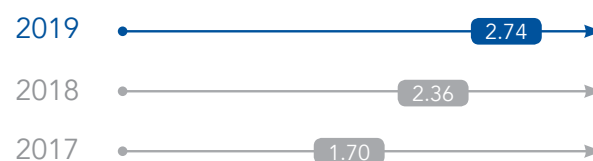
CORPORATE LOANS (Rp Trillion)



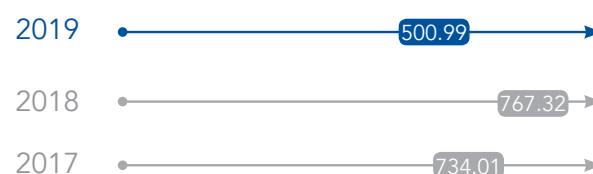
CORPORATE DEPOSITS (Rp Trillion)



CORPORATE BUSINESS FEE BASED INCOME (Rp Trillion)



CORPORATE BUSINESS PROFITABILITY (Rp Billion)





MANAGEMENT DISCUSSION & ANALYSIS

SOE CORPORATE LOAN, INSTITUTION FUND AND TRANSACTION BANKING BUSINESS

Directorate of Institutional Relations and SOE

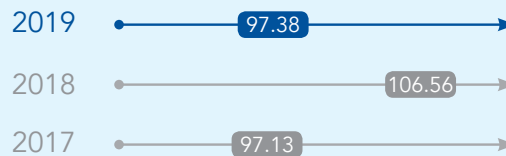
Institutional and SOE Business development is prioritized on increasing profitability of each BRI customer. This business also supports customers not only in terms of providing loan and savings products, but also in transaction banking needs. For this reason, the Director of Institutional Relations and SOE aimed to increase the volume of Institutional Relations and SOE business, augmenting the volume of transaction banking and improving the quality of credit of SOE customers.

SOE CORPORATE LOAN BUSINESS

HIGHLIGHTS

The outstanding of SOE Corporate Loan reached **Rp97.38 trillion**, a decrease of **3.98%** from 2018 of Rp106.56 trillion.

SOE Corporate Loans (Rp Trillion)



SOE CORPORATE BUSINESS PRODUCTS AND SERVICES

The scope of SOE Corporate Business products and services is creating, developing, marketing, and monitoring businesses for SOEs, especially in the infrastructure and services sectors, through the provision of Loan Facilities, Customer Fund Management and Banking Services that generate Fee-Based Income.

SOE CORPORATE BUSINESS STRATEGY IN 2019

The SOE corporate business strategy was focused on providing Value Chain and cross-selling opportunities for SOE companies which are the backbone of the Masterplan for Acceleration and Expansion of Indonesia's Economic Development (MP3EI). MP3EI supports development of infrastructure, energy, logistics and transportation and the national economy.

The SOE corporate business strategy includes market development and market penetration by optimizing alliances with other banks in forms of syndicated financing and club deals. In addition, SOE corporate further develops other banking services such as cash management, Host-to-Host, BRIVA, Payroll, Corporate Card, Cash Card, and so forth.

SOE Corporate Business

Meanwhile, market penetration strategy was being implemented through a closed system financing by identifying new business potentials. Optimization of integrated marketing and trickle down business remained the focus to help the performance of MSME sector. To optimize integrated marketing and trickle-down business, BRI provides credit facilities with specific schemes and facilities to vendors, sub-contractors, suppliers, distributors, micro partners under the Bank's assistance, as well as consumer and BRIGuna loans to employees of BRI's customer SOEs.

SOE CORPORATE BUSINESS PERFORMANCE IN 2019

In 2019, the outstanding loan of the SOE Business reached Rp97.38 trillion, a slight decline of 3.98% from 2018 of Rp106.56 trillion. This was in line with BRI's focus on micro segment growth.

SUPPORT TO GOVERNMENT PROGRAMS

Infrastructure development is one of the Government's priority programs to improve connectivity and accelerate economic growth. In supporting the acceleration of infrastructure development, SOEs are involved in working on various projects ranging from financing to technical implementation. As one of the SOEs in the financial services sector, BRI provides full support for the programs through syndicated financing and other schemes. In addition, BRI also participates in financing SOEs in order to support export and import transactions that enable domestic economic activities.

In 2019, the SOE Division provided its support to the following government programs:

- Infrastructure financing for national strategic projects, such as the Trans Java and Trans Sumatra toll roads construction.
- Energy sector financing, namely credit provision through state power company PLN to complete the 35,000 MW project.
- Transportation sector financing, namely credit provision through KAI (Indonesian Railways Company) for Jabodebek LRT development.

In addition, BRI also participated in financing SOEs in order to support export and import transactions that backed domestic economic activities.

SOE CORPORATE BUSINESS STRATEGY 2020

In 2020, corporate business development will be focused on quality credit disbursement, credit quality improvement and business profitability optimization.

Strategies regarding SOE Corporate Business Development in 2020:

1. Focusing on improving credit quality and increasing business profitability.
2. Expanding services primarily to existing debtors.
3. Increasing customer's share of wallet by providing integrated banking solutions to customers through transaction banking development as fee-based income source.
4. Improving HR skills in delivering banking products and services and at the same time managing the profitability of each account, and ultimately realize all of the strategies defined by BRI.
5. Developing value chains to accelerate business growth in the Retail and Medium segments



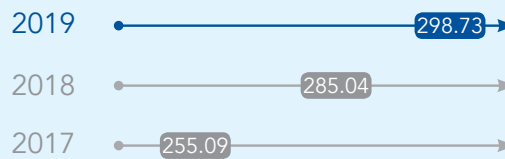
MANAGEMENT DISCUSSION & ANALYSIS

INSTITUTION FUNDS AND TRANSACTION BANKING BUSINESS

HIGHLIGHTS

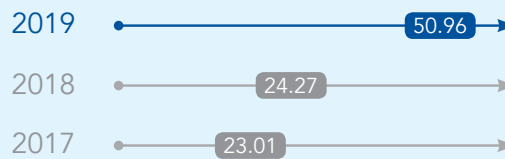
Institution Funds reached **Rp298.73** trillion, an increase of **4.8%** compared to 2018 of Rp285.04 trillion.

Institution Funds Deposits
(Rp Trillion)



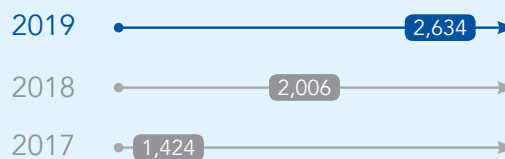
Fee Based Income from Transaction Banking reached **Rp50.96** billion an increase of **110%** compared to 2018 of Rp24.27 billion.

Fee-Based Income from Transaction Banking
(Rp Billion)



Cash Management System (CMS) transaction volume reached **Rp2,634** trillion, an increase of **31.3%** compared to 2018 of Rp2,006 trillion.

Cash Management System Transaction Volume
(Rp Trillion)



INSTITUTION FUNDS AND TRANSACTION BANKING BUSINESS PRODUCTS AND SERVICES

Institution Funds

Institution Fund Business provides fund management services sourced from the National Budget (APBN). The Bank channels the funds as savings facilities, Cash Management System (CMS), and digital-driven banking services. The Institution Funds Business segment includes, among others, Ministries or Government Institutions, Public Service Agencies, the National Army, the National Police, Non-Ministry Institutions, Regional Governments, and Higher Education Institutions.

Institution Funds and Transaction Banking Business

Transaction Banking

The Transaction Banking (TRB) business is one of the pillars of BRI's growth moving forward, especially in accelerating funding and increasing Fee Based Income (FBI). The main segment of the TRB is companies/agencies with complex financial transaction needs, but can be self-managed by the companies/agencies.

TRB's products and services include BRI CMS application, an internet-based banking financial service solutions. Customers can easily access it because it is mobile, user friendly and real time with adequate devices and security features. In addition, BRI CMS is also equipped with transaction features that support the needs of financial transactions in general or customized to customer needs.

After a reorganization in July 2017, Transaction Banking has managed other products and services related to the corporate segment such as Supply Chain Financing, Trade Finance and Host to Host in collaboration with the Corporate Business Division, Institutional Division, Retail and Middle Size Business Division, and International Business Division.

INSTITUTION FUNDS AND TRANSACTION BANKING BUSINESS STRATEGY IN 2019

Institution Funds

The Institution Funds Business Strategy in 2019 is as follows:

1. Developing products that meet customer needs (customer centric) based on digital banking, especially in the areas of reconciliation systems, complaint handling, and early warning systems in accordance with technological developments and government regulations.
2. Increasing the integration of scholarship distribution systems with LPDP, UGR (Indemnity Payment) with LMAN.
3. Improving the integration of Smart Indonesia Program system with Ministry of Education and Culture and Ministry of Religious Affairs.
4. Improving the pension payment system with Taspen and ASABRI.
5. Developing the re-engineering of Online Regional Tax which includes PBB (land and building tax) Online, DKI Etax, BPHTB and other DKI Provincial Government taxes.
6. Increasing synergy with the Regional Development Bank (BPD) coverage in the fields of transaction banking, finance and capital, information technology and the field of capacity building.
7. Providing the best service through effective marketing communication and one stop service.

Transaction Banking

The TRB's Strategies in 2019 are as follows:

- Implementing the IMFIX strategy (Improve, Maintain, Focus, Increase and Expand). Improve referred to product and service strengthening in providing integrated financial solutions to both internal and external customers. Maintain referred to maintaining and improving the quality of business relationships with customers through increasing the competence of RM. Focus referred to emphasizing attention on the customer segment that brings maximum profits such as the industrial/manufacturing segment, wholesale, large-scale services and key government agencies. Increase referred to increasing transactional activities for existing customers by exploiting the business potential of its value chain. Lastly, expand referred to business expansion to attract prospective customers by using the company's network & influence.
- Focus on expanding market share through extending customer base by strengthening Transaction Banking capabilities, both through end-to-end CMS enhancements, Supply Chain Financing, and Trade Finance Services.
- Providing fully integrated banking services through the corporate customer business ecosystem platform with Corporate Billing Management (CBM) and optimization of the coverage model (RM mapping, segmented and product specialist-based client service team design).



MANAGEMENT DISCUSSION & ANALYSIS

Institution Funds and Transaction Banking Business

INSTITUTION FUNDS AND TRANSACTION BANKING BUSINESS PERFORMANCE IN 2019

Institution Funds

In 2019, Institution Funds succeeded in raising funds with achievements amounting to Rp298.73 trillion, decreased by 4.8% from 2018 of Rp285.04 trillion.

Transaction Banking

In 2019, BRI CMS performance in terms of number of clients, transaction frequency, transaction volume and FBI showed an increase. The number of clients in 2019 increased by 21.8% to 23,970 clients, transaction frequency increased by 22.3% to 57.4 million transactions, and transaction volume increased by 31.3% to Rp2,634 trillion. The performance was triggered by customer transaction volume in the corporate segment which had a percentage of 68.5%, despite the total of 4,493 clients or merely 18.7% of total number of BRI CMS clients.

The Transaction Banking Business profitability was reflected in the FBI of CMS products in the last three years. The CMS products fee-based income over the past three years amounted to Rp23 billion (2017), Rp24.3 billion (2018) and Rp50.9 billion (2019). BRI's CMS profitability has increased significantly, which could be seen from the increase in fee-based income successively in 2018 by 5.5%, and in 2019 by 109.8%.

SUPPORTING THE GOVERNMENT PROGRAMS

In running the Institution Funds, BRI manages funds sourced from the National Budget with the support of digital technology. This is in line with the Government's program in increasing cashless society to improve economic efficiency. The collaboration between BRI and a number of Ministries and Government Institutions in 2019 included the following:

- With Ministry of Education and Culture, BRI supported the government assistance program for Elementary Schools (SD), Junior High Schools (SMP) and Vocational High Schools (SMK). The Bank

disbursed Rp423 billion to 3,835 elementary schools; Rp664 billion to 330 Junior High Schools; and Rp2.39 trillion to 9,455 Vocational High Schools.

- Also with the Ministry of Education and Culture, BRI supported social assistance disbursement through Smart Indonesia Program (PIP) to 10.36 million elementary school students with a total assistance of Rp4.21 trillion and to 4.56 million junior high school students with a total assistance of Rp2.71 trillion.
- Through its partnership with the Ministry of Religious Affairs, BRI supported the disbursement of social assistance under Smart Indonesia Program to 10.3 million elementary school students, 4.5 million junior high school students, and 853 thousand students Islamic elementary school students (Madrasah Ibtidaiyah/MI).
- Together with other ministries and government institutions, BRI supported the payment of State Revenues using the digital banking channel.
- BRI partnered with public service agencies to disburse government assistance funds to the beneficiaries.

INSTITUTION FUNDS AND TRANSACTION BUSINESS STRATEGIES IN 2020

Institution Funds

Given the increasing competition in generating institutional third-party funds, BRI has prepared a number of strategies for 2020:

- Increasing CASA composition through a closed payment system based on digital banking. The product features of the Bank and its subsidiaries are also harmonized and enhanced in accordance with the financial management needs of ministries and Institutions as well the needs of ministerial and local government units that manage the National Budget transfers.
- Institutional Business will focus on increasing utilization and optimizing the use of the Value Chain Dashboard and Account Planning. This will increase the profitability of the corporate segment and form a new value chain business.

Institution Funds and Transaction Banking Business

- Enhancing the development of a collaboration platform with several institutions in order to support the company's profitability from the FBI side.
- BRI Institutional Business will implement several work programs including Smart Sim, Other Government Digital-Account (RPL) Application, Taxpayers' Smart Card with Kartin1 Platform (Kartin One), Development of online tuition payment system for university customers, Development of PNBP (Non-Tax State Revenues) online payment system, Pension Payment Application Development (Digitalization), KTA/e-KTA (unsecured loan) Application Development and Salary Distribution Application Development (Digitalization).

Transaction Banking Business

Through various product innovations and appropriate business strategies, Transaction Banking recorded positive performance gains throughout 2019, especially in terms of FBI achievements. In continuing this positive trend, better strategy is required than the previous year. Some of the strategies that will be carried out in 2020, while supporting the BRI 2020 theme, Integrated Financial Solutions, are as follows:

- Optimizing corporate segment customers through the end-to-end CMS platform (BRICaMS).
- Focusing on increasing FBI transaction banking by improving the utility of cash management features.
- Increasing customer transactions in one business ecosystem through Corporate Billing Management (CBM) platform.
- Strengthening and expanding the capacity of Transaction Relationship Managers to become Transaction Product Specialists.
- Acquiring potential new customers from corporate customers of trade finance business and strengthening trade finance products



MANAGEMENT DISCUSSION & ANALYSIS

NON SOE CORPORATE LOAN BUSINESS

Directorate of Corporate Banking

The Non SOE Corporate Banking business aims to serve all corporate customer's needs or provides integrated financial solutions to its corporate customers. To that end, SEVP Corporate Banking ensures the achievement of profitability for the Corporate segment, increases the Corporate business volume and improves the loan quality of the Corporate segment. In fact, it is expected that the Non SOE Corporate business can provide trickle down business to the MSME segment, therefore further enhance the sustainability of business segments in BRI.

HIGHLIGHTS

Non SOE Corporate Loans reached **Rp93.71 trillion**, an increase of **9.14%** compared to 2018 of Rp85.86 trillion.



NON SOE CORPORATE BUSINESS PRODUCTS AND SERVICES

BRI Non SOE Corporate Business continues to grow and has become one of the segments that drives business growth and increases BRI's competitive position. Each credit facility provided to Non SOE Corporations must have value chain business and cross-selling opportunities in order to accelerate the growth of the Retail, Small and Medium Business and the BRI Consumer Business.

Consisting of agribusiness and corporate sub-segments, the main target of Non-SOE Corporate Business in developing agribusiness loans is financing on export commodities that have competitive advantage and multiplier effects to MSMEs. Meanwhile, for the non-agribusiness sector, BRI disburses credits to a wide variety of sectors, including energy, transportation and manufacturing industry.

Non SOE Corporate Loan Business

NON SOE CORPORATE BUSINESS STRATEGY IN 2019

The Non SOE Corporate Business Strategy in 2019 centered on maintaining a healthy growth of loan portfolio with a focus on loan disbursement to leading sectors and optimisation of the facilities currently owned by existing debtors.

- **Developing Integrated Banking Solution**

Developing Client Service Team (CST) for corporate customers to improve the provision of facilities other than credit, including Forex Line and Trade finance facilities. The RM's role as financial advisor further being enhanced through regular education and training programs.

- **Optimizing Business Value Chain**

Identifying customers' business potential through the Dashboard Account Planning application and developing superior products such as supply chain financing and distributor financing.

NON SOE CORPORATE BUSINESS PERFORMANCE IN 2019

In 2019, the outstanding SOE Corporate Business loans reached Rp93.71 trillion, an increase of 9.14% from 2018 which amounted to Rp85.86 trillion.

SUPPORT TO GOVERNMENT PROGRAMS

BRI, through the Non SOE Corporation Business segment, has supported government programs, especially in financing productive export-oriented business sectors such as palm oil, and has helped financing corporate businesses related to basic infrastructure such as electricity and transportation as part of supporting government programs.

NON SOE CORPORATE BUSINESS STRATEGY IN 2020

Non SOE Corporation Business Growth will be maintained at a moderate level with a focus on improving loan quality and increasing business profitability.

- **Improving credit quality**

BRI will continue improving loan quality, among others by developing an exit strategy for non-performing debtors, improving the risk management system in the lending process and enhancing HR competencies.

- **Increasing Business Profitability**

In order to increase business profitability, BRI will focus on continuing to improve customer business transactions through BRI by developing an integrated service system. In addition, BRI further implements profitability management for each customer.

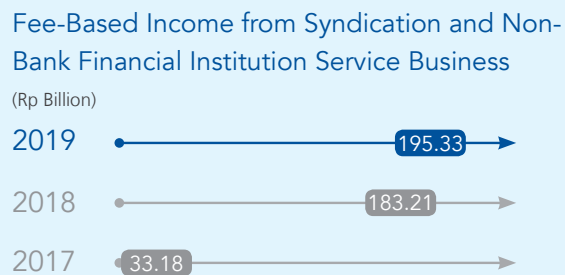


MANAGEMENT DISCUSSION & ANALYSIS

SYNDICATION AND NON-BANK FINANCIAL INSTITUTION SERVICES BUSINESS

HIGHLIGHTS

Fee Based Income from BRI Syndication and Non-Bank Financial Institution Services Business reached **Rp195.33 billion**, an increase of **6.62%** compared to 2018 of Rp183.21 billion.



SYNDICATION AND NON-BANK FINANCIAL INSTITUTION BUSINESS PRODUCTS AND SERVICES

The Syndication and Non-Bank Financial Institution Services Business has two main business lines, namely the syndication services business and provision of both committed and uncommitted limit facilities to the domestic non-bank financial industry (IKNB).

The syndication loan is intended for corporate customers that require large amounts of financing with more than one creditors. BRI Syndication is experienced in handling syndicated loans and in various business sectors, such as infrastructure, electricity, manufacturing, oil and gas, tradings/hospitalities/restaurants, plantations, mining and property that includes arranger, facility agent, escrow agent and security agent services.

Meanwhile, the Non-Bank Financial Services covers security lines, foreign exchange lines, trade finance lines, short-term loan facilities, intraday facilities, bank guarantees and guarantees for various needs, especially for Non-Bank Financial Industries (IKNB), which are the targets of BRI's loan disbursement including finances companies (multifinance), insurance, securities, specialized financial institutions and other non-bank financial institutions.

SYNDICATION AND NON-BANK FINANCIAL INSTITUTION SERVICES BUSINESS STRATEGY IN 2019

In 2019, BRI through the Syndication Business continued to prioritize lending, especially for infrastructure and electrification projects. In addition to this, BRI Syndication actively collaborates with state-owned banks, financing institutions, national private banks, and regional development banks (BPD) to increase partner and customer bases.

Meanwhile, in the Non-Bank Financial Institution Services, BRI focuses on providing its guarantee and counter-bank guarantees facilities to insurance companies, intraday facilities to securities companies and security lines to increase fee-based income and non-loan interest income as well as expanding collaboration with strategic partners in order to optimize business opportunities, especially those that provide value chain business to other BRI's business segments

SYNDICATION AND NON-BANK FINANCIAL INSTITUTION SERVICES BUSINESS PERFORMANCE IN 2019

In 2019, the Syndication and Non-Bank Financial Institution Services Business generated Rp195.33 billion of FBI, an increase of 6.62% compared to 2018 of Rp183.21 billion. This increase was in line

Syndication and Non-Bank Financial Institution Services Business

with BRI's strategy to adjust the composition of loans to micro and corporate without reducing the services provided by BRI to its partners and customers.

SUPPORT TO GOVERNMENT PROGRAMS

Through syndication activities with other banks in several infrastructure projects, BRI has supported the implementation of Government programs as enclosed in the Nawacita.

SYNDICATION AND NON-BANK FINANCIAL INSTITUTION SERVICES STRATEGIES IN 2020

In 2020, the strategy to strengthen the Syndication and Non-Bank Financial Institution Services Business will be carried out through cooperation and joint synergy with fellow state-owned banks, national private banks, foreign banks, BRI subsidiary entities and member banks of the Association of Regional Development Banks (Asbanda). This improved collaboration aims to drive the FBI's growth.

Meanwhile, to drive the development of IKNB, BRI will utilize and increase the existing facility's limits as well as potential securities and insurance companies, including the value chain optimization of BRI's non-bank financial industry customers. In line with this, BRI will continue to improve human resource competencies and implement digitalization in order to streamline business processes



MANAGEMENT DISCUSSION & ANALYSIS

INTERNATIONAL, TREASURY AND CAPITAL MARKET SUPPORTING BUSINESS

Directorate of Treasury & Global Services

Along with the banking business development, the need for banking services outside of the loan products and deposits has increased, and this has become an opening for banks to capture other income opportunities other than loan interest income. SEVP Treasury & Global Services ensures an increase in Treasury & Global Services business transactions and volume in order to support the Treasury & Global Services business profitability.

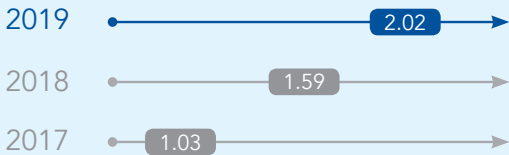
INTERNATIONAL BUSINESS

HIGHLIGHTS

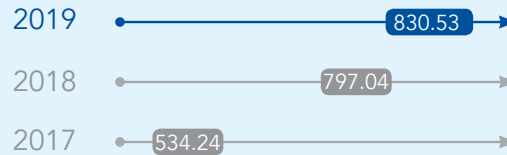
Total International Business Revenues reached **Rp2.02 trillion**, an increase of **26.55%** compared to 2018 of Rp1.59 trillion.

Total Trade Finance transaction volume reached **Rp830.53 trillion**, an increase of **4.2%** compared to 2018 of Rp797.04 trillion.

International Fee-Based Income (Rp trillion)



Trade Finance Transaction Volume (Rp Trillion)



INTERNATIONAL BUSINESS PRODUCTS AND SERVICES

BRI's International Business serves a variety of customer needs for products or services in trade finance, correspondent bank business, remittance business and money changer business. BRI International Business Services are also being supported by overseas working units in New York, Cayman Islands, Singapore, Hong Kong, and Timor-Leste. Moreover, BRI has Remittance Representatives to drive its remittance business services in Malaysia, Taiwan, South Korea, Saudi Arabia and the United Arab Emirates.

International Business

- **Supported by Professional and Certified Employees**

BRI International Business is supported by professional and internationally certified employees in international business products and services, including the Certified Documentary Credit Specialists (CDCS), Certified Specialists for Demand Guarantee (CSDG), and Certified International Trade Finance (CITF) issued by The London Institute of Banking and Finance in cooperation with the International Chamber of Commerce (ICC). The certifications are also regularly renewed. This shows BRI's commitment to become a trusted and reliable trading business partner to provide the best international business services and in line with the customer's business development.

- **Supported by Counterparts and Work Units**

BRI's International Business is supported by more than 1,300 correspondent banks throughout the world that operates in 17 currencies, in collaboration with more than 71 remittance companies, as well as the support of work units across Indonesia. To accommodate customers' needs for foreign currencies, BRI also provides forex selling and buying in 22 currencies. The services are provided by operational work units across Indonesia enabled by real-time, online system.

- **Trade Finance Solution**

BRI Trade Solution is an integrated international and domestic trade services and classified to Trade Product, Trade Services and Trade Finance.

INTERNATIONAL BUSINESS STRATEGY IN 2019

BRI's International Business strives to improve the service quality to meet dynamic customer business needs. The International Business is also committed to raise the company's revenue contribution by increasing transaction volume of Trade Finance, Remittance, Money Changer and correspondent bank transactions. To that end, the International Business chose "Modernization of International Business Services" as its business development theme in 2019. It also executed the following strategies:

- **Enhancing Competitiveness**

- Enhancing the skills and capabilities of International Business employees
- Enhancing BRI's presence and network overseas
- Enhancing brand awareness towards BRI's International Business

- **Product Development**

- Developing Trade Finance Product Bundling services for core customers
- Innovating Trade Finance Product in accordance with market developments

- **Improving Business Process Efficiency**

- Automating the Correspondent Banking transaction operations
- Improving the International Business system performance

- **Enhancing Customer Service Quality**

- Optimizing digital banking in Trade Finance services
- Providing reward programs for workers, counterparts and customers

- **Optimizing International Business Organization**

- Classifying work units based on potential as the basis for determining KPIs
- Mapping the Relationship Manager function and the effectiveness of monitoring overseas work units

INTERNATIONAL BUSINESS PERFORMANCE IN 2019

Business Achievements in 2019

International Business Revenues scored exceptionally well in 2019. By the end of 2019, revenues reached Rp2.02 trillion or increased by 26.55% (yoy) compared to Rp1.59 trillion in 2018. This performance is inextricable from the each business achievement as follows:



MANAGEMENT DISCUSSION & ANALYSIS

International Business

1. Trade Finance transaction volume reached Rp967.77 trillion, or increased by 21.42% from Rp797.04 trillion in 2018.
2. Money Changer transaction volume reached Rp23.52 trillion, or increased by 25.10% from Rp18.80 trillion in 2018.
3. Fee Based Income (FBI) of Remittance transactions reached Rp146.1 billion, an increase of 18% (yoy) from Rp123.7 billion in 2018.
4. Correspondent Banking business posted an increase in revenue of 54.33% from Rp171.61 billion in 2018 to Rp264.85 billion in 2019.

Other Achievements in 2019

1. BRI joined as a SWIFT GPI member
2. BRI acquired 12 new Remittance Counterparts. Overall, BRI has cooperation with a total of 71 counterparts.
3. Increased market share of incoming Indonesian migrant workers from 17.80% to 18.71% in 2019

SUPPORT TO GOVERNMENT PROGRAM

- Providing financial literacy to prospective migrant workers prior to departure and BRI savings account opening.
- Being the sole provider of SAR banknotes for prospective Hajj pilgrims in 2019. BRI has been disbursing hajj living costs for six consecutive years to all Indonesian Hajj departures since 2014.
- Synergizing with the Government through the Import Export Education and Training Center (PPEI) - Director General of Import Export Development - Ministry of Trade in organizing training activities for MSMEs in order to grow new exporters in six cities in 2019.
- Organizing Business Matchmaking by presenting potential buyers from abroad to meet MSME customers as potential exporters in order to encourage export activities.

INTERNATIONAL BUSINESS STRATEGY IN 2020

In 2020, BRI International Business will focus on becoming the Top Three Cross Border Payment Solution provider. BRI has identified the following strategies to be in line with that mission:

Trade Finance

Development of Market Insight applications and BRI trade finance data streams as analyzing tools of Trade Finance products and marketing.

Correspondent Banking

1. Conducting business expansion studies to several other Asian countries in order to grow international business networks and produce more value for the company.
2. Automating correspondent banking transactions using the Track Processing System (TPS) imaging application.

Remittance

Expanding transaction by collaborating with remittance counterparties, local banks, Islamic banks, and regional development banks.

Money Changer

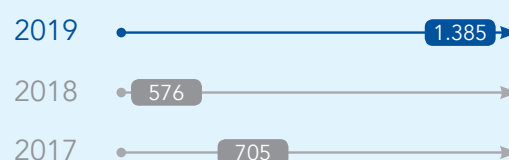
1. Becoming the market leader in the sales transactions of SAR (Saudi Arabian Riyal).
2. Developing Money Changer Business services.
3. Expanding business-to-business partnerships with wholesale money changer partners, local banks, Islamic banks, regional development banks, travel agencies and Hajj guidance groups (KBIH) as well as adding money changer outlets at international airports and other tourism sites.

TREASURY BUSINESS

HIGHLIGHTS

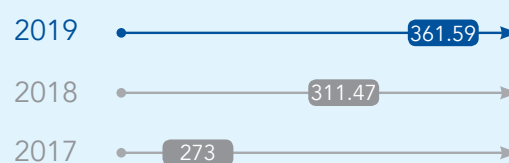
Capital Gain reached **Rp1.38** trillion, an increase of **140.5%** compared to 2018 of Rp576 billion.

Capital Gain
(Rp Billion)



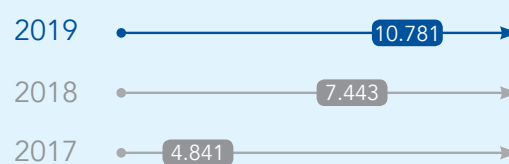
Earnings Assets other than Loan and Investments reached **Rp361.59** trillion, an increase of **33.03%** compared to 2018 of **Rp311.47** trillion.

Non-Loan Earning Assets
(Rp Trillion)

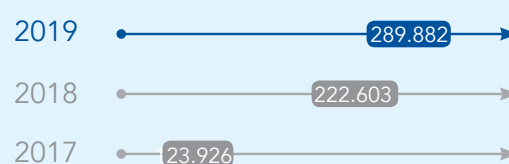


Bond Transaction Volume reached **Rp289.88** trillion, an increase of **30.22%** compared to 2018 of Rp222,6 triliun, with transaction frequency increasing by **44.85%**.

Bonds Transaction Frequency



Bonds Transaction Volume
(Rp Trillion)





MANAGEMENT DISCUSSION & ANALYSIS

Treasury Business

TREASURY BUSINESS SERVICES

Treasury Business covers counterparties transactions including foreign exchange transactions, marketable securities and derivative transactions. BRI Treasury Business is strengthened by 19 regional networks (BRI International Business & Treasury Regional Offices) across Indonesia.

TREASURY BUSINESS STRATEGIES IN 2019

The Treasury Business strategies in 2019 focused on:

- Implementing active portfolio management by optimizing excess liquidity of switching low yield assets to high yield assets and by taking into account existing risks.
- Deepening financial markets by expanding the customer base of financial institutions both banks and non-bank financial industries such as insurance companies, asset management and pension funds.
- In terms of technology development, the Treasury Business implemented BRlefx Client which is expected to facilitate and accelerate foreign exchange service transactions and BRI Swap Deposit in order to meet the customer alternative investment needs.

TREASURY BUSINESS PERFORMANCE IN 2019

In 2019, the Treasury Business recorded positive performance in line with the optimal management of Portfolio Banking and Trading Book and focus on customer service. In general, Treasury transactions growth in 2019 is as follows:

- Marketable securities transaction volume in the primary market increased by 25.06% and in the secondary market increased by 56.88%.
- Foreign exchange transactions volume for retail clients increased by 18.41% .
- Foreign exchange transactions frequency for retail clients increased by 55.57% .
- Earning assets other than loans and investments reached Rp361.59 trillion, an increase of 33.03% compared to Rp311.47 trillion in 2018.
- On 7 November 2019, BRI issued bonds in the amount of Rp5 trillion. This was a Shelf Public Offering III Tranche I of 2019 and issued in 3 series, namely Series A 1 year, Series B 3 years and Series C 5 years. BRI Shelf Public Offering Bonds Tranche I of 2019 was a corporate bond offered to all segments of investors, both institutional and retail. During the first tranche, in order to deepen financial literacy, BRI also offers retail investors with a minimum purchase of 50 million and its multiplication. This issuance also aims to enlarge the domestic investor base, provide alternative investment instruments for retail investors, and support the domestic financial market stability. BRI managed to attract significant investor interest; the Bank had subscription of Rp6.9 trillion and the bond was oversubscribed as many as 1.38 times, exceeding the expected target of Rp5 Trillion. Series A was offered at Rp1.125 billion with fixed interest rate of 6.65% per year, Series B at Rp2.934 Billion with fixed interest rate of 7.60% per year and Series C Rp2.844 Billion with fixed interest rate of 7, 85% per year.

SUPPORT TO GOVERNMENT PROGRAMS

As the Main Dealer, BRI is active in financial market inclusion efforts. It optimizes portfolio management and expands the customer base including commercial banks, insurance companies, pension funds, securities companies and asset management companies.

Treasury Business

BRI is also readily providing competitive and up-to-date prices for securities and other treasury transactions. The breadth of the marketing network of both domestic and foreign work units is BRI's added value in these activities. This achievement shows that BRI actively supports the government in developing the national economy and this support will continue for years to come.

For its efforts, the Ministry of Finance recognized BRI as one of The Best Main Dealers. In addition, BRI succeeded in becoming Best Supporting Bank for Money Market Deepening in the Repurchase Agreement Transaction Group Based on GMRA, an award conferred by Bank Indonesia.

Awards received in 2019:

- Prime SUN Dealer with the Best Performance in 2018
- Best Retail SUN Distribution Partner in 2018
- Best Supporting Banks for Money Market Deepening - Repurchase Agreement Transaction Group based on GMRA (Global Master Repurchase Agreement).

TREASURY BUSINESS PLAN AND STRATEGIES IN 2020

The Treasury business will continue to focus on portfolio balance in order to support the Bank's performance in the coming year. The strategies in 2020 are as follows:

- Implementing active portfolio management by optimizing the liquidity of switching low-yield assets to high-yield assets by taking into account existing risks.
- Strengthening a strong funding structure by diversifying non-TPF funding. This activity is to support BRI's loan growth and to improve the Indonesian economy in general.
- Financial market deepening by adding new partners, adding customer base, and synergizing with all BRI group companies.
- Optimizing Treasury transactions flow through efforts to intensify anchor clients, both SOEs, non-SOEs, as well as the government.
- In meeting financial needs, Treasury will increase transactions and develop products such as Sharia Hedging Products for exchange rates, Exchange Rate Agreements and Bond Options.
- Acting as Market Maker by staying active in quoting competitive and up-to-date prices thereby increasing Treasury transactions.



MANAGEMENT DISCUSSION & ANALYSIS

CAPITAL MARKET SUPPORTING BUSINESS

HIGHLIGHTS

Capital Market Supporting Service Fee-based Income in 2019 reached **Rp208.97 billion**, an increase of **19.07%** compared to Rp175.5 billion in 2018.

Fee-Based Income of Capital Market Supporting Services

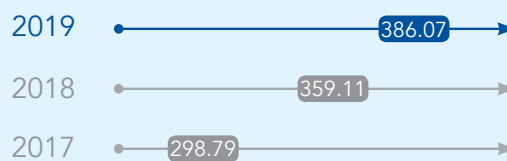
(Rp Billion)



Custodian Assets Management reached **Rp386.07 trillion**, an increase of **7.5%** compared to Rp359.11 Trillion in 2018.

Custodial Assets Under Management

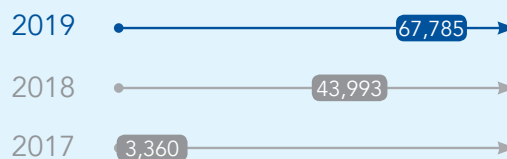
(Rp Trillion)



Total demand deposits from the registered Customer Funds Account (RDN) amounted to **67,785 accounts**, an increase of **54.08%** compared to 2018 of 43,993 accounts.

Number of Demand Deposit

(Accounts)



Capital Market Supporting Business

CAPITAL MARKET SUPPORTING BUSINESS STRATEGIES IN 2019

BRI has developed its Capital Market Supporting Business as a part of deepening the financial market and improving fee-based income. The business strategies carried out in 2019 including the following:

- Developing front-end applications to meet custodian customers' needs.
- Integrating the core custody system with Core Banking (BRINETs), and depository applications (C-BEST, BI-SSSS, and Euroclear).
- Developing special system of Asset Backed Securities (EBA).
- Product development (EBA, USD Mutual Funds, Limited Participation Mutual Funds).
- Marketing of Financial Institution Pension Fund (DPLK) products to Indonesian Migrant Workers in collaboration with BNP2TKI, BRILink Agents and National Army/National Police.
- Implementing corporate Financial Institution Pension Fund acquisition program with additional insurance benefits.
- Upgrading the Financial Institution Pension Fund System (Front End to Back End System).
- Increasing cooperation with all Capital Market Supporting Services customers.

CAPITAL MARKET SUPPORTING BUSINESS PERFORMANCE IN 2019

Throughout 2019, BRI continued to improve Capital Market Supporting Business performance in order to realize its vision of becoming The Most Valuable Bank in South East Asia. The achievement of financial and non-financial performance of this business is in accordance with the target.

Total Fee-Based Income (FBI) in 2019 was Rp208.97 billion, an increase of 19.07% compared to 2018 at Rp175.5 billion. FBI was contributed by fee-based income from Pension Funds of Rp75 billion, Custodian of Rp113.7 billion, and Trustee of Rp11.7 billion.

Fee-Based Income in the Capital Market Supporting Services (in billion Rp)	2017	2018	2019	Growth
				2018-2019
Fee Based Income from Pension Fund	46.87	60.13	75.09	24.87%
Fee Based Income from Custodian	71.51	98.34	113.726	15.65%
Fee Based Income from Trust	3.91	6.35	8.423	32.65%
Fee Based Income from Trustee	8.2	10.68	11.738	9.91%
Total Fee Based Income	130.49	175.5	208.97	19.07%

CAPITAL MARKET SUPPORTING BUSINESS PRODUCTS AND SERVICES

Capital Market Supporting Business Services includes Trustee, Custodian, Trust, Customer Fund Account (RDN) and Bank Rakyat Indonesia Financial Institution Pension Fund (BRI DPLK) both for corporate customers and retail customers.

Description	2017	2018	2019	Growth
				2018-2019
Custodian Assets Under Management	298.79	359.11	386.07	7.5%
Pension Fund Assets Under Mangement	8.79	11.11	13.27	19.44%



MANAGEMENT DISCUSSION & ANALYSIS

Capital Market Supporting Business

Financial Institution Pension Fund (DPLK)

BRI Pension Fund performance, which began operating in 2006, continued to grow throughout 2019. This was shown by the increase of assets under management by 19.44% to Rp13.27 trillion. This increase was driven by the growth in BRI Pension Fund membership. Meanwhile, Pension Fund Fee-Based Income (FBI) amounted to Rp75.09 billion, an increase from Rp60.13 billion in 2018. The performance of BRI Pension Fund investment as demonstrated by the Net Asset Value per Participation Unit of each investment package showed 7.56% yield for Money Market Pension Fund, 8.14% for Fixed Income Pension Fund, -2.80% for Shares Pension Fund, 7.74% for Sharia Money Market Pension Fund, and 6.66% for Balanced Sharia Fund.

Custodian

BRI is the first Custodian Bank to manage Asset Backed Securities in Indonesia. Throughout 2019, BRI's custodian assets management amounted to Rp386.07 trillion, an increase of 7.5% compared to Rp359.11 trillion in 2018. From asset management activities, BRI Custodian received fee-based income of Rp113.3 billion, an increase of 15.65% from 2018 that stood at Rp98.34 billion.

Trust

BRI Trust business generated fee-based income of Rp8.42 billion, an increase of 32.65% compared to Rp6.35 billion in 2018.

Trustee

Fee-based income generated from the Trustee business was Rp11.73 billion, growing by 9.91% from 2018 at Rp10.68 billion.

SUPPORT TO GOVERNMENT PROGRAMS

BRI contributes in advancing the capital market in Indonesia, among others by providing a Customer Fund Account (RDN) Demand Deposit service for the purpose of completing capital market transactions. In 2019, the number of new RDN reached 23,792 accounts, bringing the total of registered RDNs to 67,785 accounts, or up 154.08% from 43,993 accounts in 2018. This was a result of BRI's success in expanding its cooperation with securities companies.

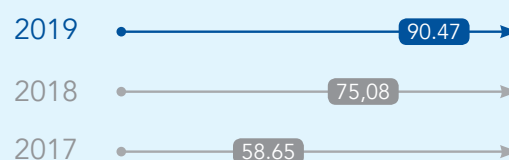
SUBSIDIARIES

HIGHLIGHTS

Subsidiaries Assets

reached **Rp90.47** trillion,
 increased by **20.50%** compared to
 Rp75.08 trillion in 2018.

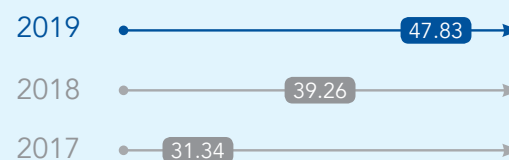
Subsidiaries Assets (Rp Trillion)



Loans Outstanding, Payables and Sharia Financing of Subsidiaries

reached **Rp47.83** trillion, increased
 by **21,83%** compared to Rp39.26
 triliun in 2018.

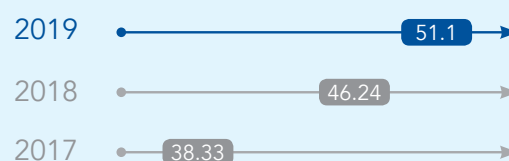
Loans Outstanding, Payables and Sharia Financing of Subsidiaries (Rp Trillion)



Subsidiaries Deposits

reached **Rp51.1** trillion,
 increased by **10,53%** compared to
 Rp46.24 trillion in 2018.

Subsidiaries Deposits (Rp Trillion)





MANAGEMENT DISCUSSION & ANALYSIS

Subsidiaries

BRI is the holding company of a group of financial services companies which consists of:

1. PT Bank BRISyariah Tbk (BRISyariah)
2. PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)
3. BRI Remittance Co. Ltd Hong Kong (BRI Remittance)
4. PT Asuransi BRI Life (BRI Life)
5. PT BRI Multifinance Indonesia (BRI Finance)
6. PT Danareksa Sekuritas
7. PT BRI Ventura Investama (BRI Ventures)
8. PT Bringin Sejahtera Artamakmur (BRINS)

In September 2019, BRI acquired the shares of PT Asuransi Bringin Sejahtera Artamakmur (BRINS) from the Dana Pensiun BRI amounted to Rp1.04 trillion. BRINS is a company engaged in general insurance. Following the acquisition process, the composition of BRINS shareholders is BRI at 90% and BRI Kesejahteraan Pekerja Foundation (YKP) at 10%. In addition to the potential synergies within the BRI Group, this acquisition is expected to further complement the financial services provided by BRI Group. Hence, BRI Group can offer an integrated financial solution for customers.



PT BANK SYARIAH TBK (BRISYARIAH)

BRISYARIAH PERFORMANCE HIGHLIGHTS 2017 - 2019

Total Assets

2017	2018	2019	Growth
Rp31.54 trillion	Rp37.92 trillion	Rp43.16 trillion	13.81%

Total Financing

2017	2018	2019	Growth
Rp19.01 trillion	Rp21.86 trillion	Rp27.38 trillion	25.25%

Total Third Party Funds

2017	2018	2019	Growth
Rp26.36 trillion	Rp28.86 trillion	Rp34.14 trillion	18.29%

Company Profile

The establishment of PT Bank BRI Syariah Tbk (hereinafter referred to as BRI Syariah) began with the acquisition of Bank Jasa Arta on 19 December 2007. After obtaining a business license from Bank Indonesia through letter No. 10/67/KEP. GBI/DpG/2008 on 16 October 2008, BRI Syariah officially operates on 17 November 2008 under the name of PT Bank BRI Syariah with business activities based on sharia principles. On 19 December 2008, the Sharia Business Unit of PT Bank Rakyat Indonesia (Persero) Tbk merged into PT Bank BRI Syariah. The spin off process was effective as of 1 January 2009.

BRI Syariah is committed to providing the best sharia products and services for various segments. The customer base spread across Indonesia indicates high capability of BRI Syariah to become a leading modern retail bank with financial services according to customer needs.

To realize these aspirations and increase transparency in good corporate governance practices, BRI Syariah conducted an Initial Public Offering on 9 May 2018 on the Indonesia Stock Exchange. This IPO makes BRI Syariah a subsidiary of the SOEs in sharia which is the first to conduct an initial public offering.



MANAGEMENT DISCUSSION & ANALYSIS

Subsidiaries

Management Structure

As of 31 December 2019, the composition of BRIsyariah Board of Commissioners, Directors and Supervisory Board is as follows:

Position	Name
Board of Commissioners	
President Commissioner/Independent	Parman Nataatmadja*
Independent Commissioner	Eko Suwardi
Independent Commissioner	Ernie Tishawati Sule*
Commissioner	Sutanto
Board of Directors	
President Director	Ngatari*
Director	Fahmi Subandi
Director	Yana Soeprianan*
Director	Kokok Alun Akbar
Director	Firdy Arnaldy
Sharia Supervisory Board	
Chairman	KH. Didin Hafidhuddin
Member	M. Gunawan Yasni

*) Effective following the OJK approval

Financial Performance Overview 2019

As of 31 December 2019, BRIsyariah posted total assets of Rp43.16 trillion grew Rp5.24 trillion or 13.81% compared to Rp37.92 trillion in 31 December 2018. Most part of assets are financing earnings assets. The composition of earnings assets to total assets in 2019 reached 95.63%. BRIsyariah was able to acquire third party funds (TPF) amounted to Rp34.14 trillion in 2019, grew 18.29% from Rp28.86 trillion in 2018.

Event Highlights in 2019

- 29 April: Signing of cooperation with Al Rajhi on the procurement of payment solution platform to Arab Saudi through Islamic Payment Gateway that directly connected to Al Rajhi.
- 29 April: The AGMS resolution of the appointment of new management on 29 April 2019.
- 23 August: BRIsyariah launch BRIS Pay, a QR Code – based payment that connected with BRIS Online.
- 27 August: BRIsyariah received the best alms collection unit award from BAZNAS.
- 18 September: BRIsyariah signed the cooperation with Paytren to increase digital financial service in Indonesia.
- 3 October: BRIsyariah Director signed the cooperation with Alam Sutera housing developer to accelerate financing growth in the consumer segment.
- 30 October: BRIsyariah Director signed the cooperation with PT PLN (Persero) for sharia financial service.
- 7 November: BRIsyariah Director signed the cooperation with PT Pegadaian for the facilitation of hajj communities.
- 11 November: Opening of Sub-Branch Office with sharing office in commemorating the Qanun Sharia Financial Institution in Aceh.
- 14 November: BRIsyariah and BEKRAF cooperated to expand micro financing to the national creative industry players.
- 17 November: BRIsyariah launched i-Kurma, an apps to speed-up micro financing process.

Subsidiaries

- 17 November: BRIsyariah signed the memorandum of understanding with Tokopedia for onboarding accounts.
 - 19 November: BRIsyariah received the best MSME lending provider in the Anugerah Syariah Republika 2019 event. This is an appreciation for BRIsyariah performance on the disbursement of MSME loans.
 - 25 November: BRIsyariah held the public expose for the first time as a public listed company.
 - 10 December: BRIsyariah signed the cooperation with LAZISMU to provide convenience for the public on the payment of alms, infak, sodaqoh and wakaf.
 - 12 December: BRIsyariah signed the memorandum of understanding with Investree. BRIsyariah is the first sharia bank that entered into cooperation with fintech market place lending.
 - 15 December: BRIsyariah with other sharia banks signed the cooperation with Muhammadiyah for the development of sharia economy ecosystem in Indonesia.
 - 19 December: BRIsyariah signed the operations cooperation agreement with the Ministry of Public Works & Public Housing, General Service Agency for Housing Funding Management Center.
3. Enhance customer involvement, by using the following methods:
 - a. Building targeted relationships with potential micro communities.
 - b. Enhance customer awareness related to BRIsyariah services through the BRI network, including BRI online channels.
 4. Improve service and customer accessibility, by using the following methods:
 - a. Acceleration through certain BRI Office networks for products offering.
 - b. Expanding KLS network to increase business growth.
 - c. Enhance customer experience through modernization of Information Technology.
 5. Improve the quality of Human Resources, among others through evaluation of the current Corporate Work Culture, aligning BRIsyariah Work Culture with BRI Culture, and implementing the adaptation of Work Culture.

BRIsyariah also will capture the opportunity of the halal industry which is projected to increase in the future. In addition, BRIsyariah together with BRI will gradually implement the Aceh Sharia Financial Institution Qanun which targeted to be completed in 2020.

Business Development Strategy 2020

BRIsyariah business development strategy in 2020 is part of the BRIsyariah Long-term strategy 2020-2023, which consists of:

1. Products offered improvements, as follows:
 - a. Creating products to complement the Hajj / Umrah ecosystem.
 - b. Establish cooperation with trusted travel agents.
 - c. Developing halal financing products.
 - d. Commercial, SME, Linkage, and Micro financing product innovations.
 - e. Develop Value Chain & Trickle Down Effect
2. Enhance operational efficiency, among others through optimizing processes for activities in the front, middle, and back offices.



MANAGEMENT DISCUSSION & ANALYSIS



PT BANK RAKYAT INDONESIA AGRONIAGA TBK (BRI Agro)

BRI AGRO PERFORMANCE HIGHLIGHTS 2017-2019

Total Assets			
2017	2018	2019	Growth
Rp16.32 trillion	Rp23.33 trillion	Rp27.15 trillion	16.47%
Total Loans			
2017	2018	2019	Growth
Rp10.98 trillion	Rp15.67 trillion	Rp19.37 trillion	23.62%
Total Third Party Funds			
2017	2018	2019	Growth
Rp12.42 trillion	Rp18.06 trillion	Rp21.15 trillion	17.11%

Company Profile

BRI Agro was established by Dana Pensiun Perkebunan (Dapenbun) on 27 September 1989, under the name AGRO Bank, which has an important and strategic role in the development of the agribusiness sector in Indonesia. As a bank focuses on agribusiness financing, since its establishment until now, the Bank's AGRO credit portfolio is mostly (between 50% - 70%) disbursed in the agribusiness sector, both on farm and off farm. Bank AGRO was established with Notarial Deed Rd. Soekarsono, S.H., in Jakarta No. 27 on 27 September 1989. On 11 December 1989 obtained a business license from the Minister of Finance in accordance with the Minister of Finance Decree No. 1347/KMK.013/1989 and the Director of Bank Indonesia Decree No. 22/1037/Upps/PSbD 26 December 1989 and began commercial operations on 8 February 1990. In 2003, Bank AGRO became a Public Company based on Bapepam-LK approval No. S-1565/PM/2003 dated 30 June 2003 hence the name was changed to PT Bank Agroniaga Tbk, and in the same year listed its shares on the Surabaya Stock Exchange. In 2007, shares of Bank AGRO with the code AGRO was listed on the Indonesia Stock Exchange. In 2006, Bank AGRO upgraded its status to a Foreign Exchange Commercial Bank based on Bank Indonesia Governor Decree No. 8/41/Kep.GBI/2006 dated May 8, 2006.

On 3 March 2011, the Deed of Shares Acquisition of PT Bank Agroniaga Tbk was signed between PT Bank Rakyat Indonesia (Persero) Tbk (BRI) and Dapenbun in Jakarta. BRI officially becomes the Controlling Shareholder of PT Bank Agroniaga Tbk. As a form of joint commitment in synergy with BRI, in 2012 and in conjunction with its 23rd anniversary, Bank AGRO changed its name to PT Bank Rakyat Indonesia Agroniaga Tbk, with the commercial name BRI Agro.

BRI Agro has increasingly taken steps with BRI to serve firmly. To demonstrate its seriousness, the Company continues to synergize with BRI. All Company's customers can use the Company's ATM card free of charge for all transactions in

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)

the entire BRI ATM networks throughout the country. In affirming the Company's initial focus, the agribusiness sector remain the main pillar of the Company's business, however, the Company also set for continuous improvements in providing comprehensive and excellent services for customers. Savings, Time Deposits, and Demand Deposits, as well as prize programs, are offered to address the customers' savings and investment needs, while the Company's credit facilities, among others, for the retail segment, middle segment, and consumer segment, can be utilized to develop customers' businesses.

Management Structure

As of 31 December 2019, the composition of BRI Agro's Board of Commissioners and Directors is as follows:

Position	Name
Board of Commissioners	
President Commissioner/Independent	Anna Maria Tjiadarma
Independent Commissioner	A. Y. Soepadmo
Commissioner	I. B. K. Suamba Manuaba *)
Board of Directors	
President Director	Ebeneser Girsang
Compliance Director	Herry Prayudi
Business Director	Sigit Murtiyoso
Operations and Finance Director	Ernawan

*) Effective following the OJK approval

Financial Performance Overview in 2019

As of 31 December 2019, BRI Agro posted total assets of Rp27.15 trillion, an increase of 16.47% compared to Rp23.33 trillion in 31 December 2018. BRI Agro was able to acquire third party funds (TPF) of Rp21.15 trillion in 2019, grew 17.11% from Rp18.06 trillion in 2018.

Events Highlights in 2019

- 23 February: Launching of PINANG in Solo
- 28 March: AGMS at BRI Agro Head Office 3rd Fl.
- April 15: Signing of Cooperation with DAPENBUN at BRI Agro Head Office, 3rd Floor
- May 23: Signing of cooperation with Lion Air at Lion Air Head Office
- May 27: EGMS at BRI Agro Head Office, 3rd Fl.
- June 26: EGMS at at BRI Agro Head Office, 3rd Fl.
- 19 August: Investor Gathering – the Company Update at the Ritz Carlton Hotel Jakarta
- 21 August: Media Gathering in Jakarta
- 8 September: Launching of "AGROTAMA POINTS SURPRISE" and 30th AGROLYMPIC Opening Event
- 23 October: MANGROVE's CSR "Caring for the Environment" on Sederhana Beach Muara Gembong - Bekasi
- 27 October: A healthy walk during the "Family Day 2019" at the Corporate University
- 27 October: Launching of Internet Banking Products, Websites & Virtual Accounts at Corporate University
- 30 October: Signing of Cooperation with AYO KITA
- 27 November: BRI Agro EGMS at BRI Agro Head Office, 3rd Fl.



MANAGEMENT DISCUSSION & ANALYSIS

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)

Business Development Strategy 2020

BRI Agro's first pillar is the Traditional Business Model that will be pursued by strengthening traditional business models through BRI Agro's business excellence improvements which currently focuses on agribusiness. Strengthening is also carried out for the lending in the retail and consumer segments as well as acquisition of low cost funds to increase the CASA portfolio.

The second pillar of BRI Agro is comprehensive sector specialization, through product adjustment to the needs of customers/debtors. Adjustments were also made in scoring and risk management in accordance with the company's business focus. HR development is the main factor in the second pillar, which will focus on the business specialization that will be entered by the Company.

BRI Agro's third pillar is a partnership with companies and business agents, through the development of a digital ecosystem platform for the agribusiness sector. With this partnership, customers and the public engaged in the agribusiness sector will conveniently find the transactions and BRI Agro product offer.

BRI Agro's fourth pillar is digital attacker. As BRI subsidiary that fully supported by the holding company in addressing the fintech ecosystem, BRI Agro launched PINANG app on 23 February 2019, which became one of BRI Agro's flagship products. Going forward, PINANG is expected to increase BRI Agro's lending portfolio to the consumer business segment. Until the end of 2019, the total disbursement of PINANG reached Rp30.6 billion with a total of 7,331 debtors.



BRI REMITTANCE COMPANY LTD. (BRI REMITTANCE)

BRI REMITTANCE PERFORMANCE HIGHLIGHTS 2017-2019

Total Assets			
2017	2018	2019	Growth
Rp8.96 billion	Rp6.87 billion	Rp7.07 billion	(5.73%)
Transaction Nominal			
2017	2018	2019	Growth
Rp508.03 billion	Rp384.97 billion	Rp531.74 billion	38.12%
Transaction Value			
2017	2018	2019	Growth
96.309	103.680	127.590	23.06%

Company Profile

On 16 December 2011, BRI signed the Instrument of Transfer and Bought and Sold Notes to acquire 100% or 1,600,000 (full amount) of BRIngin Remittance Co. shares. Ltd. (BRC) Hong Kong with a purchase price of HKD1,911,270. This acquisition was approved by the Hong Kong Inland Revenue Department (IRD) on 28 December 2011 and was approved by Bank Indonesia through letter No. 13/32/DPB1/TPB1-3/Rahasia on 1 December 2011.

Based on the resolution of the Annual General Meeting of Shareholders of BRIngin Remittance Company Limited dated 2 July 2012, and with the issuance of Certificate of Change of Name No. 961091 dated 11 October 2012 by the Registrar of Companies Hong Kong Special Administrative Region, the name BRIngin Remittance Company Limited was officially changed to BRI Remittance Company Limited Hong Kong (BRI Remittance).

In accordance with License No. 12-08-00742 obtained from the Hong Kong Customs & Excise Department, BRI Remittance is a business entity that is allowed to conduct the business of money service operators, specifically remittance business (money transfer) from Hong Kong to Indonesia. BRI Remittance Company is currently serving the needs of financial transactions (savings and transfer transactions) for BRI customers who domiciled in Hong Kong.



MANAGEMENT DISCUSSION & ANALYSIS

BRI Remittance Company Ltd. (BRI Remittance)

BRI Remittance currently has 4 operational branch offices and 1 back office in various potential areas in Hong Kong as follows:

No.	Branch Office Locations	Address
1.	Causeway Bay (Main Branch)	Shop 3 G/F, Bawview Mansion 24 ñ 36 Causeway Road, Causeway Bay - Hong Kong
2.	Yuen Long	Shop 25 1/F Hop Yick Commercial centre 33 Hop Choi Street Yuen Long ñ New Territories
3.	Tsuen Wan	Shop 214 2/F Lik Sang Plaza, 269 Castle Peak Road, Tsuen Wan
4.	Mong Kok	G/F 137 Sai Yee Street Mongkok ñ Kowloon
5.	Causeway Bay (Back Office)	Room 22 G/F Bayview Mansion 11-33 Morreton Terrace, Causeway Bay ñ Hong Kong

BRI Remittance Management Structure

BRI Remittance Hong Kong is led by 1 (one) Executive Director and 1 (one) Non-Executive Director, namely:

Position	Name
Executive Management	
Executive Director	Gigieh Perkasa
Non- Executive Director	Roby Firmansjah Sastraatmadja

Financial Performance Overview in 2019

BRI Remittance's total assets in 2019 reached HKD 3,965,161. Total remittance transactions were 127,590, an increase of 23.06% compared to 103,680 transactions in 2018.

Remittance Transaction Value at BRI Remittance was HKD 298,264,838, an increase of 38.12% compared to the end of 2018 amounted to HKD 215,942,836.

Events Highlights and Strategies in 2019

- Establishment of Disaster Recovery Center which is located outside Hong Kong Island to anticipate a prolong unfavorable situation in Hong Kong, related to mass demonstrations since June 2019.
- Installing a cash vault (safe) with a larger capacity and directly connected to the server security service provider thereby transactions related to cash will be more secured.
- Development of an Integrated Management Information System module to further support the implementation of Good Corporate Governance principles.
- Providing an incoming remittance function, which allows customers to withdraw money from their savings rupiah balance to be withdrawn in Hong Kong Dollar, hence can solve the limited availability of ATM machines operating in Hong Kong.
- Replacement of BRI Remittance core system, hence the transaction process can be done in real time and supports the development of BRI Remittance mobile apps.

BRI Remittance Company Ltd. (BRI Remittance)

Development Strategy 2020

In 2020, BRI Remittance will focus on increasing remittance transactions with the following strategies:

- a. Expand remittance cooperation to several other countries' corridors
- b. Completion of overall system core replacement.
- c. Focus on marketing using mobile apps
- d. Generate other sources of income from non-remittance services.
- e. Cross selling with the Holding Company products.



MANAGEMENT DISCUSSION & ANALYSIS



PT ASURANSI BRI LIFE (BRI LIFE)

BRI LIFE PERFORMANCE HIGHLIGHTS 2017-2019

Total Assets			
2017	2018	2019	Growth
Rp8.16 trillion	Rp9.38 trillion	Rp11.10 trillion	19.87%
Equity			
2017	2018	2019	Growth
Rp2.2 trillion	Rp2.23 trillion	Rp2.63 trillion	17.94%
Premium Income			
2017	2018	2019	Growth
Rp3.93 trillion	Rp4.38 trillion	Rp5.18 trillion	14.12%

Company Profile

PT BRI Life Insurance (BRI Life) which was originally named PT Asuransi Jiwa Bringin Jiwa Sejahtera (BRIngin Life) was established by the Dana Pensiun BRI on 28 October 1987 based on the Company's Deed of Establishment No. 116 dated 28 October 1987, made by Notary Mrs. Poerbaningsih Adi Warsito, Notary in Jakarta and has obtained a business license based on the Decree of the Minister of Finance of the Republic of Indonesia No. Kep. 181/KM.13/1988 dated 10 October 1988.

At the end of December 2015, BRI acquired 91% of PT Asuransi Jiwa Bringin Jiwa Sejahtera (BRIngin Life) and subsequently changed its name to PT Asuransi BRI Life (BRI Life). The takeover was approved and approved by the Ministry of Law and Human Rights of the Republic of Indonesia No. AHUAH.01.03-0000524 dated 6 January 2016.

On 23 February 2017 based on Notarial Deed No. 31, there was a change in the Company, which was previously named PT Asuransi Jiwa Bringin Jiwa Sejahtera changed to PT Asuransi BRI Life. This directly shows that PT Asuransi BRI Life is a subsidiary of BRI. The amendment is stated in the Deed No. 31 23 February 2017, made before Dahlia, S.H., Notary in Jakarta. Changes to this deed have been recorded in the Legal Administration System in accordance with the Republic of Indonesia Ministry of Law and Human Rights Letter No. AHU0004875. AH.01.02 on February 27 2017.

PT Asuransi BRI Life (BRI Life)

BRI Life is increasingly recognized as one of the national life insurance companies that have served more than 9.2 million customers through excellent and beneficial insurance programs. BRI Life is also supported by a variety of BRI Life insurance products that can meet the needs of the public, including AJK, Individuals, Corporations, Sharia, Bancassurance and Micro products.

Management Structure

As of 31 December 2019, the composition of BRI Life Board of Commissioners, Directors and Sharia Supervisory Board is as follows:

Position	Name
Board of Commissioners	
President Commissioner	Tri Wintarto
Vice President Commissioner	Sapto Harjono Wahjoe Sedjati
Independent Commissioner	Eko Wahyu Andriastono
Independent Commissioner	M. Ridwan Rizqi R. Nasution
Independent Commissioner	Mulabasa Hutabarat
Commissioner	Siswarin Dwi Hendarsapti
Board of Directors	
President Director	Gatot M. Trisnadi
Director	Khairi Setiawan
Director	Dany Cahya Rukmana
Director	Anik Hidayati
Director	Ansar Arifin
Director	Sugeng Sudibyo
Sharia Supervisory Board	
Chairman	K. H. Dr. Mohammad Hidayat
Member	Ir. H. Agus Haryadi, AALJ, FII
Member	Hj. Siti Haniatunnisa, LLB, MH

Financial Performance Overview in 2019

As of 31 December 2019, BRI Life recorded total assets of Rp11.22 trillion, an increase of 19.87% compared to Rp9.36 trillion in 31 December 2018. BRI Life Premium income reached Rp5.01 trillion in 2019, grew 14.12% from Rp4.29 trillion in 2018.



MANAGEMENT DISCUSSION & ANALYSIS

PT Asuransi BRI Life (BRI Life)

Event Highlights in 2019

- 29 March: The “Top 10 Most Trusted Insurance Company” award in the 2019 Indonesia Insurance Innovation Award (Customer Choice).
- 26 April: The “Indonesia Financial Top Leader Award 2019” Smart Leader for Financial Industry award from Warta Ekonomi. BRI Life becomes The Best Financial Top Leader in 2019 in the category of life insurance companies.
- 18 July: Received an award as the Best Life Insurance for asset categories above 5-10 Trillion from Investor Magazine
- 23 July: Received the 2019 Best Life Insurance (First Place) award at the 2019 Insurance Award from Insurance Media Magazine for the category of insurance companies in the Rp 1.25 Trillion - Rp. 4 trillion group.
- 25 July: Received 2 (two) awards from Infobank Magazine in the 2019 Insurance Award event; for the 2018 Financial Performance and the Golden Trophy award for the title of “Very Good” in the category of Life Insurance Company “Gross Premium of Rp 1 Trillion - Rp 5 Trillion”, which has been achieved for 5 consecutive years.
- 26 July: Received an award as “Innovative Insurance Company in the Development of Sharia-Based Bancassurance and Link Products” for life insurance category from Warta Magazine.
- 26 August: Top Business in the category of Top Life Insurance 2019 and Top CEO of Life Insurance 2019. Top Insurance is the prestigious annual award event in Indonesia for insurance companies with best financial performance, products and services, and excellent business prospects and highly contribute in the national development.
- 25 October: BRI Life received the title “Very Good” in the annual Sharia Finance rating by Infobank Magazine.
- November 21: award in the “30 Insurance Market Leader Award 2019” organized by Media Insurance in the 2019 Market Leader event.
- 27 November: The Winner of TOP Digital Awards 2019 award in the category of TOP DIGITAL Implementation 2019 on Insurance Sector # Level Star 4 and TOP Leader on Digital Implementation 2019 presented to Gatot M. Trisnadi as President Director of PT BRI Life Insurance. TOP DIGITAL is the biggest TELCO/ Digital Technology IT award in Indonesia.
- 5 December: The “RRI Financial Award 2019” award for the <10 T asset life insurance category with the title Millennial Admirable Brand in Brand Image from RRI with Iconomics.
- 11 December: Award from The Finance Magazine at the 2019 Top 20 Financial Institutions & The best CFO in Financial Institution 2019.
- 11 December: BRI Life received another award with the title TRUSTED from SWA Magazine in collaboration with The Indonesian Institute for Corporate Governance (IICG) and SWANETWORK

Business Development Strategy 2020

The 2020 strategy is set to aggressively foster referrals through Big Data Analytics utilization and product sales of both the Reference and Distribution models conducted through Bank Staff Selling and Bancassurance Financial Advisors for the Bancassurance business line, particularly micro insurance products.

On the other hand BRI Life embodies the aspirations of BRI to realize One Stop Financial Solution for BRI customers through technological development. This will be carried out through the development of the core system and surrounding areas in an effort to improve customer service and integration with technology owned by BRI.



PT BRI MULTIFINANCE INDONESIA (BRI FINANCE)

BRI FINANCE PERFORMANCE HIGHLIGHTS 2017-2019

Total Assets

2017	2018	2019	Growth
Rp2.61 trillion	Rp3.63 trillion	Rp4.62 trillion	26.72%

Financing

2017	2018	2019	Growth
Rp2.48 trillion	Rp3.40 trillion	Rp4.19 trillion	23.23%

Funding

2017	2018	2019	Growth
Rp1.88 trillion	Rp2.71 trillion	Rp3.56 trillion	31.36%

Company Profile

PT BRI Multifinance Indonesia (BRI Finance) is one of BRI subsidiary engaged in the finance sector, with a majority share ownership of 99.78%. BRI Finance was originally established in 1983 as a joint venture between The Sanwa Bank Limited, Japan and PT Bank Rakyat Indonesia (Persero) under the name of PT Sari Usaha Leasing. PT Sari Usaha Leasing is one of the pioneering companies for the financing industry in Indonesia after obtaining a business license from the Minister of Finance with Decree Number: KEP-465/KM.11/1983.

In 1991, BRI Finance obtained a business license to manage a multi-finance business hence it was renamed to PT Sanwa-BRI Finance. Aligned with the merger process carried out by The Sanwa Bank Ltd, Japan to become The UFJ Bank Ltd, Japan, the name BRI Finance was adjusted to PT UFJ-BRI Finance in 2002 and became PT BTMU-BRI Finance in 2008.

On 30 September 2016, PT Bank Rakyat Indonesia (Persero) Tbk and BRI Kesejahteraan Pekerja Foundation bought BRI Finance shares from The Bank of Tokyo Mitsubishi UFJ Ltd, Japan. The 99% shareholding was officially taken by PT Bank Rakyat Indonesia (Persero) Tbk and 1% by BRI Kesejahteraan Pekerja Foundation. Aligned with the transfer of the shares, PT BTMU-BRI Finance changed its name to PT BRI Multifinance Indonesia with the trademark BRI Finance. This change makes BRI Finance as part of integrated financial services and the largest financial network in Indonesia to



MANAGEMENT DISCUSSION & ANALYSIS

PT BRI MULTIFINANCE INDONESIA (BRI FINANCE)

strengthen its position in the Indonesian financial industry. On 13 August 2019, PT Bank Rakyat Indonesia (Persero) Tbk granted additional paid-up capital of R100,000,000,000 (One Hundred Billion Rupiahs) to BRI Finance resulting in an increase of shareholdings from 99.6% to 99.78% and 0.22% for BRI Kesejahteraan Pekerja Foundation.

BRI Finance focuses its business in the areas of investment financing, working capital financing, multipurpose financing and operating leases. On geography, BRI Finance conducts business as a whole and covers the entire territory of Indonesia with no focus on specific brands, types, areas or industries.

Management Structure

As of 31 December 2019, the composition of the Board of Commissioners and Directors of BRI Finance is as follows:

Position	Name
Board of Commissioners	
President Commissioner	I Komang Sudiarsa
Independent Commissioner	Boyke Budiono
Commissioner	Ngalim Sawega
Board of Directors	
President Director	Wisto Prihadi
Director	Handayatni Ariefiana Harjanti
Director	Achmad Chairul Ganie
Director	Willy Halim Sugiardi

Financial Performance Overview in 2019

As of 31 December 2019, BRI Finance recorded total assets of Rp4.62 trillion, an increase of 26.72% compared to Rp3.63 trillion in 31 December 2018. BRI Finance financing disbursement reached Rp4.19 trillion in 2019, grew 23.23% from Rp3.40 trillion in 2018. BRI Finance funding in 2019 reached Rp3.56 trillion, grew 31.36% from Rp2.71 trillion in 2018.

Event Highlights in 2019

- Upgrading 5 Marketing Offices status to Branch Offices located in South Tangerang, Denpasar, Semarang, Pekanbaru* and Balikpapan*.
- Launched 5 new Marketing Offices located in Pontianak*, Bogor*, Padang*, Manado*, Kelapa Gading*.
- With the addition of new work units, BRI Finance will have 1 Head Office (Jakarta), 10 Branch Offices (Bandung, Bekasi, Denpasar, Makassar, Palembang, Samarinda, Semarang, Surabaya, Tangerang Selatan, Medan) and 15 Marketing Offices. (* in the licensing process to OJK)
- August 2019: Increased the authorized capital to Rp1 trillion and increased issued capital and paid-up capital through the addition of BRI's equity investment in BRI Finance at Rp100 billion thereby the issued capital and paid-up capital of BRI Finance amounted to Rp255 billion.
- 13 December: Issuance of Medium Term Notes (MTN) of Rp 300,000,000,000 with a tenor of 3 (three) years and received an AA-rating from PEFINDO

PT BRI MULTIFINANCE INDONESIA (BRI FINANCE)

Development Strategy for 2020

In 2020, BRI Finance will continue business development in 2019 through the development of digital business processes. The development will be carried out through synergy with BRI by optimizing the consumer BRISpot and developing the MOBRIIF mobile application as a referral and lead generation. Strategic initiatives that will be carried out by BRI Finance include the following:

1. Develop a distribution network in priority cities,
2. Develop a sales performance monitoring system,
3. Establish a partnership with BRI fintech and e-channel companies,
4. Launch a joint marketing campaign with BRI for brand building.



MANAGEMENT DISCUSSION & ANALYSIS



PT DANAREKSA SEKURITAS

DANAREKSA SEKURITAS PERFORMANCE HIGHLIGHTS 2018-2019

Total Assets		
2018	2019	Growth
Rp869.10 billion	Rp1.08 trillion	25.78%
Operating Income		
2018	2019	Growth
Rp193.85 billion	Rp202.59 billion	4.51%
Transaction Value of Equity Brokerage		
2018	2019	Growth
Rp41.26 trillion	Rp51.91 trillion	25.81%

Company Profile

PT Danareksa Sekuritas (Danareksa) was established based on Notarial Deed Imas Fatimah, S.H., No. 25 dated 1 July 1992. This deed of establishment was ratified by the Minister of Justice of the Republic of Indonesia Decree No. C2-7248.HT.01.01.Th.92 dated 3 September 1992 and announced in State Gazette of the Republic of Indonesia No. 86 Additional No. 5392 dated 27 October 1992.

Pursuant to Clause 3 of the Articles of Association, the business scope of Danareksa is as a Broker Dealer, Underwriter, and supporting business activities determined and/or approved by the Financial Services Authority. The Company obtained a business license from the Chairman of the Capital Market Supervisory Agency (now the Financial Services Authority or OJK) based on Decree No. KEP-291/PM/1992 dated 16 October 1992 as Brokers and Securities Decree No. KEP-292/PM/1992 dated 16 October 1992 as the Underwriter.

As part of attained business licenses, the Company has also obtained the approval of supporting business activities as Arrangers for MTN, NCD, Hybrid Products such as Perpetuity Notes, syndicated loans, GMTN, Global Bond and Financial Advisory from the Financial Services Authority based on Letter No. S-143/PM.21/2017 dated 16 March 2017.

PT Danareksa Sekuritas

On 21 December 2018, BRI acquired 67.00% shares of PT Danareksa Sekuritas from PT Danareksa (Persero). As such, BRI has since become the majority shareholder of PT Danareksa Sekuritas. This change in Shareholders composition of as outlined in the notarial deed of Masjuki, S.H., substitute of Mochamad Nova Faisal, S.H., No. 52 dated 21 December 2018 has received a Letter of Acceptance of Changes Notification to the Company Data from the Minister of Law and Human Rights in Letter No. AHU-AH.01.03-0279737 on 26 December 2018.

Management Structure

As of 31 December 2019, the composition of the Board of Commissioners and Directors of Danareksa Sekuritas is as follows:

Position	Name
Board of Commissioners	
Commissioner	Soehandjono
Board of Directors	
Acting President Director	Budi Susanto
Director	Boumediene Sihombing
Director	Santi Suryandari

Financial Performance Overview in 2019

As of 31 December 2019, Danareksa Sekuritas recorded total assets of Rp1.08 trillion, an increase of 25.78% compared to Rp869.10 billion in 31 December 2018. Danareksa Sekuritas Operating Income in 2019 was recorded at Rp202.59 billion, grew 4.51% from Rp193.85 billion in 2018. The value of equity brokerage transactions in 2019 Rp51.91 trillion, grew by 25.81% from Rp41.26 trillion in 2018.

Event Highlights in 2019

- 15 March: Danareksa Securities Annual GMS
- 2 September: Occupy a New Office in 23rd Floor BRI Building
- 12 November: Appointment of Soehandjono as Commissioner of the Company

Development Strategy 2020

Danareksa Sekuritas' strategic targets are to become a major player in the underwriting business, where the Company is committed to increasing participation in IPO transactions/public offerings.

Danareksa Sekuritas will also strengthen its position as a financial advisory, to become the first choice for SOEs and affiliates and private companies to compete with foreign consultants.

In terms of brokerage/underwriter, Danareksa Sekuritas sets the target to increase the share trading value by strengthening the network of retail and institutional customers. As a commitment to disseminate Indonesia capital market together with OJK and IDX, Danareksa strives to expand the retail/individual investor network through online trading aligned with the advancement of digital era globally, which will be fostered by solid and qualified information system infrastructure.



MANAGEMENT DISCUSSION & ANALYSIS



PT BRI VENTURA INVESTAMA

BRI VENTURA PERFORMANCE HIGHLIGHTS 2018-2019

Total Assets		
2018	2019	Growth
Rp7.2 billion	Rp1.51 trillion	20.872,22%
Total Investment		
2018	2019	Growth
-	Rp278.11 billion	100%
Operating Income		
2018	2019	Growth
Rp1.27 billion	Rp0.77 billion	(39.37%)

Company Profile

PT. BRI Ventura Investama (BRI Ventures) is a subsidiary of BRI that engages in Venture Capital, with BRI shares ownership of 99.97% of the total shares issued by the company. While 0.03% is owned by BRI Kesejahteraan Pekerja Foundation (YKP)

BRI Ventures (formerly PT. Sarana Nusa Tenggara Timur Ventura) was ratified on 21 February 1998 in Kupang - NTT by obtaining a venture capital business permit based on Minister of Finance Decree No. 75/KMK.05/1998 dated 19 February 1998. The Company founder is PT. Bahana Artha Ventura (BAV) which is a subsidiary of PT. Bahana Pembinaan Usaha

Indonesia (BPUI). In developing venture capital business for small and medium enterprises (SMEs) throughout Indonesia that become the concern of PT BPUI, PT. BAV synergies with the national banking and NTT provincial government personally through the placement of shares.

On 20 December 2018, BRI acquired 97.61% shares of PT. BAV. As such, BRI has since become a Controlling Shareholder of BRI Ventures. The existing BRI Ventures employs 8 employees in Kupang, NTT for productive business financing activities, and adds 9 employees in Jakarta for investment activities. With the inclusion of

BRI, the company's focus shifted to Corporate Venture Capital for the BRI Group.

BRI Ventures will invest in companies that have high growth potential, with broad market potential, solid risk management and founders who have sufficient understanding in performing business. This is aligned with the BRI Group's strategy in developing user-centric products and services. BRI Ventures will invest in technology companies both within the scope of financial services ("Fintech") and other business sectors ("Non-Fintech").

PT BRI Ventura Investama

Management Structure

As of 31 December 2019, the composition of the Board of Commissioners and Directors of BRI Ventura Investama is as follows:

Position	Name
Board of Commissioners	
President Commissioner	Hadi Susanto
Commissioner	I Nyoman Sugiri Yasa
Board of Directors	
Director	Nicko Widjaja

Financial Performance Overview in 2019

As of 31 December 2019, BRI Ventures posted a total asset of Rp1.51 trillion, a significant increase compared to Rp7.2 billion in 31 December 2018. BRI Ventures operating revenues in 2019 were recorded at Rp776 million, 39.37% lower than in 2018 at Rp1.27 billion.

Event Highlights in 2019

- 29 March: Additional Capital Phase I by BRI of Rp200 billion
- 10 July: Appointment of Nicko Widjaja as President Director
- 26 July: Additional Capital Phase II by BRI of Rp800 billion
- 31 July: Participation in Phase I Shares to PT Fintek Karya Nusantara (LinkAja)
- 7 October: Occupy a New Office in Prosperity Tower SCBD
- 20 December: Phase II Shares Participation to PT Fintek Karya Nusantara (LinkAja)
- 31 December: Additional Capital Phase III by BRI of Rp500 billion

Development Strategy 2020

BRI Ventures will become one of BRI Group engines of growth through investment activities to innovative companies that can deliver growth and bring new business models. Whereby 2019 is the year of preparation in building capabilities in order to make BRI Ventures as the Corporate Venture Capital of BRI Group.

For 2020, BRI Ventures set forth 3 main strategic focuses. First, building a strong brand to be recognized by both domestic and regional market. Second, investing in technology companies (high-growth startups) that has the potential to deliver a positive impact to BRI in financial and synergy. Lastly, preparing a Venture Fund to manage third party investment funds, and prepare investment flexibility to the non-fintech sector.

The focus of BRI Ventures' investment on startups is in the growth phase, namely startups that already have products and revenue with rapid growth. Meanwhile, the BRI Ventures investment area is innovative companies that have the potential to increase capabilities, have a positive impact on business, and open access to new ecosystems for Bank BRI and business groups. There are three investment segments, namely fintech (payment, lending, remittance), fintech enabler (insurance, wealth management), and beyond fintech.

In coherent with BRI's Digital Value Roadmap to enter the ecosystems outside of the financial services, BRI Ventures has identified and will put focus on the ecosystem pillars. Through investment in startups, the main focus in the coming years will be Retail and Creative Industry. To realize this, BRI Ventures is preparing Venture Funds both at home and abroad.



MANAGEMENT DISCUSSION & ANALYSIS



PT BRI ASURANSI BRINGIN SEJAHTERA ARTAMAKMUR (BRINS)

BRINS PERFORMANCE HIGHLIGHTS 2018-2019

Total Assets		
2018	2019	Growth
Rp2.39 trillion	Rp2.58 trillion	7.8%
Gross Premium		
2018	2019	Growth
Rp1.45 trillion	Rp1.69 trillion	16.55%
Ekuitas		
2018	2019	Growth
Rp712.83 trillion	Rp805.78 trillion	13.04%

Company Profile

Effective as of 26 September 2019, PT BRI Asuransi Bringin Sejahtera Artamakmur became a BRI Subsidiary.

PT. Bringin Sejahtera Artamakmur Insurance was established by BRI Dapen on 17 April 1989 based on Notarial Deed of Muhaini Salim SH, in Jakarta No. 121 and ratified by the appointment of the Minister of Justice of the Republic of Indonesia on 3 May 1989 No. C2.4160.HT.01.01 of 1989.

Since 2011, BRINS has focused on developing online systems. The presence of Online Credit Collateral Insurance Application (A3KOL) and Online Money Insurance (AUO), one of the facts that BRINS always creates and innovates in improving performance and services.

The Company that was formerly known as BSAM insurance was transformed in 2015 with a logo change and the Company name became BRINS General Insurance. With the change in name, a revolution in corporate cultural values was taken from the word BRINS.

Services improvements were continually developed, including through competent human resources with the launch of the MDP (Management Development Program) in 2015, call center facilities, and marketing activities through e-commerce.

The Company has a network of 89 offices. The conventional network consists of 22 Branch Offices, 8 Marketing Representative Offices (MRO) and 45 Marketing Channels. While the Sharia Network consists of 1 Branch Office, 2 Representative Office Sharia (ROS) and 11 Marketing Office Sharia (MOS).

The types of insurance offered include fire insurance, motorized vehicles, hole in one, Construction, Aircraft, Medical BRINS, Oil & Gas, Beautiful BRINS, Personal Accidents, Transportation, Money, Travel, Ships, Satellites, BRINS Oto. The superior product of BRINS is Credit Collateral Insurance.

Management Structure

As of 31 December 2019, the composition of the BRINS Board of Commissioners and Directors is as follows:

Position	Name
Board of Commissioners	
Independent Commissioner	Iman Sundoro
Independent Commissioner	Alfonso Napitupulu
Board of Directors	
Presiden Director	Tri Wintarto
Technical Director	Ade Zulfikar
Compliance Director	Adi Setyanto
Marketing Director	Achmad Chumaidi
Operation Director	Sutarno

Financial Performance Overview in 2019

As of 31 December 2019, BRINS posted total assets of Rp2.58 trillion, an increase of 7.8% compared to Rp2.39 billion in 31 December 2018. The gross premium in 2019 was recorded at Rp1.69 trillion, grew by 16.55% from Rp1.45 trillion in 2018.

Event Highlights in 2019

- 29 March: Award from Gatra - Indonesia Insurance Innovation Award 2019 - "As The Best Financial Performance (Asset Between 1.5 - 4 Trillion) in Jakarta
- 3 May: BRINS conducts Micro Insurance training with the theme of MSMEs Goes Digital in Jakarta
- July 2019: Award from Infobank - "VERY GOOD" Insurance for 2018 Financial Performance
- 18 July: Investor Awards - 2019 Best Insurance for the General Assets Insurance category above Rp1 Trillion - Rp5 Trillion
- 23 July: Award from Media Insurance - Best General Insurance 2019 in the equity category of Rp500 billion - Rp1.5 trillion
- 25 July: Award from the Economic Review - 2019 Indonesia Good Corporate Governance Award The BIG 10 Indonesia GCG Implementation 2019
- 25 July: Infobank - 20th Insurance Award 2019 Financial Performance 2018 - Very Good Predicate
- 22 August: Investor - Best Syariah 2019 in the General Asset Insurance category above Rp50 billion - Rp100 billion
- 22 August: Submission of Hole in One Friendly Golf Tournament Claims at BRINS Headquarters



MANAGEMENT DISCUSSION & ANALYSIS

- 23 August: Award from the 2019 Indonesia Good Corporate Governance Award - The BIG 10 Indonesia GCG Implementation 2019
- 28 August: Top Insurance 2019 Award - Top CEO General Insurance 2019 and Top Insurance 2019 - Top General Insurance 2019 Assets Rp1-2.5 Trillion
- 13 September: The biggest insurance premium contributor in 2018-2019 - Rating IV Consortium for Specific Risk Insurance (KARK)
- 13 September: KARK Specific Risk Insurance Consortium Award, Largest Premium Contributor in 2018 - 2019
- 26 September: Change of ownership of BRINS from Dapen BRI to PT BRI and the Signing of Share Acquisition Deed
- 15 October: Signing of the Agreement for Closing of Linkage Executing Working Capital Insurance for PT. Bahana Artha Ventura and BRINS
- 16-19 October: Implementation of 25th Indonesia Rendesvouz 2019, AAUI - Denpasar
- 25 October: Award from Infobank - Sharia Insurance with predicate "Very Good" for financial performance in 2018
- 25 October: Award from Infobank - 8th Infobank Sharia Finance Award 2019 Predicate "Excellent"

Development Strategy 2020

In coherent with the Company's Vision, which is to become a leading general insurance company, which able to provide a sense of security and optimum benefits to all stakeholders, BRINS established several strategies for 2020 in achieving the company's vision, namely:

1. Expansion and optimization of the reciprocal business cooperation network
2. Expansion of B2B systems implementation such as A3KOL, AUO in markets outside the Captive Group
3. Distribution Channel Development, including optimizing the BRINS Mobile application, developing the BRINS website to be more interactive in business processes and as a marketing channel
4. Improving services for the beneficiaries through the development of Call Center, opening/improving the status of marketing network and improving marketing business processes
5. Development of CGISS Web Service
6. Creating and developing support systems outside the Care System, such as E-budgeting, Asset Management, Warehouse Management System, Risk Management and Compliance System and the development of the BRINS portal

BUMN
Hadir untuk negeri



BANK BRI

Kemudahan Miliki Kendaraan Impian dengan **KKB HUT BRI**

224



Biaya adm
mulai *
Rp **124**
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Bunga *
mulai
1,24%

Gratis voucher
belanja senilai *
Rp **1,24**
juta

Segera ajukan KKB di Kantor Cabang Bank BRI seluruh Indonesia
Periode hingga Desember 2019

Info lebih lanjut kunjungi promo.bri.co.id

*Syarat & ketentuan berlaku

KKB  **BRI**
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PT. Bank Rakyat Indonesia (Persero) Tbk. terdaftar dan diawasi oleh Otoritas Jasa Keuangan 
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MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL REVIEW

Finance Directorate

Finance Directorate plays a central role in corporate development, the overall strategy, as well as optimum assets and liabilities management. The reliable Corporate Work Plan and Budget (RKAP), the Bank Business Plan (RBB), and the Company's Financial Statements will facilitate performance monitoring, and good assets and liabilities management, which in turn will help the Company's strategies.

Net Profit
Increased to
Rp34.41 trillion
ROA **3.50%*** and ROE
19.41%*.
22.55%* CAR fostered
the business development
in 2019

*) Bank only



This chapter covers the Company's 2019 financial performance analysis and discussion. The compilation and presentation of the report is conformed with Financial Accounting Standard Statement (PSAK) and Financial Services Authority Regulations (POJK). The compilation of all material was done based on BRI Consolidated Audit Financial Statements that has been audited by Purwanto, Sungkoro and Surja-Ernst & Young (PSS-EY) Public Accounting Office according to Independent Auditor Report No. 00021/2.1032/AU.1/07/1008-3/1/1/2020 dated 24 January 2020 with the opinion that BRI's Consolidated Financial Report for the fiscal year ending on 31 December 2019 and 2018 has been presented as fairly, in all material respects, in which BRI's Consolidated Audit Financial Statements is also presented as attachment in this report.

Financial Review

Bab Tinjauan Keuangan ini mengulas analisis dan pembahasan kinerja keuangan BRI selama tahun 2019. Penyusunan dan penyajiannya disesuaikan dengan Pernyataan Standar Akuntansi Keuangan (PSAK) di Indonesia, dan Peraturan Otoritas Jasa Keuangan (POJK).

On 20 June 2019, BRI entered into a Conditional Share Sale and Purchase Agreement with BRI Pension Fund for the taking over of 90% ownership of BRI Pension Fund in PT. Asuransi Bringin Sejahtera Artamakmur (BRINS) to BRI, with a purchase price of Rp1.04 trillion and has been approved by the OJK through letter No. S-135/NB.1/2019 on 16 September 2019. The transfer of shares was carried out effectively on 26 September 2019, as stated in the Deed of Shares Acquisition No. 31 which was made before Dina Chozie, SH., A substitute notary from Fathiah Helmi, SH., Notary in Jakarta, where BRI owns 90% of BRINS total shares and 10% is owned by BRI Kesejahteraan Pekerja Foundation (YKP).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Rp million

Assets Summary	2017		2018		2019		2018-2019 Growth (%)
	Nominal	Composition	Nominal	Composition	Nominal	Composition	
		(%)		(%)		(%)	
Cash	24,798,037	2.20	27,421,625	2.11	30,219,214	2.13	10.20
Current Accounts with Bank Indonesia	58,155,479	5.16	71,159,442	5.49	71,416,449	5.04	0.36
Current Accounts with Other Banks and Placements with Bank Indonesia and Other Financial Institutions	61,289,274	5.44	99,695,406	7.69	127,092,463	8.97	27.48
Securities, Export Bills and Others Receivable, and Securities Purchased Under Agreement to Resell - net	221,116,588	19.61	226,488,753	17.46	252,166,939	17.80	11.34
Government Recapitalization Bonds	3,317,840	0.29	1,505,273	0.12	1,130,306	0.08	(24.91)
Derivatives Receivable	162,912	0.01	485,810	0.04	210,396	0.01	(56.69)
Loans, Sharia Receivables and Financing, and Finance Leases Receivable	733,730,019	65.08	838,141,014	64.63	907,388,986	64.05	8.26
Allowance for impairment losses of Loans, Sharia Receivables and Financing, and Finance Leases Receivable -/-	(30,010,007)	(2.66)	(35,511,191)	(2.74)	(39,196,369)	(2.77)	10.38
Acceptances Receivable	5,693,425	0.51	11,643,003	0.90	9,346,063	0.66	(19.73)
Investment in Associated Entities - net	83,100	0.01	460,096	0.04	745,304	0.05	61.99
Premises and Equipment - net	24,752,035	2.20	26,914,859	2.08	31,432,629	2.22	16.79
Deferred Tax Assets - net	3,286,732	0.29	5,114,653	0.39	4,541,298	0.32	(11.21)
Other Assets - net	21,072,055	1.87	23,379,549	1.80	20,265,162	1.43	(13.32)
Total Assets	1,127,447,489	100.00	1,296,898,292	100.00	1,416,758,840	100.00	9.24



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

At the end of 2019, total assets reached Rp1,416.76 trillion or grew 9.24% from Rp1,296.89 trillion in 2018. The increase was mainly derived from loans that become majority elements in total assets. Loans grew 8.26% to Rp907.39 trillion, or 64.05% composition to total assets.

Cash and Current Accounts with Bank Indonesia

Cash position in 2019 was Rp30.22 trillion, increased by 10.20% compared to Rp27.42 trillion in 2018. The increase was among others due to the need and to maintain liquidity adequacy. While Current Accounts with BI in 2019 increased by 0.36% from Rp71.16 trillion in 2018 to Rp71.42 trillion. In 2019, the Statutory Reserves in Rupiah and Foreign Currency were 6.57% (bank only) and 7.91% (bank only) respectively.

Current Accounts with Other Banks and Placements with Bank Indonesia and Other Financial Institutions

Current accounts with other banks and placements with BI and other financial institutions increased by 27.48% in 2019 to Rp127.09 trillion from Rp99.70 trillion in 2018. The increase was to optimize fund acquisition by BRI.

Securities, Export Bills and Others Receivable, and Securities Purchased Under Agreement to Resell

BRI's Securities, Export Bills and Others Receivable, and Securities Purchased Under Agreement to Resell increased by 11.34% from Rp226.49 trillion in 2018 to Rp252.17 trillion in 2019. The increase was mainly due to earnings asset diversification.

Government Recapitalization Bonds

This account consists of bonds issued by the Government in connection with the BRI Recapitalization Program and Government Recapitalization Bonds purchased from the secondary market. In 2019, it decreased by 24.91% to Rp1.13 trillion, from Rp1.51 trillion in 2018.

Rp million

Category	Tenor	2017	2018	2019
Available for sale	2018-2020	717,840	30,273	30,306
Held to maturity	2018-2020	2,600,000	1,475,000	1,100,000
Total		3,317,840	1,505,273	1,130,306

Loans, Sharia Receivables and Financing, and Finance Leases Receivable

Distribution of Loans, Sharia Receivables and Financing, and Finance Leases Receivable in 2019 reached Rp907.39 trillion, up 8.26% from Rp838.14 trillion in 2018. Increased Loans, Sharia Receivables and Financing, and Finance Leases Receivable occur in almost all segments. The micro segment increased by 13.00% to Rp329.54 trillion and the retail segment increased by 8.39% to Rp358.30 trillion.

The loan growth in 2019 is inseparable from the acquisition of Kredit Usaha Rakyat (KUR) program. BRI KUR ceiling from 2019 reached Rp87.97 trillion (bank only) with an outstanding of Rp86.40 trillion (bank only), or each grew by 10.03% (bank only) and 11.21% (bank only). In 2018, the ceiling and outstanding KUR BRI was Rp.79.95 trillion (bank only) and Rp77.69 trillion (bank only). The increase in BRI KUR in 2019 was mainly supported by Micro KUR, where the ceiling portion and outstanding BRI KUR Micro reached respectively at 8.34% (bank only) and 8.06% (bank only). The success of the BRI KUR disbursement program is due to full commitment in promoting Micro, Small and Medium Enterprises (MSMEs).

Financial Review

Loans, Sharia Receivables and Financing, and Finance Leases Receivable

Based on Currency
 Rp million

Description	2017	2018	2019	2018-2019 Growth (%)
Micro	252,850,654	291,615,908	329,535,811	13.00
Rupiah	252,850,654	291,615,908	329,535,811	13.00
Foreign Currency	0	0	0	0.00
Retail	287,434,496	330,575,724	358,299,161	8.39
Rupiah	276,062,883	316,026,654	342,389,995	8.34
Foreign Currency	11,371,613	14,549,070	15,909,166	9.35
Corporate	173,091,017	192,361,135	189,596,221	(1.44)
Rupiah	115,669,051	122,254,317	122,748,327	0.40
Foreign Currency	57,421,966	70,106,818	66,847,894	(4.65)
Loans	713,376,167	814,552,767	877,431,193	7.72
Rupiah	644,582,588	729,896,879	794,674,133	8.87
Foreign Currency	68,793,579	84,655,888	82,757,060	(2.24)
Sharia Receivables and Financing	17,864,869	20,178,401	25,766,197	27.69
Finance Leases Receivable	2,488,983	3,409,846	4,191,596	22.93
Loans, Sharia Receivables and Financing, and Finance Leases Receivable	733,730,019	838,141,014	907,388,986	8.26
Allowance for impairment losses	30,010,007	35,511,191	39,196,369	10.38
Loans, Sharia Receivables and Financing, and Finance Leases Receivable less Allowance for Impairment Losses	703,720,012	802,629,823	868,192,617	8.17



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Loans, Sharia Receivables and Financing, and Finance Leases Receivable

Based on Operating Segments
Rp million

Description	2017	2018	2019	2018-2019 Growth (%)
Micro	252,850,654	291,615,908	329,535,811	13.00
Retail	287,434,496	330,575,724	358,299,161	8.39
Corporate	173,091,017	192,361,135	189,596,221	(1.44)
Sharia Receivables and Financing	17,864,869	20,178,401	25,766,197	27.69
Finance Leases Receivable	2,488,983	3,409,846	4,191,596	22.93
Loans, Sharia Receivables and Financing, and Finance Leases Receivable	733,730,019	838,141,014	907,388,986	8.26
Allowance for Impairment Losses	30,010,007	35,511,191	39,196,369	10.38
Loans, Sharia Receivables and Financing, and Finance Leases Receivable less Allowance for Impairment Losses	703,720,012	802,629,823	868,192,617	8.17

Loans, Sharia Receivables and Financing, and Finance Leases Receivable

Based on Type
Rp million

Description	2017	2018	2019	2018-2019 Growth (%)
Kupedes	239,446,222	274,265,895	307,717,342	12.20
Working Capital	201,199,723	239,061,282	239,200,458	0.06
Investment	126,173,046	139,994,286	147,317,788	5.23
Consumer	115,320,021	131,665,922	141,624,146	7.56
Program	15,132,136	19,794,242	35,139,821	77.53
Syndicated	16,066,562	9,737,048	6,408,790	(34.18)
Key Employees	38,457	34,092	22,847	(32.98)
Sharia Receivables and Financing	17,864,869	20,178,401	25,766,197	27.69
Finance Leases Receivable	2,488,983	3,409,846	4,191,596	22.93
Loans, Sharia Receivables and Financing, and Finance Leases Receivable	733,730,019	838,141,014	907,388,986	8.26
Allowance for Impairment Losses	30,010,007	35,511,191	39,196,369	10.38
Loans, Sharia Receivables and Financing, and Finance Leases Receivable less Allowance for Impairment Losses	703,720,012	802,629,823	868,192,617	8.17

Financial Review

Allowance for Impairment Losses

Allowance for Impairment Losses is established to cover losses due to loan value impairment. Allowance for impairment losses is calculated using individual impairment and collective impairment approaches. Individual impairment method is used for loans that individually have significant value namely over Rp5 billion and have objective evidence of impairment. While collective impairment is used for loans value below Rp5 billion and loans value of above Rp5 billion however do not have objective evidence of impairment.

The Allowance for Impairment Losses in 2019 was Rp39.20 trillion, up 10.38% from Rp35.51 trillion in 2017. The increase of Allowance for Impairment Losses reflects BRI prudence principles to anticipate impact of macroeconomics fluctuation to assets quality. With the increase of Allowance, NPL Coverage Ratio was maintained at 166.59% (bank only) in 2019.

In addition to establish adequate allowance, BRI mitigates credit risk by taking into account the loan collaterals, guarantees, warranties or insurance. BRI takes into account collateral as a future cash flow if the collateral dependent or repayment credit originates from collateral or collateral takeover is most likely

to occur and is supported by a legal agreement on increasing collateral. In determining the value of collateral, BRI uses a lower value between the value of collateral binding with fair value or market value of collateral. Reevaluation of fair value or market value of collateral is conducted periodically. BRI has in place the procedures to ensure the execution of collateral, collateral or credit insurance is carried out at a fair value. The detailed methodologies used to compute Allowance for Impairment Losses are elaborated in the Risk Management chapter.

Assets Write-Off and Recovery

Assets Write-Off and Recovery

In 2019, BRI exercised credit assets written-off amounted to Rp17.01 trillion (bank only), up by 39.63% (bank only) compared to Rp12.18 trillion (bank only) in 2018. Credit written-off was the last measure taken following credit restructuring and other settlement efforts by BRI, however the customers remain not able to meet their obligations to BRI due to the problems in their businesses.

Credit assets written-off mostly occurred in the Micro and Retail Commercial segments in accordance with the composition of the loan outstanding of these segments that accounted for 70% (bank only) of BRI's total

loans. Recovery from this writing-off was Rp7 trillion (bank only), increased by 12.85% (bank only) from Rp6.20 trillion (bank only) in 2018, or reaching recovery rate of 41.14%. Recovery is elaborated in details in Profit/Loss statements.

Investment

In 2019, BRI's investment amounted to Rp745.30 billion, grew 61.99% compared to Rp460.10 billion in 2018. This increase was driven by BRI's additional investment at PT Fintek Karya Nusantara amounted to Rp250 billion and Ayo Technology Pte. Ltd amounted to Rp28,11 billion.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Investment in Associated Entities Rp billion

Company Name	Business Sector	Ownership Percentage (%)	Total Investment		
			2017	2018	2019
PT Danareksa Invesment Management	Securities Company	35.00	-	372,271	377,770
PT. Fintek Karya Nusantara	Banking Services Provider	13.69	-	-	250,000
PT Bahana Artha Ventura	Venture Capital	35.00	71,382	72,607	74,205
Ayo Technology Pte. Ltd.	Financial Technology Provider	6.79	-	-	28,111
PT Pemerinkkatan Efek Indonesia	Securities Ratings	7.97	7,978	7,978	7,978
Lembaga Pembayaran Nasional	Financial	17.50	-	3,500	3,500
PT Kustodian Sentral Efek Indonesia	Custodian and Settlement	4.30	1,275	1,275	1,275
PT Kliring Berjangka Indonesia	Clearing Institution	2.00	1,000	1,000	1,000
PT Sarana Bersama Pembiayaan Indonesia	Non Bank Financial Institution	8.00	536	536	536
PT Jakarta Kyoei Medical Center	Healthcare	1.68	220	220	220
PT Menara Proteksi Indonesia	Property	2.00	200	200	200
Bursa Efek Indonesia	Stock Exchange	0.80	135	135	135
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	Sports Facility	0.64	50	50	50
PT Kendari Expressindo Bahari	Transportation	8.33	50	50	50
BPR Cinta Manis Agroloka	Banking	1.75	35	35	35
PT Sukapraja Estetika Padang Golf	Sports Facility	0.24	25	25	25
BPR Bungamayang Agroloka	Banking	1.13	23	23	23
PT Aplikanusa Lintasarta	Non Bank	0.03	20	20	20
PT. Danareksa Finance	Financial Institution	0.01	1	1	1
Total			83,150	460,146	745,354
Allowance for Impairment Losses			(50)	(50)	(50)
Total Investment in Associated Entities			83,100	460,096	745,304

The impairment evaluation of the equity value was done individually given the objective evidence of impairment.

At the end of 2019, all equity participation was categorized as "Current" except the equity investment in PT BRI Ventura Investama (subsidiary) in PT Kendari Expressindo Bahari.

In 2019, BRI has received cash dividend from PT Sarana Bersama Pembiayaan Indonesia amounted to Rp362 million. In addition, the Bank also received cash dividends from PT Danareksa Investment Management (subsidiary) of Rp5.50 billion. BRI Agro (subsidiary) has also received cash dividends from BPR Cinta Manis Agroloka, BPR Bungamayang Agroloka and PT. Aplikanusa Lintasarta amounted to Rp6 million, Rp6 million and Rp27 million, respectively.

Financial Review

While at PT. Danareksa Sekuritas (a subsidiary) has received cash dividends from PT. The Indonesian Rating Agency is Rp857 million.

Up to 2019, total allowance for impairment losses on equity investment was respectively amounted to Rp50 million. Management believes that the allowance for impairment losses on the equity investment has been adequate.

Premises and Equipment

In 2019, BRI total Premises and Equipment was Rp31.43 trillion, increased by 16.79% compared to Rp26.91 trillion in 2018. The increase was due to the addition in the value of buildings, computers and machineries as well as furniture and fixtures.

Rp million

Description	2017	2018	2019	2018-2019 Growth (%)
Cost				
Landrights	16,134,127	17,300,589	21,123,087	22.09
Buildings	3,675,421	4,959,992	4,951,375	(0.17)
Motor Vehicles	2,204,637	2,284,879	2,378,102	4.08
Computers and Machineries	7,097,817	8,286,786	9,660,755	16.58
Furnitures and fixtures	1,593,957	1,808,142	1,980,108	9.51
Museum Assets	184	184	184	0.00
Satellite	3,284,664	3,284,664	3,284,664	0.00
Construction in Progress	-	-	697,405	-
Total Cost	33,990,807	37,925,236	44,075,680	16.22
Accumulated Depreciation				
Buildings	1,529,321	1,785,676	2,041,008	14.30
Motor Vehicles	1,705,407	1,955,595	2,115,204	8.16
Computers and Machineries	4,607,771	5,516,494	6,379,234	15.64
Furnitures and Fixtures	1,268,536	1,405,897	1,541,912	9.67
Satellite	127,737	346,715	565,693	63.16
Total Accumulated Depreciation	9,238,772	11,010,377	12,643,051	14.83
Book Value Net	24,752,035	26,914,859	31,432,629	16.79

Land was initially stated at cost and not depreciated. After initial recognition, land is measured at fair value on the revaluation date less accumulated impairment losses after the revaluation date. The valuation of the land is carried out by appraisers who have professional qualifications, and is carried out periodically to ensure that the carrying amount of the land does not differ materially from the amount determined using its fair value at the end of the reporting period.

As part of the fixed assets revaluation program in 2016. In 2019, BRI resumed its fixed asset revaluation activities. Increase in carrying value arising from revaluation of land rights amounting to Rp3.26 trillion is recorded as "Fixed Asset Revaluation Surplus" and presented in other comprehensive income of Rp3.32 trillion, while decrease in carrying value arising from revaluation of Rp101.53 billion, recognized in the current statement of income.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Other Assets

In 2019, other assets amounted to Rp20.27 trillion, decreased by 13.32% compared to 2018 of Rp23.38 trillion. The decrease in other assets was mainly due to the bill component of the distribution of government social assistance, which fell from 2018 by Rp1.30 trillion to Rp61.87 billion. While the other assets component which experienced the biggest increase was reinsurance assets in 2018 amounting to Rp311.68 billion to Rp1.14 trillion and claims to the Government related to KUR generation II in 2018 amounting to Rp1.17 trillion to Rp1.95 trillion.

LIABILITIES AND TEMPORARY SYIRKAH FUNDS

In 2019, BRI's total liabilities reached Rp1,183.16 trillion, up 8.48% compared to 2018 amounting to Rp1,090.66 trillion. The increase in liabilities was mainly driven by the increase of Customer Deposits growth to Rp996.38 trillion, up 7.91% from 2018 which amounted to Rp923.31 trillion.

Rp million

Liabilities Highlights	2017		2018		2019		2018-2019 Growth (%)
	Nominal	Composition (%)	Nominal	Composition (%)	Nominal	Composition (%)	
Liabilities Due Immediately	6,584,201	0.70	8,462,958	0.78	7,549,312	0.64	(10,80)
Deposits from Customers	821,884,395	87.47	923,309,860	84.66	996,377,825	84.21	7,91
Demand Deposits and Wadiah Demand Deposits	147,296,069	15.68	180,375,831	16.54	170,847,001	14.44	(5,28)
Savings Deposits and Wadiah Savings Deposits	348,170,389	37.05	385,520,516	35.35	412,307,171	34.85	6,95
Time Deposits	326,417,937	34.74	357,413,513	32.77	413,223,653	34.93	15,62
Deposits from Other Banks and Other Financial Institutions	5,593,367	0.60	9,131,158	0.84	17,969,829	1.52	96,80
Securities Sold Under Agreement to Repurchase	12,136,684	1.29	37,379,394	3.34	49,902,938	4.22	33,50
Marketable Securities Issued	30,619,658	3.26	31,190,216	2.86	38,620,837	3.26	23,82
Fund Borrowings	29,408,694	3.13	40,457,429	3.71	30,921,771	2.61	(23,57)
Other Liabilities	33,440,657	3.56	40,733,069	3.73	41,813,158	3.53	2,65
Total Liabilities	939,667,656	100.00	1,090,664,084	100.00	1,183,155,670	100.00	8,48

Liabilities Due Immediately

Liabilities Due Immediately among others consists of the Bank's obligation as the bank issuing ATM cards and Credit Cards, money transfer, cheque deposits, term deposits, clearing deposits, tax payment deposits and social grant deposits. Liabilities Due Immediately in 2019 amounted to Rp7.55 trillion, decreased by 10.80% compared to Rp8.46

Financial Review

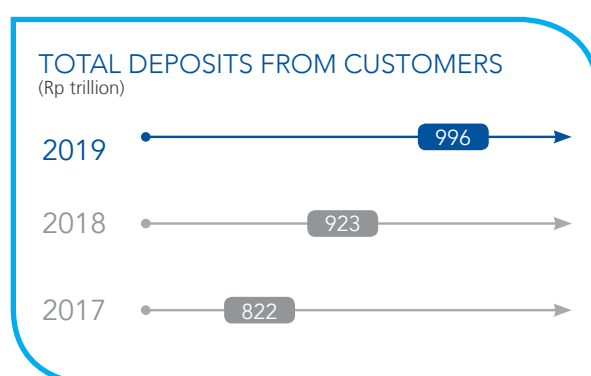
trillion in 2018. The decrease was mainly derived from Social Grant Deposits as well as ATM and Credit Card Deposits. While the increase was due to Advance Payment Deposits and Channeling Loan Deposits.

Deposits from Customers

The total customer deposits which reached Rp996.38 trillion were mainly supported by an increase in time deposits and savings respectively 15.62% and 6.95%, or to Rp413.22 trillion and Rp412.31 trillion respectively. The demand deposits dropped 5.28% to Rp170.85 trillion.

Rp million

Deposits from Customers	2017	2018	2019	2018-2019 Growth (%)
Demand Deposits	145,529,168	178,097,981	168,826,135	(5.21)
Wadiah Demand Deposits	1,766,901	2,277,850	2,020,866	(11.28)
Savings Deposits	343,420,737	379,918,705	405,355,483	6.70
Wadiah Saving Deposits	4,749,652	5,601,811	6,951,688	24.10
Time Deposits	326,417,937	357,413,513	413,223,653	15.62
Total Deposits from Customers	821,884,395	923,309,860	996,377,825	7.91
Composition of Demand Deposits and Saving Deposits/CASA	60.28%	61.29%	58.53%	
Composition of Time Deposits	39.72%	38.71%	41.47%	



Deposits structure consists of low cost funds, current accounts and savings accounts (CASA) at 58.53% and time deposits at 41.47%. Higher CASA acquisition from time deposits is in line with BRI policy to reduce cost of funds. Low cost funds acquisition is attributed by the presence of 9.168 (bank only) BRI units across the Archipelago and BRILink agents that has reached 422.160 agents (bank only).

Deposits From Other Banks and Other Financial Institutions

Deposits From Other Banks and Other Financial Institutions is used for short term interbank call money and as part of liquidity management strategy. Deposits included in this account are demand deposits, saving deposits, time deposits, interbank call money, and deposit on call.

In 2019, this post was Rp17.97 trillion, grew 96.80% compared to Rp9.13 trillion in 2018.

Securities Sold Under Agreement to Repurchase

In 2019, total Securities Sold Under Agreement to Repurchase amounted to Rp49.90 trillion, increased by 33.50% compared to Rp37.38 trillion in 2018. The increase is in line with the funding diversification strategy in addition to Third Party Funds.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Marketable Securities Issued

At the end of 2019, the Marketable Securities Issued was Rp38.62 trillion, up by 23.82% from Rp31.19 trillion in 2018. Marketable Securities Issued throughout 2019 are as follows:

1. BRI Shelf Registration Bonds III Phase I on 7 November 2019, with a principal value of Rp5 trillion in three series with maturities of 17 November 2020, 7 November 2022, and 7 November 2024. These Shelf Registration Bonds are rated by Pefindo with an idAAA rating.
2. BRI Sustainability Bonds on 28 March 2019, with a nominal value of USD500 million and maturing on 28 March 2024. BRI's Sustainability Bonds in 2019 received Baa2 and BBB ratings from Moody's and Fitch, respectively.
3. MTN I BRI Finance on 13 December 2019 with a principal value of Rp300 billion and maturing on 13 December 2022. BRI Finance I MTN in 2019 received an idAA rating from Pefindo.

Fund Borrowings

In 2019, total Fund Borrowings was Rp30.92 trillion, decreased by 23.57% from Rp40.46 trillion in 2018. Fund Borrowings was among others derived from the following parties:

Counterparty	Nominal	Due
China Development Bank Corporation	10,787,896	16 September 2025
Syndicated borrowing - Club Loan	7,822,864	30 September 2020 19 December 2021 19 December 2022
BNP Paribas	589,260	3 February 2025
Other borrowing	11,721,751	
Total	30,921,771	

4. Loan Outstanding from China Development Bank Corporation amounted to Rp10.79 trillion. The loan is allocated to finance infrastructure and industry projects in Indonesia. A long term loan with 10 years tenor and will be matured on 16 September 2025 as well as and cross-border transactions between Indonesia and the People's Republic of China.
5. Syndicated Club Loan Outstanding amounted to Rp7.82 trillion. This loan is allocated to strengthen long term funding and maturity profile. This loan will be matured in several phases, USD70 million will be due on 30 September 2020, USD235 will be due on 19 December 2021, and USD265 million will be due on 19 December 2022.

Other Liabilities

This post consists of derivatives payable, acceptances payable, taxes payable, estimated losses on commitments and contingencies, liabilities for employee benefits, Subordinated Loans and Marketable Securities and other liabilities. In 2019, other liabilities amounted to Rp19.36 trillion, increased by 26.21% compared to Rp15.34 trillion in 2018. The increase was mainly due an increase in other liabilities, estimated losses on commitments and contingencies, and tax debts.

Financial Review

Temporary Syirkah Funds

Rp million

Temporary Syirkah Funds	2017	2018	2019	2018-2019 Growth (%)
Mudharabah Demand Deposits	139,533	293,264	4,080,803	1,291.51
Mudharabah Savings Deposits	1,270,484	1,659,109	2,025,354	22.07
Mudharabah Time Deposits	18,362,036	19,006,504	18,712,677	(1.55)
Total Temporary Syirkah Funds	19,772,053	20,958,877	24,818,834	18.41

Temporary Syirkah Fund was Rp24.82 trillion, mainly supported by the increase in mudharabah demand deposits and mudharabah savings deposits respectively 1,291.51% and 22.07%, or to Rp4.08 trillion and Rp2.03 trillion. While Mudharabah Time Deposits decreased by 1.55% to Rp18.71 trillion.

EQUITY

Rp million

Equity Highlights	2017	2018	2019	2018-2019 Growth (%)
Capital Stock	6,167,291	6,167,291	6,167,291	0.00
Additional paid-in capital	2,773,858	2,692,663	2,900,994	7.74
Revaluation surplus arising from premises and equipment - net of tax	13,824,692	13,824,692	17,099,207	23.69
Differences arising from the translation of foreign currency financial statements	54,199	49,850	(14,970)	-
Unrealized gain (loss) on available for sale securities and government recapitalization bonds – net of deferred tax	1,813,625	(2,070,378)	715,770	-
Gain on remeasurement of defined benefit plans – net of deferred tax	706,403	1,154,343	189,519	(83.58)
Treasury Stock	(2,418,948)	(2,418,948)	(2,106,014)	(12.94)
Stock Option	-	10,971	22,409	104.26
Provision for Bonus Shares Compensation	-	426,670	21,796	(94.89)
Merging Entities' Equity	443,016	-	-	-
Total Retained Earnings	143,827,697	163,130,389	181,327,431	11.15
Total Equity Attributable to Equity Holders of the Parent Entity	167,191,833	182,967,543	206,323,433	12.77
Non-controlling interest	815,945	2,307,788	2,460,903	6.63
Total Equity	168,007,778	185,275,331	208,784,336	12.69



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

BRI recorded equity of Rp208.78 trillion, increased by 12.69% from Rp185.28 trillion in 2018. The increase in equity was due to an increase in the revaluation surplus arising from premises and equipment, unrealized gain on available for sale securities and government recapitalization bonds, and retained earnings compared to 2018 to Rp17.10 trillion, Rp715.77 billion and Rp181.33 trillion respectively. On the other hand BRI pays a dividend of 50% of the profit in 2018.

Taking into account BRI business performance and to improve employee sense of belonging on the company and to provide long term incentive to employee to achieve the set targets, BRI Board of Directors decided to render Management and Employee Stock Ownership Program (MESOP). Stock allocation is provided to each employee based on the individual and company performance.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

BRI successfully posted consolidated net profit of Rp34.41 trillion in 2019, increased by 6.15% compared to Rp32.42 trillion in 2018. The increase of profit was due to an increase of interest income and Sharia income as well as other operating income increases amidst the challenges macroeconomics conditions.

Profit or Loss

Rp million

Component	2017	2018	2019	Growth
				2018-2019 (%)
Interest Income	100,093,333	108,458,358	118,379,729	9.15
Sharia Income	2,819,042	3,124,446	3,376,547	8.07
Interest and sharia expenses	(29,894,281)	(33,917,032)	(40,048,971)	18.08
Interest and sharia income - net	73,018,094	77,665,772	81,707,305	5.20
Premium income	3,788,965	4,178,213	5,373,757	28.61
Claim expenses	(3,403,551)	(3,232,491)	(4,363,029)	34.97
Premium income - net	385,414	945,722	1,010,728	6.87
Other operating income	19,271,287	23,425,430	28,439,130	21.75
Provision for allowance for impairment losses on financial assets - net	(16,994,115)	(17,792,693)	(21,556,319)	21.16
Reversal of (provision for) allowance for estimated losses on commitments and contingencies - net	(1,239)	912	(608,271)	-
Provision for allowance for impairment losses on non-financial assets - net	(258,524)	(528,982)	(595,015)	(7.29)
Other operating expenses	(38,614,076)	(41,990,284)	(44,965,625)	7.91
Operating Income	36,806,841	41,725,877	43,431,932	4.09
Non Operating (Expenses) Income - Net	216,395	27,817	(67,880)	-
Income before tax expenses	37,023,236	41,753,694	43,364,053	3.86
Tax expenses	(7,978,187)	(9,335,208)	(8,950,228)	(4.12)
Income for the Year	29,045,049	32,418,486	34,413,825	6.15

Financial Review

Interest and Sharia Income and Expense

This income posts are the main contributor to increasing the Company's profitability. BRI's income are mainly contributed from interest and sharia income from loans, sharia receivables and financing, finance lease receivables and other non-credit assets. While interest and sharia expenses grew in line with fund acquisition.

Interest and Sharia Income

Total interest and sharia income increased by 9.12% from Rp111.58 trillion in 2018 to Rp121.76 trillion.

Rp million

Component	2017		2018		2019		2018-2019 Growth (%)
	Position	Portion	Position	Portion	Position	Portion	
		(%)		(%)		(%)	
Loans	88,108,116	85.61	96,224,941	86.24	104,766,327	86.05	8.88
Securities	8,913,955	8.66	9,082,912	8.14	9,600,023	7.88	5.69
Placement with Bank Indonesia and other banks	1,144,862	1.11	993,771	0.89	1,230,387	1.01	23.81
Government Recapitalization Bonds	78,020	0.08	100,364	0.09	75,694	0.06	(24.58)
Current accounts with Bank Indonesia	158,770	0.15	100,677	0.09	249	0.00	(99.75)
Others	1,689,210	1.64	1,955,693	1.75	2,707,049	2.22	38.42
Sharia Income	2,819,042	2.74	3,124,446	2.80	3,376,547	2.77	8.07
Total Interest and Sharia Income	102,912,375	100.00	111,582,804	100.00	121,756,276	100.00	9.12

Interest and Sharia Expenses

In line with the increase in third party funds collected during 2019 and the impact of the 175 bps BI7DRR increase since May 2018, BRI's total interest and sharia expenses rose from Rp33.92 trillion in 2018 to Rp40.05 trillion. It was mainly driven by an increase in interest expense on time deposits to Rp22.04 trillion, from 2018 which amounted to Rp17.96 trillion. The component that experienced the biggest adjustment was the securities sold under agreement to repurchase to Rp942.98 billion, a decrease from 2018 of Rp1.06 trillion, or 10.79%.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Rp million

Component	2017		2018		2019		2018-2019 Growth (%)
	Position	Portion	Position	Portion	Position	Portion	
		(%)		(%)		(%)	
Time Deposits	16,429,538	54.96	17,957,244	52.94	22,037,730	55.03	22.72
Demand Deposits	2,102,010	7.03	2,636,745	7.77	3,446,824	8.61	30.72
Savings Deposits	2,703,451	9.04	3,014,237	8.89	3,173,253	7.92	5.28
Marketable Securities Issued	2,226,531	7.45	2,378,334	7.01	2,480,591	6.19	4.30
Deposits from other banks and financial institutions	576,919	1.93	814,364	2.40	1,187,757	2.97	45.85
Fund borrowings	3,039,849	10.17	1,570,122	4.63	1,439,455	3.59	(8.32)
Securities sold under agreement to repurchase	533,985	1.79	1,057,039	3.12	942,983	2.35	(10.79)
Others	1,040,408	3.48	3,113,310	9.18	3,963,245	9.90	27.30
Sharia Expense	1,241,590	4.15	1,375,637	4.06	1,377,133	3.44	0.11
Total Interest and Sharia Expense	29,894,281	100.00	33,917,032	100.00	40,048,971	100.00	18.08

Interest and Sharia Income – Net

The tight liquidity has more or less affected the net interest and sharia-net income in 2019. It was recorded at Rp.81.71 trillion or a moderate growth of 5.20% compared to 2018 of Rp.77.67 trillion. Nevertheless, this growth is better than the industry growth average which tends to decline.

Other Operating Income

This post among others consists of fee based income (provision and other fees), recovery of assets written-off, gain on foreign exchange transaction, and gain on sale and unrealized of securities and government recapitalization bonds.

In 2019, Other Operating Income amounted to Rp28.44 trillion, increased by 21.40% compared to Rp23.42 trillion in 2018. The increase was mainly due an increase of fee based income and sales of securities and Government Recapitalizaion Bonds.

Financial Review

Rp million

Component	2017		2018		2019		2018-2019 Growth (%)
	Position	Portion	Position	Portion	Position	Portion	
		(%)		(%)		(%)	
Other fees and commissions	10,442,411	54.19	12,018,941	51.31	14,505,762	50.01	20.69
Recovery of assets written-off	5,050,717	26.21	6,209,435	26.51	7,065,981	24.85	13.79
Gain on sale of securities and Government Recapitalization Bonds - net	784,501	4.07	534,952	2.28	1,839,341	6.47	243.83
Gain on foreign exchange - net	184,077	0.96	951,009	4.06	154,157	0.54	(83.79)
Unrealized gain on changes in fair value of securities	55,555	0.29	338,097	1.44	80,980	0.28	(76.05)
Others	2,754,026	14.29	3,372,996	14.40	4,792,909	16.85	42.10
Total other operating income	19,271,287	100.00	23,425,430	100.00	28,439,130	100.00	21.40

Rp million

Component	2017		2018		2019		2018-2019 Growth (%)
	Position	Portion	Position	Portion	Position	Portion	
		(%)		(%)		(%)	
E-Channel and E-Banking Transactions Related Fee	2,760,110	26.43	3,205,930	26.67	4,912,839	33.87	53.24
Deposit Administration Fee	3,778,315	36.18	3,841,412	31.96	4,023,542	27.74	4.74
Loan Administration Fee	1,496,012	14.33	1,683,441	14.01	1,674,155	11.54	(0.55)
Trade Finance Related Fee	791,659	7.58	1,265,042	10.53	1,602,887	11.05	26.71
Non E-Channel Transactions Related Fee	655,099	6.27	768,884	6.40	814,635	5.62	5.95
Insurance Related Fee	254,970	2.44	373,594	3.11	362,052	2.50	(3.09)
Credit Card Fee	222,080	2.13	312,840	2.60	333,002	2.30	6.44
Investment Services Related Fee	141,345	1.35	201,693	1.68	239,381	1.65	18.69
International Business Transactions Related Fee	147,750	1.41	179,960	1.50	231,998	1.60	28.92
CMS Fee	23,015	0.22	24,271	0.20	50,922	0.35	109.81
Others	172,056	1.65	161,874	1.35	260,349	1.79	60.83
Total	10,442,411	100.00	12,018,941	100.00	14,505,762	100.00	20.69



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Dominated by e-channel and e-banking transaction services, Rp4.91 trillion was recorded in 2019, grew 53.24% from 2018 of Rp3.21 trillion, resulting from BRILink Agent services optimization and BRI e-channel networks increased use by customers. Trade Finance services grew by 26.71% in 2019 or amounted to Rp1.60 trillion, while in 2018 it was Rp1.27 trillion, which shows the success of BRI's strategy to increase the use of banking services by corporate customers.

Recovery of Assets Written-Off

Recovery of assets written-off amounted to Rp7.07 trillion, increased by 13.79% compared to Rp6.21 trillion in 2018. Significant growth of recovery of assets written-off indicates BRI success in accelerating auction settlement and collection over written-off assets.

Allowance for Impairment Losses on Financial Assets - net

The allowance for impairment losses on financial assets was recorded at Rp21.56 trillion, up 21.15% compared to 2018 at Rp17.79 trillion. The increase in provisioning fees is BRI's strategy to maintain sufficient reserves to cover BRI's credit quality. This can be seen from the NPL Ratio which is at 2.80% in 2019.

Other Operating Expenses

Other Operating Expenses consist of labor and benefits, general and administrative, and others. In 2019, total other operating expenses were recorded at Rp44.97 trillion, up 7.09% from 2018 at Rp41.99 trillion. The increase was mainly derived from labor costs and benefits to Rp24.24 trillion, up 8.12% compared to 2018 which amounted to Rp22.42 trillion. So that the portion of total other operating expenses increased from 53.40% in 2018 to 53.92%. The increase in labor costs is in line with the adoption of a policy to provide more attractive incentives to the marketers, which are linked to the performance of each employee

Rp million

Component	2017		2018		2019		2018-2019 Growth (%)
	Position	Portion (%)	Position	Portion (%)	Position	Portion (%)	
Salaries and Employee Benefits	20,352,004	52.71	22,423,271	53.40	24,243,276	53.92	8.12
General and Administrative	13,146,944	34.05	14,364,278	34.21	15,366,752	34.17	6.98
Others	5,115,128	13.25	5,202,735	12.39	5,355,597	11.91	2.94
Total Other Operating Expenses	38,614,076	100.00	41,990,284	100.00	44,965,625	100.00	7.09

Tax Expense

In 2019, the Expenses amounted to Rp8.95 trillion, decreased by 4.12% compared to Rp9.34 trillion in 2018. The tariff of corporate income tax to BRI was 20%, BRI received tax tariff reduction by 5% as it has met the requirements of being a public company to having a minimum 40% of its shares traded at the Indonesia Stock Exchange and owned by more than 300 investors and each has only below 5% share ownership. BRI has implemented tax payment obligation in accordance with prevailing laws and regulations.

Financial Review

Income For The Year

Income For The Year was amounted to Rp34.41 trillion, increased by 6.15% compared to Rp32.42 trillion in 2018. The consistencies in expanding the MSME business segment and the capability to increase fee based income, have enabled BRI to maintain the income for the year in 2019.

Comprehensive Income

In 2019 BRI recorded a comprehensive income of Rp5.08 trillion, improved than 2018's comprehensive income loss of Rp3.48 trillion. The positive comprehensive income was due to the fixed assets revaluation surplus and from unrealized income on securities.

Total Comprehensive Income

In 2019, total comprehensive income was Rp39.50 trillion, an increase compared to Rp28.94 trillion in 2018. The increase was due to the increase of net income as well as comprehensive income.

Rp million

Other Comprehensive Income	2017	2018	2019
Items not to be reclassified to profit or loss			
Remeasurement of liabilities for employee benefits	61,655	601,819	(1,291,782)
Income taxes related to items not to be reclassified to profit or loss	(15,414)	(150,455)	322,945
Revaluation surplus arising from premises and equipment	-	-	3,316,985
Items to be reclassified to profit or loss			
Differences arising from the translation of foreign currency financial statements	30,709	(4,349)	(64,820)
Unrealized gain (loss) on available-for-sale securities and Government Recapitalization Bonds	2,286,250	(5,141,381)	3,696,914
Income taxes related to items to be reclassified to profit or loss	(527,459)	1,216,705	(895,470)
Other Comprehensive Income For the Year - After Tax	1,835,741	(3,477,661)	5,084,772
Total Comprehensive Income For the Year	30,880,790	28,940,825	39,498,597



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

CONSOLIDATED CASH FLOW REPORTS

Rp million

Description	2017	2018	2019	2018 – 2019 Growth (%)
Net Cash Provided by Operating Activities	39,299,109	57,355,295	44,583,078	(22.27)
Net cash Used in Investing Activities	(30,995,996)	(27,010,844)	(5,188,442)	(80.79)
Net Cash Used in Financing Activities	(10,847,132)	(1,152,743)	(18,085,104)	1.468.88
Net Increase (Decrease) in Cash and Cash Equivalents	(2,544,019)	29,191,708	21,309,532	(27.00)
Effect of exchange rate changes on foreign currencies	(427)	(52,076)	(160,251)	207.73
Cash and cash equivalents at the beginning of year	188,954,879	186,617,516	215,757,148	15.61
Cash and cash equivalents at the end of year	186,410,433	215,757,148	236,906,429	9.80

Total cash and cash equivalents of BRI in 2019 was Rp236.91 trillion, increased by 9.80% compared to Rp215.76 trillion in 2018. The increase of cash and cash equivalents was due to the decrease of net cash used for investing activities.

Cash Flows from Operating Activities

In 2019 cash flows from operating activities amounted to Rp44.58 trillion. Total cash from operating (before changes in operating assets and liabilities) was Rp55.40 trillion, an increase compared to Rp44.09 trillion in 2018.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to Rp5.19 trillion. The decrease was due to an increase of securities and government recapitalization bonds available for sale and owned until maturity in 2019 which amounted to Rp1.27 trillion, lower compared than Rp25.19 trillion in 2018.

Cash Flows from Financing Activities

In 2019, Net cash used in financing activities amounted to Rp18.09 trillion, an increase compared to Rp1.15 trillion in 2018. The increase of cash flows for financing activities was due to loan payments.

Financial Review

FINANCIAL RATIO

The following Financial Ratio was calculated from the financial performance of holding company.

(%)

Description	2017	2018	2019
1 Capital Adequacy Ratio (CAR)	22.96	21.21	22.55
2 Non performing earning assets and non - performing non earning assets to total earning assets and non earning assets	1.38	1.41	1.74
3 Non-performing earning assets to total earning assets	1.59	1.62	1.98
4 Allowance for impairment of financial assets to earning assets	3.11	3.26	3.36
5 NPL Gross	2.10	2.16	2.62
6 NPL Net	0.88	0.92	1.04
7 Return on Asset (ROA)	3.69	3.68	3.50
8 Return on Equity (ROE)	20.03	20.49	19.41
9 Net Interest Margin (NIM)	7.93	7.45	6.98
10 Operating Expense to Operating Income (BOPO)	69.14	68.40	70.10
11 Loan to Deposit Ratio (LDR)	88.13	88.96	88.64
Compliance			
1 a. Percentage violation of Legal Lending Limit			
i. Related parties	0.00	0.00	0.00
ii. Third parties	0.00	0.00	0.00
b. Percentage of lending in excess of the Legal Lending Limit			
i. Related parties	0.00	0.00	0.00
ii. Third parties	0.00	0.00	0.00
2 Reserve Requirement (GWM)			
a. Reserve Requirement - Rupiah	6.52	7.16	6.57
b. Reserve Requirement – Foreign Currencies	8.15	8.01	7.91
3 Net Open Position (overall)	4.22	3.73	1.91



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

SOLVENCY

The Bank's solvency is indicated by the following financial ratios:

Liquidity Ratio

- **Loan to Deposit Ratio (LDR)**

Liquidity Ratio is a comparison of loan to deposit ratio or LDR. In 2019, BRI recorded LDR of 88.64% (bank only), slightly improve from 88.96% (bank only) in 2018. This LDR ratio indicates an ability to maintain liquidity position in relation to business expansion strategy amidst banking liquidity tightening.

- **Macroprudential Intermediary Ratio (MIR)**

Pursuant to Bank Indonesia Regulation No. 20/4/PBI/2018 dated 3 April 2018, banking MIR was expected to reach 84% to 94%. In MIR calculation, securities issued and administered by KSEI was calculated and was not held by banks at a minimum of 2 months prior to report date and held corporate bonds. RIM calculation was also improved by PBI number 21/12/PBI/2019 which took effect on 2 December 2019 by calculating offshore loans as a component of funding, BRI MIR ratio was 85.31% (bank only), decreased compared to 2018 at 88.51% (bank only).

- **Liquidity Coverage Ratio (LCR)**

To improve short term liquidity defense, BRI exercises Liquidity Coverage Ratio (LCR) management which is a ratio between high quality liquid assets (HQLA) with net cash outflow during the next 30 days. In 2019, BRI LCR was at 255.37% (bank only). With these LCR, BRI was able to maintain liquidity adequacy ratio far above the minimum limit of 100%.

Profitability Ratio

In the banking industry, profitability ratio is generally measured by using Return on Assets or ROA, Return on Equity or ROE, and net income margin or NIM. During 2019, BRI has recorded positive profitability performance.

PROFITABILITY RATIO (%)

(Bank Only)

	2017	2018	2019
ROA	3.69	3.68	3.50
ROE	20.03	20.49	19.41
NIM	7.93	7.45	6.98

- **Return On Assets (ROA)**

BRI ROA in 2019 was at 3.50% (bank only), or a slight decrease compared to 3.68% (bank only) in 2018. This was among others due to the weakening interest margin growth due to the impact of the 2018 increase in the benchmark interest rate.

- **Return on Equity (ROE)**

In 2019, BRI's Return on Equity (ROE) was 19.41% (bank only), or decreased to 2018 which amounted to 20.49% (bank only). In addition to an increase in cost of funds due to an increase in the benchmark interest rate which makes interest margins see limited growth, the decline in ROE is also due to equity growth which tends to be high which is partly due to asset revaluation and increase in OCI (Other Comprehensive Income).

- **Net Interest Margin (NIM)**

In 2019, NIM was at 6.98% (bank only) or lower than the 2018 level of 7.45% (bank only). The decrease of NIM was mainly due to an increase of interest expense.

Operating Expense to Operating Income

- In 2019, BRI Operating Expense to Operating Income (BOPO) was 70.10% (bank only), slightly increased from the 2018 level of 68.40% (bank only). The increase in BOPO was due to BRI's strategy in providing sufficient reserves to anticipate the impact of macroeconomic conditions on BRI's credit quality.

Financial Review

EFFICIENCY RATIO (%)

(Bank Only)

	2017	2018	2019
BOPO	69.14	68.40	70.10

Capital Ratio - Capital Adequacy Ratio (CAR)

The capital adequacy ratio (CAR) reflects the Bank's ability to mitigate risk. In 2019, BRI's CAR was recorded at 22.55% (bank only), an increase from 2018 which amounted to 21.21% (bank only). CAR ratio is still far above the minimum ratio that must be maintained at 14.75%, taking into account the implementation of Basel 3. With the high capital adequacy ratio, BRI is able to anticipate all the main risks that occur in bank management both market risk, credit risk, and operational risk and the implementation of Basel 3.

Compliance Ratio

- Percentage violation of Legal Lending Limit**

In 2018, there were no debtors, related parties or otherwise, that did not meet or exceeded the Legal Lending Limit (LLL).

- Net Open Position Ratio (NOP)**

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 commitments and contingent liabilities and receivables in the administrative accounts for each foreign currency, stated in Rupiah toward capital. In 2019, NOP ratio was at 1.91% (bank only), decreased from the 2018 level of 3.73% (bank only). This NOP is still far below the maximum level stipulated by BRI on the Commercial Banks' Net Open Position, which is 20% of the capital.

RECEIVABLES COLLECTABILITY LEVEL

Receivables collectability can be measured by assets quality ratio or Non Performing Loan (NPL). Credit collectability represented in NPL ratio was at 2.80% in 2019, slightly increased from the 2018 level of 2.27% however still far below BI stipulation of 5%. BRI will continue increasing the effectiveness of credit risk management to maintain and increase its assets quality.

Loan Collectability in 2017-2019

Rp million

	2017	2018	2019
Loans	733,730,019	838,141,014	907,388,986
Current	686,657,087	787,941,336	846,000,848
Special Mention	30,784,126	31,173,877	35,981,286
Sub-Standard	2,995,624	2,479,185	4,424,973
Doubtful	4,229,123	2,380,777	3,420,007
Loss	9,064,059	14,165,839	17,561,912
NPL	16,288,806	19,025,801	25,406,892
NPL (%)	2.22	2.27	2.80



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

SPOT AND DERIVATIVE TRANSACTIONS

To protect the value of asset portfolio in foreign currencies and hedging on interest rate, BRI exercised hedging transactions. In this instance, BRI did not issue derivative transactions for trading purposes. The spot and derivative transactions refer to the risk management system that adheres to regulations and best practices. BRI's entire derivative transactions were intended to protect the interest of BRI and its customers.

Throughout 2019, BRI's spot and derivative transactions consist of currency and interest rate swap, interest rate swap, option, and purchase and sale of foreign currencies forward, foreign currency swap, and purchase and sale of foreign currency spot. The spot and derivative transactions in details are presented in the following table:

Rp million

Transactions	Derivatives Receivable			Derivatives Payable		
	2017	2018	2019	2017	2018	2019
Foreign currency swap	2,740	276,071	139,081	3,334	56,195	34,341
Purchase and sale of foreign currency forward	6,883	72,275	21,975	15,156	94,922	21,943
Interest rate swap	60,475	69,307	19,264	54,261	91,211	74,114
Shares option	16,984	16,468	17,306	-	-	-
Currency option	10,218	23,951	9,092	11,341	20,774	21,424
Cross currency and interest rate swap	64,708	25,671	3,151	115,981	67,944	32,338
Purchase and sale of foreign currency spot	904	2,067	527	785	1,297	445
Total	162,912	485,810	210,396	200,858	332,343	184,605

CAPITAL STRUCTURE POLICY

Capital structure management is intended to ensure that BRI consistently has adequate capital level to set off inherent risks in its business without compromising the value provided to its shareholders.

In 2019, BRI CAR was at 22.77%. OJK Regulation No. 34/POJK.03/2016 and Bank Indonesia Regulation No. 15/12/PBI/2013 on the obligation of Minimum Capital of Commercial Banks, stated that level 2 (satisfactory) risk profile has a minimum CAR of 9% up to less than 10%. Other than CAR requirement, as part of Basel 3 implementation, BRI must also form additional buffer capital consisting of:

1. Capital conservation buffer at 2.5% of the Risk- Weighted Assets (RWA).
2. Countercyclical Buffer at 0% of RWA.
3. Capital Surcharge for Systemic Banks at 2.50% of RWA.

Thereby BRI total minimum CAR is at 11.76% - 13.32% level. BRI CAR in 2019 of 22.77% has met the regulatory requirements both banking and financial service regulators.

On capital structure, in 2019, BRI maintained Tier-1 capital amounted to Rp197.22 trillion and Tier-2 capital amounted to Rp10.16 trillion. While Tier-1 ratio reached 21.65% or above the required minimum Tier-1 ratio of 6%. BRI Tier-1 consists of CET-1 since BRI's main source of capital is retained earnings. BRI CET-1 ratio was 21.65%, or significantly above the minimum requirement of 4.5%.

Financial Review

Component	Consolidated (Rp million)		
	2017	2018	2019
Core Capital (Tier 1)	154,668,699	172,358,004	197,219,352
Common Equity Tier 1 (CET 1)	154,668,699	172,358,004	197,219,352
Supplementary Capital (Tier 2)	7,083,240	10,029,307	10,160,078
Total Capital	161,751,939	182,387,311	207,379,430
RWA for Credit Risk after calculating specific risks	566,659,194	690,764,915	726,179,371
RWA for Market Risk	6,889,063	11,229,322	14,004,256
RWA for Operational Risk	130,967,728	152,229,031	170,666,840
Total RWA	704,515,985	854,223,268	910,850,467
CAR Ratio	22.96%	21.35%	22.77%
CET 1 Ratio	21.95%	20.18%	21.65%
Tier 1 Ratio	21.95%	20.18%	21.65%
Tier 2 Ratio	1.01%	1.17%	1.12%
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	9.00%	9.00%	9.00%

MATERIAL COMMITMENT FOR CAPITAL EXPENDITURES

Throughout 2019, BRI exercised material commitment for capital expenditures with several parties, which has been set forth in the Bank Business Plan 2019, namely:

Objects	Value (Rp million)
Construction of BRI Gatot Subroto Tower Building Package 2	845,950
Procurement of Managed Service CRM for BRI's RBB for the year 2019 and replacement of its supporting device	399,299
Procurement of communication channels rental	275,895
Managed Service VSAT Remote Terminal and its supporting device for Integrating Phase 2B (Zone 2, 3 and 4)	211,104
Managed Service Offsite Data Center (ODC), Data Center (DC) GTI Ragunan and Tabanan Phase I	149,500
Procurement of the contractor services for BRI Gatot Subroto Tower Building Package 1 (one)	112,900
Procurement of 4-wheeled vehicle rental for BRI micro operating units	110,453
Procurement of Cash Recycling Mechine (CRM)	92,400
Procurement of Server Upgrade in DC GTI and Tabanan	69,027
Managed Service VSAT Remote Terminal and its supporting device for Integrating Phase 2B (Zone 5)	67,004



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

The source of funding was entirely from the Company's internal funds. The currency denominations are in Rupiah, hence BRI does not have to exercise any exchange rate risk protection.

Rp million

Capital Expenditures	Consolidated		
	2017	2018	2019
Land and Premises	957,857	2,555,168	4,156,490
Furnitures and Inventory	125,049	248,210	215,046
Vehicles	84,034	88,353	115,754
Computers and software	750,309	1,243,266	1,413,248
Satellite in development	183,877	-	-
Construction in Progress	-	-	423,612
Total	2,101,126	4,134,997	6,324,150

HEDGING POLICY

BRI has applied hedging policy to minimize risks, with the following elaboration:

General Policy

Hedging consists of on-balance and off-balance sheet transactions is performed to protect the value of financial assets, financial obligations, revenues and costs, and cash flows from interest rate risk and/or exchange rate risk at Banking Book and Trading Book positions.

Hedging transactions observe the following principles:

1. A transaction may be exercised as an alternative of the follow-up and risk mitigation options in the event that the moderate limit of Market Risk Profile parameter is exceeded
2. A transaction may be exercised when there are indications of macroeconomic changes that may result in losses, among others the trend of market variable changes namely interest rate and exchange rate.
3. BRI is not allowed to maintain a position over hedging transactions performed by related parties.
4. BRI shall pass-on the transactions of a related party at the same time and in the same amount simultaneously to other banks that are not related parties.

Hedging Transaction Techniques

Hedging transactions may be done as macro hedging and micro hedging.

- **Macro Hedging**

This technique is used to mitigate the impacts of economy risk to BRI's entire portfolio. Macro hedging is proposed by the Treasury Division and decided by ALCO.

- **Micro Hedging**

Micro hedging may be done on individual transaction. The Treasury Division has the discretion to exercise micro hedging transaction without requiring proposal from the business division that manages a portfolio on the basis of cost and benefit analysis as well as the ability to control the micro hedging transaction.

Financial Review

COMMITMENTS AND CONTINGENCIES

Assessment on commitments and contingencies with individual credit risk uses objective evidence. The commitments and contingencies of BRIS (subsidiary) (shariah compliant) are assessed using Bank Indonesia's collectability guideline.

In 2019, the minimum estimated loss of commitments and contingencies that shall be formed was Rp1.96 billion, which in line with Bank Indonesia's requirements. The total commitment liabilities in 2019 was Rp171.25 trillion, increased by 8.32% compared to 2018. This was due to the increase of Unused loan facilities granted to debtors and increase of sale of spot and foreign currencies. During the same period, contingency liabilities increased by 0.37%, driven by the increase in the Standby L/C.

Rp million

Description	2017	2018	2019
Commitments			
Commitments Receivable	4,038,459	16,316,902	5,455,188
Purchase of foreign currencies spot and futures	4,038,459	16,316,902	5,455,188
Commitment Liabilities	129,159,708	158,089,597	171,246,654
Unused loan facilities granted to debtors	107,073,032	130,854,091	131,345,624
Irrevocable Letters of Credit	8,980,671	8,693,691	6,459,481
Sale of foreign currencies spot and futures	13,000,508	18,476,485	33,296,005
Unused financing facilities granted to debtors	105,497	65,330	145,544
Commitments - net	(125,121,249)	(141,772,695)	(165,791,466)
Contingencies			
Contingencies Receivable	70,905	112,273	126,871
Interest receivable in progress	70,905	112,273	126,871
Contingent liabilities	34,030,380	44,886,051	45,051,365
Guarantees issued in the form of:			
Standby Letters of Credit	10,841,726	13,535,519	15,848,438
Bank Guarantees	23,188,654	31,350,532	29,202,927
Contingencies - net	(33,959,475)	(44,773,778)	(44,924,494)

PRIME LENDING RATE

Prime Lending Rate is calculated based on 3 (three) components, namely Fund Cost for Credit arising from customer fund raising activities, operating expenses incurred for fund raising activities and lending and profit margin components from lending. Prime lending calculation does not take into account the risk premium component of the debtor, whose amount depends on the assessment of the risk of each debtor. As such, the amount of credit interest charged to debtors is not necessarily the same as the prime lending rate.

The prime lending rate calculation applies to corporate loans, retail loans, micro loans, and consumer loans (mortgages and non-mortgages). In non-mortgages of consumer loans does not include the distribution of funds through Credit Cards and Unsecured Loan. However, Bank Indonesia submitted the credit classification according to the bank's internal criteria.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Interest Rate	Corporate Loans	Retail Loans	Micro Loans	Consumer Loans	
				Mortgage	Non Mortgage
Start December 2019	9.95%	9.90%	17.25%	9.90%	12.00%

Information of the existing prime lending rate is published and provided in each of BRI's office and/or on the Company website www.bri.co.id.

ACHIEVEMENTS AND TARGETS 2019

Rp billion

No	Capital Expenditures	2019		
		Target	Realization	Achievement (%)
1	Assets	1,350,666.4	1,343,077.9	99.4
2	Loans	900,246.7	859,558.3	95.5
3	Savings	996,268.4	969,750.0	97.3
4	Net Income	36,115.4	34,028.7	94.2
5	FBI	13,332.4	14,293.4	107.2
6	LDR	90.36%	88.64%	101.9
7	NPL Gross	2.16%	2.62%	82.4
8	NPL Net	1.17%	1.04%	112.3
9	NIM	7.16%	6.98%	97.5
10	CER	42.72%	40.26%	106.1
11	CAR	21.22%	22.55%	106.3
12	BBRI's Market Cap Growth compared to Jakfin	15.2%	20.2%	132.7

In relations with BRI target achievement for 2019, there are 6 (six) performance indicators, namely the FBI, LDR (Liquidity), NPL Net (Asset Quality), CER (Efficiency), CAR (Capital) and Growth in Market Capitalization (Market Cap), achieve or even exceed the target. While other indicators like Total Assets, Loans, Deposits, Net Profit, Gross NPL, Net Interest Margin (NIM), and CAR did not fully achieved the target, the difference is not far from it, and when compared to the performance of the banking industry, BRI consistently shown to grow higher. This can be seen from BRI's credit and deposit market share which continues to increase to 15.30% and 16.16% at the end of 2019 from the previous 15.09% and 15.95% at the end of 2018.

TARGET IN 2020

In 2020, Indonesian economy condition is expected to be better than in 2019 which is expected to grow a maximum of 5.1%. Some positive sentiments that underpin Indonesia's economic growth in 2020 include the Rupiah's exchange rate expected to be stable in accordance with its fundamentals, controlled inflation in the range of $3.0 \pm 1\%$, NPI conditions remain good as foreign capital inflows continue, easing monetary policy in developed countries that will have positive impact, and adequate liquidity on the Indonesian money market and banking.

Internally, business process re-engineering such as digitizing the lending process which has started from the micro segment and has been implemented in other segments such as the consumer and commercial segments, is expected to drive BRI's business growth.

Financial Review

As such, BRI's financial targets to be achieved in 2020 are as follows:

- Loan Growth of 10% - 11%
- To maintain LDR position at 90% +/- 2% level
- Fee income growth of 12% - 14%
- Operating Expense Increase of 8% -10%
- Capital adequacy ratio is maintained above the minimum requirements

SUBSEQUENT EVENTS

There are no material transactions subsequent to the date of the reporting period

BUSINESS PROSPECT

Macroeconomic Prospects

The Global Economy is projected to grow in 2020. IMF predicts that the world economy in 2020 will grow 3.4%, or better than 2019 which is predicted to reach 3.0%. These positive signals include easing world trade tensions, continuing accommodative monetary policies, orderly Brexit settlement, and stable economic conditions in developing countries that are under pressure.

Meanwhile, Indonesia's fiscal and monetary authorities expect the national economy to increase in the range of 5.1-5.5% in 2020. Some positive sentiments that underpin Indonesia's economic growth in 2020 include the exchange rate of Rupiah expected to be stable in accordance with its fundamentals, controlled inflation in the target range 3.0 ± 1%, the condition of the balance of payments remained good as continued inflows of foreign capital, easing monetary policy in developed countries had a positive impact, and liquidity on the Indonesian money market and banking remained adequate.

Prospects of the Banking Industry

With the projected financial system stability maintained in 2020, national banking performance is believed to still be able to grow positively. The Financial Services Authority (OJK), BI, and the Indonesia Deposit Insurance Corporation (LPS) estimate credit growth and DPK to moderate growth. This is in line with the decline in interest rates, adequate liquidity and easing macroprudential policies.

	2020 Projection	
	Loan	Third Party Funds
BI	10.00% - 12.00%	8.00% - 10.00%
LPS	11.50%	8.4%

BRI Business Prospects

Indonesia's GDP growth in 2020, projected to improve than 2019, is expected to have a positive impact on the domestic household consumption sector as the purchasing power of the people increases. Support from macro conditions and improvements to BRI's internal business processes can foster BRI's business expansion.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

- **Micro Business**

To maximize business potential in the Micro segment, including by managing KUR products to become a commercial Micro credit pipeline, namely Kupedes. This optimism is supported by the Government's economic policies related to the development of the Micro business sector as seen from the increase in the target of distributing People's Business Credit (KUR) by BRI from Rp87 trillion in 2019, to Rp120 trillion in 2020. This is an opportunity to maintain credit growth Micro that has advantages and is proven to be the leader of the Micro loan market through Kupedes and KUR. In addition, BRI continues to innovate products to serve the sub-micro segment in Indonesia

- **Consumer Business**

The potentials in the Consumer segment will be maximized with Briguna's superior products, namely loans for the fixed income worker segment, KPR (Mortgages Loans) and KKB (Vehicle Loans) through cross-sell optimization with the Corporate and SOE segments.

- **Low Cost Funds**

The increase of lending distributions, especially in the Consumer and Micro segments, is expected to be balanced by BRI's ability to maintain the growth of Third Party Funds (TPF) through effective marketing strategies for Simpedes and Britama's flagship products. With the increasing portion of the state budget for non-energy subsidies and funds transfer posts to the regions, it is expected to contribute to the growth of deposits as seen in the previous year.

- **Business Operations**

With the business process re-engineering initiative, BRI will continue to make efficiency efforts by conducting digitizing business processes. So as to maintain service quality and support continued business growth, BRI will encourage BRILink agent business growth, optimize BRISpot, maximize the use of information technology by building Big Data and harmonizing business processes in various credit initiative and decision systems.

- **Asset Quality**

For credit quality, BRI will still exercise the strategy to maintain the NPL (Non-Performing Loans) ratio level, including by maximizing credit settlement through intensification of cooperation with the attorney to carry out collateral execution.

Currently BRI is a financial group that provides complete financial products and services. Starting from conventional and sharia banking services, insurance, finance, capital markets and venture capital. This is BRI's commitment to the last pillar of the BRI Corporate Plan for 2018-2022, namely increasing the contribution of subsidiaries in order to realize an integrated financial solution.

MARKETING ASPECT

Marketing is a crucial aspect that drives performance. With the right marketing strategy BRI is able to map market share and identify market needs and develop innovative and appropriate products.

Marketing communication activities in the Consumer Business Sector, Retail Sector and Wholesale (Micro, Commercial & Corporate Sector) are managed by the Marketing Communication Division (MCM). As the Division responsible for marketing communication activities of BRI Bank products, the Marketing Communication Division is tasked with increasing awareness, knowledge, and activation of products, services, and services and programs owned by Bank BRI both to existing customers (increasing loyalty) and prospective customers (increasing purchase intention).

By implementing an integrated marketing communication strategy (using Integrated Marketing Communication) using effective & efficient media, optimal awareness and precise positioning will be achieved, and relevant for each target market audience in each segment so as to increase brand value for BRI Bank.

Financial Review

As the largest and most widespread bank in Indonesia, BRI always strives to provide the best service, supported by innovations. Various marketing and product promotion programs are carried out based on segmentation suitability and customer preferences. To communicate all communication activities, BRI maximizes communication media such as above the line, below the line, OOH media and digital media support through Bank BRI Social Media. The social media assets owned by BRI are Instagram (@bankbri_id), Twitter (@promo_BRI, @BANKBRI_ID, @ContactBRI) and Facebook (BRI Bank) and Youtube (BRI Bank) with a total number of followers of 1,254,473 (12 December 2019).

The various marketing and promotional activities carried out throughout 2019 for BRI Bank Customers are as follows:

New Product Launch

The relaunch of the Mobile Banking product, BRImo. For the Bank BRI Journey in 2019, which is the Leading Consumer Banking, Bank BRI innovated to create the latest digital financial application called BRImo. BRImo is a data-based Digital Platform for BRI (Internet Banking and Mobile Banking) financial transaction products that can be accessed by customers and non-BRI customers using a single user id with a Single Log On mechanism.

BRI Internet Banking users can directly log in using their User ID, while customers who do not have BRI Internet Banking Users can first register through the application to open a new account. The same User Interface (Display) and User Experience (transaction experience) for the latest and millennial features which are also advantages of the BRImo application as follows:

1. Login using finger print / Face ID
2. Account opening through the Application
3. Cardless Cash Withdrawals
4. Alias Account Substitution
5. Account Transfer up to one Year
6. Card request by Apps
7. Promo information updated
8. Other Purchasing/Payment Features

Due to the advantages of the BRImo application, Bank BRI services can be accessed via cellphones everywhere and everytime.

Pesta Rakyat Simpedes in 100 cities throughout Indonesia

BRI presents a road show campaign of the Pesta Rakyat Simpedes (PRS) which is held in 100 cities throughout Indonesia as a state-owned bank that focuses on supporting MSME activities in Indonesia. It aims to increase awareness, retention, loyalty and business of BRI Simpedes Savings products. In addition, this activity was carried out as a form of appreciation for BRI Simpedes Savings customers, as a medium to revitalize BRI Simpedes Savings with an approach to the Millennials generation, as well as a media for literacy and dissemination of the advantages of BRI micro finance products and services to the public throughout Indonesia. This year's PRS' concept is a series of activities called 6P, namely the Pawai (Parade), Pasar (Market), Entertainment stage, Prize Give Away, PojokX'sis, and BRI Peduli.

Pawai or a parade is a procession of local cultural excitement presenting activities of creativity that can involve the entire community of Simpedes target market, such as event supporting artists, Simpedes prizes, and local community parades (vehicles, costumes).

This was done to attract the attention of the public and foster public awareness about the PRS and BRI Simpedes Savings events.

Pasar or the market is a region leading business bazaar involving BRI customers as a promotional and educational event as well as BRI non-customer products (having a booming superior product) for acquisition. To increase the use of e-banking and non-cash transactions through BRILink.

Panggung hiburan is a stage of entertainment incorporating competition activities involving all segments of the community and performing artists (local and or national) and will be interspersed with quizzes and competitions with BRI Simpedes Savings prizes.

Prize giveaways is the highlight of PRS activities in the form of Simpedes Prize Sweepstakes (Panen Hadiah Simpedes).



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

X'sis Corner is an area for X'Sis for Millennials according to today's lifestyle with activities such as game competition (E-Sports), photobooth for selfies, and digital banking experience.

Peduli or Caring is a social activity intended for micro customers of Simpedes and Kupedes such as free medical treatment, blood donation, and mass circumcision to improve Bank BRI's corporate image.

BRI Product Event/Activation

Conducted throughout the year 2019 with various events / activations of BRI products, including the following:

a. Music

In 2019, Bank BRI indulged the millennials with a variety of music events both domestically and abroad including Maroon 5 Concert, Concert Yovie Widianto 2019, Launching of Slank Album, Soundernaline, Addie MS Charity Orchestra, Makassar Jazz Festival, La La Love, Britama Bandung Love Inspiration, Papandayan Jazz Fest, Batik Music Festival, and BRIOOnly with NOAH.

BRI customers can enjoy various benefits and privileges for BRI Bank card holders (BRI Credit Cards, BRI Debit, Priority BRI, and E-Pay) where BRI provides various facilities and privileges for Customers such as purchase discount promos, BRI Points redemption promos, entry points VIP without queues and games and other attractive prizes at BRI's Bank Booth.

b. Food

For culinary lovers, Bank BRI indulges with various promos offered to Bank BRI customers, especially BRI Credit Card and BRI Debit Card holders in various well-known restaurants throughout Indonesia. These include Pizza Hut, McD, Waroeng Kita, Excelso, Tous Les Jours, Liberica, Kobeshi, Shabu-shabu House, Boedjangan Meatballs, Fish Wow Cheesee, Karmila Chicken, and Upnormal. Bank BRI also holds events for culinary lovers such as the Ramadhan Culinary Festival, Nusantara Market and Tiban Market.

c. Travel

The current holiday trend that has become a necessity for the community is utilized by Bank BRI with a promotional program offering airline

tickets and vacation packages in collaboration with airlines and travel agents such as the Umrah Travel Fair, Launching Traveloka Pay later with BRI Credit Cards, KAI Travel Fair. The offer given is a special price. For hotel and tour package bookings, Bank BRI collaborates with Accor Hotel Group, Traveloka, Tiket.com, airy rooms, Zenroom and Agoda with special discount and price offers.

d. Sport

In order to support sports both nationally and internationally, Bank BRI embodies its support for various sporting events that take place during 2019. Among them are Mandeh RUN, Kartini RUN, Paper RUN 2019 Sinarmas, Damai Indah Golf Tournament, BRI Independent RUN, Sportartcular, Houbi Trampoline Championship, Indonesia Open 2019 Tournament, FUN RUN Jati luhur, BRILian Run 2019 and Indonesia Masters.

e. Fashion

In 2019, various fashion show events will take place including Sika Weaving Cloth, National Festive Tulola, Christmas Golden Night Fashion Show by Sapto Djojokartiko (Galleries Lafayette) and Beauty Soiree. Bank BRI also provides convenience for customers in the form of discount programs, 0% installment programs and points exchange programs for some merchants of fashion products such as shopping at Seibu, Nike factory Stores and Levis.

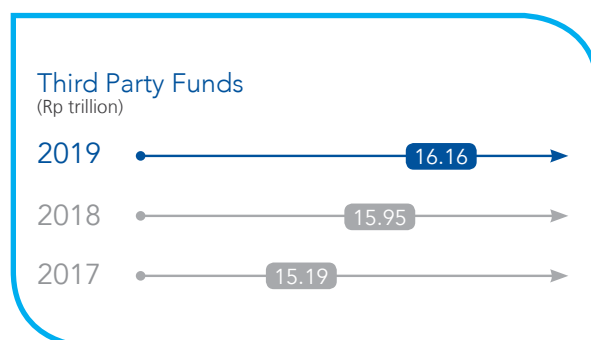
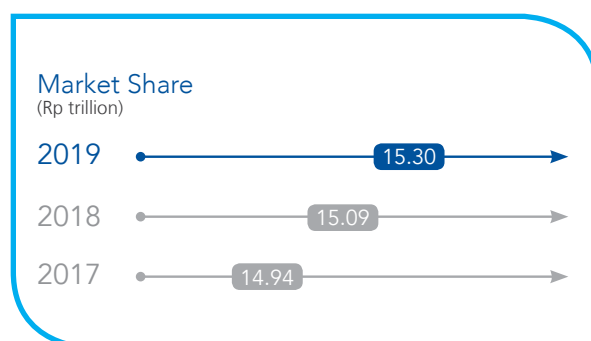
f. E-Commerce

Various interesting programs offered for shopping and transacting in e-commerce in the form of discounts or cash back using BRI credit cards. Among others at several merchants such as tokopedia, dinomarket.com, brishoponline.com, blanja.com, shopee, funds, cashbac, jd.id and blibli.com.

BRI's Market Share (Bank Only)

BRI's market share in terms of assets, loans and third party funds (TPF) to the industry continues to show an increase. Following is BRI's market share in the past three years.

Financial Review



2020 Marketing Strategy

It is necessary to support integrated marketing activities between Bank BRI's products, services and services to improve the business in terms of revenue, deposits and loans. Integrated marketing strategy aims not only to increase sales of products, services and programs owned by BRI, but also needed to increase awareness, knowledge, and activation to existing customers (increase loyalty) and prospective customers (increase purchase intention) so that the business can continue to grow and be sustainable.

The theme of the strategy in 2020 is "Integrated Financial Solution", prepared in order to achieve the vision of Bank BRI in 2022 to become "The Most Valuable Bank in South East Asia and Home to the Best Talent". BRI's marketing strategy in 2020 will be more focused on providing integrated financial services and solutions (end to end financial solutions) according to the needs and life journey of the customer, providing a seamless financial transaction experience across all channels and increasing the capability to manage customer needs. Through this strategy, it is expected that there will be an increase in customer experience in all

BRI channels both digital and operational work units as well as an increase in cross selling of BRI's products and services along with its subsidiaries by utilizing the BRI Group network, data analytics and digital marketing.

The theme "Integrated Financial Solution" is expected to increase the proportion of BRI's income from the Fee Base Income side and increase Low-Cost Funds through products that generate transactions. In addition, the influence of technological developments and society, especially millennial and post millennial generations who have a "consumerism as life" habit also requires a product approach that can meet their needs dynamically and is communicated through communication channels that are more flexible, personal and easily accessible such as use of digital communication channels because this generation has the potential to become future customers.

BRI's core businesses that must be maintained and strengthened are Micro, small and medium businesses (MSMEs). With the company's transformation direction to "go smaller, go shorter, go faster, it is expected that BRI's core business can develop faster. BRI's business is growing with the support of its largest Work Units spread throughout Indonesia with reliable human capital, the largest market share, high KUR growth, superior products & services, strong customer loyalty and large & scattered number of BRILink Agents.

To support the achievement of these objectives, the strategies that will be implemented include:

1. Creating an end to end financial solution that can provide experience for customers with the construction of Super Apps so that later customers can access all BRI products needed in one application.
2. Business process re-engineering through the road to digitalization, big data insight and BRISpot enhancement work programs.
3. Increased market share for savings and loans through work optimization programs (referral and financial education), through digital application technology, increased productivity of BRILink Agents, collaboration with fintech and literacy & inclusion activities to the unbankable community.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

- Increasing CASA through pipeline management system work programs, special marketing and acquisition programs in the fund pocket and implementing cash pick-up for market traders through BRILink Agents as well as cooperation with third parties through applications so that it will make it easier for customers.

DIVIDENDS AND DIVIDEND POLICIES

Dividend Policy

In determining the amount of dividends to be distributed to shareholders, BRI is concerned with the projected future business growth factor, the fulfillment of the capital adequacy ratio and the sustainable factor of return on equity in the next three years. The decision to determine the amount of dividend is made at the Annual General Meeting of Shareholders (AGMS).

Amount of Dividends Distributed

Based on the Annual General Meeting of Shareholders (AGMS) held on May 15, 2019, BRI has distributed dividends of Rp16.18 trillion or 50% of Bank BRI's Net Profit in 2018 amounting to Rp32.35 Trillion. Shareholders agreed to increase the dividend payout ratio from 45% of net profit in 2017 to 50% of net income in 2018. The amount of cash dividend per share was Rp131.14 and was paid on June 13, 2019 to Shareholders whose names are recorded in List of the Company's Shareholders on May 27, 2019.

BRI Dividend Payout Table

Description	2017	2018	2019
Dividend Amount (Rp billion)	10,478.31	13,048.44	16,175.57
Dividend per Share (Rupiah)	428.61	106.75	131.17
Dividend Ration	40% of the 2016 net profit	45% of the 2017 net profit	50% of the 2018 net profit
Announcement Date	15 March 2017	22 March 2018	15 May 2019
Payment Date	13 April 2017	25 April 2018	13 June 2019

CONTRIBUTION TO THE STATE

Aligned with its business growth, BRI has directly and indirectly contributed to the state. The indirect contribution was provided by fostering economic growth through lending and other banking services. BRI also engages in various government programs particularly in the eradication of poverty and equal prosperity, among others by the disbursement of *Kredit Usaha Rakyat* (KUR) and infrastructure financing. Moreover, BRI also participates in safeguarding the nation sovereignty by providing banking services to the abandoned, isolate and desolate remote areas (3T) supported by BRISat satellite technology.

BRI direct contribution to the state is through tax payments as well as dividend payout to the Government of RI as BRI ultimate shareholder. The following is BRI contribution on Taxes and dividends in 2017 through 2019:

Financial Review

Taxes and Dividends Contribution

Rp million

No.	Taxes	2017	2018	2019
1	Income Tax Article 21	834,583	1,319,719	1,893,956
2	Income Tax Article 22	20,789	19,541	32,087
3	Income Tax Article 23	133,348	170,931	210,712
4	Income Tax Article 26	959,794	1,102,587	1,242,532
5	Final Income Tax Article 4 Paragraph (2)	3,904,048	4,197,500	5,329,602
	Sub Total Tax Output	5,852,561	6,810,278	8,708,889
6	VAT & VAT for Luxury Goods	108,370	156,647	102,185
7	Corporate Income Tax	9,064,649	9,845,709	8,751,799
8	Dividen	6,000,477	7,472,281	9,179,798
	Total Taxes + Dividend	21,026,058	24,284,915	26,742,671

MANAGEMENT/EMPLOYEE STOCK OPTION PROGRAM

As a form of appreciation to its employee and management, BRI has given bonuses in the form of share ownership program. According to the Extraordinary GMS dated 3 October 2003, as disclosed in the Deed No. 6 Notary Imas Fatimah, S.H., the shareholders approved the issuance of stock option that will be implemented in 3 (three) phases. Stock options are rewarded to the Board of Directors and employees of certain positions and titles that met the requirements as stipulated by the Management Stock Option Plan.

BRI employee has executed stock option for MSOP I starting 10 November 2004, MSOP II starting 10 November 2005 and MSOP III starting 15 November 2006. During the period of 2004 to 2010 the execution on stock option of 569,876,000 shares has been done for MSOP I, II and III, 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 shares agio from the execution in 2010 was Rp43,062, at Rp14,367 in 2009, at Rp29,013 in 2008, at Rp140,960 in 2007, at Rp619,376 in 2006, at Rp184,859 in 2005 and at Rp49,514 in 2004.

In 2019, in accordance with the RUPS Resolution dated 23 March 2016, BRI provided a bonus in the form of phase I share ownership program for employees (Employee Stock Option Plan / ESOP phase I). Bonuses in the form of ESOPs have been provided to each Worker on 23 and 24 May 2019 in the form of Share Script with a total of 143,415,500 shares. The transfer of treasury shares to the ESOP was reported to the OJK in May 2019.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

USE OF PUBLIC OFFERING PROCEEDS

BRI exercised the Initial Public Offering or IPO on 10 November 2003. In accordance with the elaboration in the IPO prospectus, the details of proceeds allocation from the IPO amounted to Rp1.47 trillion is as follows:

Total Funds Acquisition	Funds Use Plans	Funds Use Details	Total Funds Use	Funds Balance
Rp1.47 trillion	Approximately 60% for Core Banking and IT System Development	As of December 31, 2009, the funds used amounted to Rp883.27 billion	Rp1.47 trillion or 100% of the planned use of funds	Zero
	Approximately 30% for Network Expansion	As of December 31, 2009 the funds used amounted to Rp441.63 billion		
	Approximately 10% for Product Research and Development	As of December 31, 2009 the funds used amounted to Rp147.21 billion		

During the period of the use of public offering funds in 2004-2009, there was no change to the planned use of funds.

INFORMATION ON MATERIAL TRANSACTIONS WITH CONFLICT OF INTEREST AND/OR TRANSACTIONS WITH RELATED PARTIES

BRI does not engage in material transactions with conflict of interest. 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. The following table illustrates the details of related parties with the Bank and the nature of its transactions.

Related Parties	Relationships	Element of Transactions
Key employees	Control Relationship on company's activities	Loans, Sharia receivables and financing
Ekspor Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Securities
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
Permodalan Nasional Madani	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
Perum BULOG	Ownership relationship through the Government of the Republic of Indonesia	Loans, Export bills and notes receivable
PT Adhimix Precast Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Piutang dan pembiayaan syariah Sharia receivables and financing
PT Angkasa Pura I (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Angkasa Pura II (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable
PT Asuransi Bringin Sejahtera Artamakmur	Ownership relations through BRI retirement Funds	Insurance on Fixed Assets
PT Asuransi Jiwasraya	Ownership relationship through the Government of the Republic of Indonesia	Securities purchased under agreement for resell
PT Bahana Artha Ventura	Ownership relationship through the Government of the Republic of Indonesia	Investment in associated entities

Financial Review

Related Parties	Relationships	Element of Transactions
PT Bank BNI Syariah	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks
PT Bank Mandiri (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks, Securities, Derivative bills
PT Bank Mandiri Taspen	Ownership relationship through the Government of the Republic of Indonesia	Securities purchased under agreement to resell
PT Bank Negara Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks, Securities
PT Bank Tabungan Negara (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other banks, Securities
PT Bank Syariah Mandiri	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks
PT Barata Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable, Irrevocable L/C, and securities
PT BNI Multifinance	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other financial institutions
PT Citra Waspputowa	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Danareksa Investment Management	Ownership relationship through the Government of the Republic of Indonesia	Investment in associated entities
PT Dirgantara Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Irrevocable L/C
PT Eltran Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Acceptance receivables
PT Garuda Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Export bills and notes receivable, Acceptance receivables
PT Garuda Maintenance Facility Aero Asia Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable, Acceptance receivables
PT Gendhis Multi Manis	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C
PT Hakaston	Ownership relationship through the Government of the Republic of Indonesia	Finance Lease Receivables
PT Hutama Karya (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Finance Lease Receivables
PT Hutama Karya Infrastruktur	Ownership relationship through the Government of the Republic of Indonesia	Finance Lease Receivables
PT Indonesia Asahan Aluminium	Ownership relationship through the Government of the Republic of Indonesia	Acceptance receivables, Irrevocable L/C
PT Kaltim Industrial Estate	Ownership relationship through the Government of the Republic of Indonesia	Acceptance receivables
PT Kereta Api Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C
PT Kimia Farma (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Related Parties	Relationships	Element of Transactions
PT Kimia Farma Apotek Tbk	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Krakatau Steel (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Loans, Guarantees Issued
PT Kresna Kusuma Dyandra Marga	Ownership relationship through the Government of the Republic of Indonesia	Loans
PT Koperasi Telkom	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Mandiri Usaha Finance	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other financial institutions
PT Pegadaian (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Loans, Sharia Receivables and Financing
PT Pembangunan Perumahan (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees Issued, Acceptance Receivables, Irrov
PT Pertamina (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Loans, Guarantees Issued, Irrevocable L/C, Export bills and notes receivables, Assets and Liabilities derivative receivables
PT Pertamina Patra Niaga	Ownership relationship through the Government of the Republic of Indonesia	Acceptance receivables, Export bills and notes receivables
PT Pertamina Lubricants	Ownership relationship through the Government of the Republic of Indonesia	Export bills and other receivables
PT Perusahaan Gas Negara (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees Issued
PT Perusahaan Listrik Negara (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Loans, Irrevocable L/C, Assets derivative bills.
PT Petrokimia Gresik	Ownership relationship through the Government of the Republic of Indonesia	Loans, Irrevocable L/C
PT Pindad (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C, Acceptance receivables
PT Pupuk Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Assets derivative receivables
PT ReKayasa Industri	Ownership relationship through the Government of the Republic of Indonesia	Acceptance receivables
PT Sarana Multigriya Finansial (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities
PT Semen Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Telekomunikasi Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Securities
PT Telekomunikasi Seluler	Ownership relationship through the Government of the Republic of Indonesia	Guarantees Issued
PT Trans Jabar Tol	Ownership relationship through the Government of the Republic of Indonesia	Loans
PT Waskita Beton Precast Tbk	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing, Export bills and notes receivables
PT Waskita Karya (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivables, Guarantees issued
PT Wijaya Karya Industri Energi	Ownership relationship through the Government of the Republic of Indonesia	Acceptance Receivables

Financial Review

Related Parties	Relationships	Element of Transactions
PT Wijaya Karya (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees Issued, Export Bills and Notes Receivables
PT Wijaya Karya Bangunan Gedung	Ownership relationship through the Government of the Republic of Indonesia	Acceptance Receivables, Export Bills and Notes Receivables

SIGNIFICANT TRANSACTION

The table below details significant transactions with related parties.

Rp million

Assets	2018	2019
Current account with other banks		
PT Bank Mandiri (Persero) Tbk	62,270	109,226
PT Bank Negara Indonesia (Persero) Tbk	26,291	48,885
PT Bank Syariah Mandiri	44	206
PT Bank Tabungan Negara (Persero) Tbk	3,809	1,322
PT Bank BNI Syariah	3	5
	92,417	159,644
Placement with Bank Indonesia and other financial institutions		
PT Bank Mandiri (Persero) Tbk	650,200	915,962
PT Bank Tabungan Negara (Persero) Tbk	59,700	646,050
PT Bank Negara Indonesia (Persero) Tbk	2,000	537,975
PT Bank Syariah Mandiri	36,000	80,250
PT Bank BNI Syariah	2,000	5,250
PT Mandiri Utama Finance	200,000	-
PT BNI Multifinance	100,000	-
Lembaga Pembiayaan Ekspor Indonesia	1,200,000	-
PT Sarana Multigriya Finansial	100,000	-
	2,349,900	2,185,487
Securities		
Pemerintah Republik Indonesia (RI)	141,688,852	150,422,931
PT Sarana Multigriya Finansial (Persero)	912,628	1,496,994
PT Bank Tabungan Negara (Persero) Tbk	1,905,291	1,387,364



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Rp million

Assets	2018	2019
Lembaga Pembiayaan Ekspor Indonesia	1,685,747	1,205,420
PT Bank Negara Indonesia (Persero) Tbk	426,530	1,025,067
PT Pupuk Indonesia (Persero)	990,581	984,227
PT Bank Mandiri (Persero) Tbk	707,878	941,815
PT Pertamina (Persero)	384,821	769,730
PT Pegadaian (Persero)	634,129	648,751
PT Telekomunikasi Indonesia (Persero)	-	584,421
Others	4,704,050	7,434,714
	154,040,507	166,901,434
Export bills and notes receivables		
PT Dirgantara Indonesia	2,890,634	4,003,016
PT Pertamina (Persero)	799,827	3,684,409
PT Waskita Karya (Persero) Tbk	2,000,000	1,636,261
PT Garuda Indonesia (Persero)	1,676,565	1,397,528
PT Garuda Maintenance Facility Aero Asia Tbk	423,635	1,084,203
PT Wijaya Karya (Persero) Tbk	801,173	632,850
PT Pertamina Lubricants	930	557,815
PT Waskita Beton Precast Tbk	69,447	153,922
PT Angkasa Pura II (Persero)	28,689	43,301
PT Pertamina Patra Niaga	33,860	32,877
PT Wijaya Karya Bangunan Gedung	-	32,852
Others	3,508,832	658,230
	12,233,592	13,917,264
Government Recapitalization Bonds		
Government of the Republic of Indonesia (RI)	1,505,273	1,130,306
Securities Purchased Under Agreement to resell		
PT Asuransi Jiwasraya	1,149,156	879,053
PT Bank Mandiri Taspen	102,213	-
	1,251,369	879,053
Loans		
PT Perusahaan Listrik Negara (Persero)	23,616,099	25,998,611
Perum BULOG	16,316,937	14,919,169
PT Pertamina (Persero)	11,575,627	7,797,013

Financial Review

Rp million

Assets	2018	2019
PT Kresna Kusuma Dyandra Marga	2,338,069	2,881,119
PT Pegadaian (Persero)	687,042	2,751,793
PT Trans Jabar Tol	2,438,362	2,141,861
PT Krakatau Steel (Persero) Tbk	2,196,923	2,122,094
Government of Indonesia	2,804,944	1,886,099
PT Petrokimia Gresik	2,222,289	1,858,161
PT Kereta Api Indonesia (Persero)	1,687,746	1,795,405
Others	44,868,984	38,598,482
	110,753,022	102,749,807
Sharia Receivables and Financing		
PT Angkasa Pura I (Persero)	229,824	1,000,000
PT Pegadaian (Persero)	400,000	700,000
PT Waskita Beton Precast Tbk	512,000	512,000
PT Semen Indonesia	-	382,979
PT Kimia Farma (Persero)	110,000	300,000
PT Citra Waspphutowa	213,515	248,537
PT Adhimix Precast Indonesia	314,043	175,514
PT Kimia Farma Apotek	-	95,000
PT Koperasi Telkom	29,982	82,527
Permodalan Nasional Madani	-	80,164
Key Employee	9,946	8,126
Others	619,121	614,008
	2,438,431	4,198,855
Lease Receivables		
PT Hakaaston	-	33,475
PT Utama Karya (Persero)	-	27,305
PT Utama Karya Infrastruktur	-	13,644
	-	74,424
Acceptance Receivables		
PT Pertamina Patra Niaga	11,326	294,920
PT Garuda Maintenance Facility Aero Asia Tbk	421,000	209,586
PT Pembangunan Perumahan (Persero) Tbk	51,003	191,130



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Rp million

Assets	2018	2019
PT Wijaya Karya Bangunan Gedung	12,031	114,745
PT Pindad (Persero)	3,860	86,794
PT Barata Indonesia (Persero)	-	14,040
PT Rekayasa Industri	-	13,320
PT Kaltim Industrial Estate	-	7,948
PT Indonesia Asahan Aluminium	-	6,953
PT Wijaya Karya Industri Energi	2,197	3,421
Others	976,276	1,497
	1,477,693	944,354
Investment in Associated Entities		
PT Danareksa Investment Management	372,271	377,770
PT Bahana Artha Ventura	72,607	74,205
	444,878	451,975
Total Assets from Related Parties	286,587,082	293,592,603
Total Consolidated Assets	1,296,898,292	1,416,758,840
Percentage of total assets from related parties to total consolidated assets	22.10%	20.72%

Details of balance of transaction with related parties dated September 2019 and December 2018 are as follows:

Rp million

LIABILITIES	2018	2019
Demand Deposits		
Government Entities and Istitutions	53.016.669	48.339.192
Key Employee	26.672	3.175
Others	1.435	-
	53.044.776	48.342.367
Saving Deposits		
Government Entities and Istitutions	89.093	31.894
Key Employee	167.112	169.406
Others	44.581	-
	300.786	201.300
Time Deposits		
Government Entities and Istitutions	85,832,772	87,612,226
Key Employee	157,555	138,836
Others	1,878,913	-

Financial Review

Rp million

LIABILITIES	2018	2019
	87,869,240	87,751,062
Deposits from other Banks and othr Financial Institutions		
Government Entities and Istitutions	551,129	748,501
Securities Sold Under Agreement to Repurchase		
Government Entities and Istitutions	1,934,600	-
Fund borrowings		
Government Entities and Istitutions	454,595	1,077,979
Compensation to key employees management		
Present value of defined benefit pension liability	366,707	478,745
Present value of work separation scheme liability	129,433	42,141
Present value of old-age benefits liability	92,444	100,676
Present value of grand leaves liability	54,069	61,234
Present value of grand leaves liability	42,492	47,988
Present value of other benefit program of defined benefit payment liability	11,523	-
	696,668	730,784
Total liabilities to related parties	144,851,794	138,851,993
Total consolidated liabilities	1,111,622,961	1,207,974,506
Percentage of liabilities to related parties to total	13.03%	11.49%
Temporary Syirkah Funds		
Entities, Government Institutions and Key Employee	382,207	5,983,080
Percentage to total syirkah temporer funds	1.82%	24.11%

Rp million

COMMITMENTS AND CONTINGENCIES IN THE ADMINISTRATIVE ACCOUNTS	2018	2019
Guarantees Issued		
PT Wijaya Karya (Persero) Tbk	3,479,242	4,520,182
PT Pembangunan Perumahan (Persero) Tbk	2,333,382	2,733,225



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Rp million

COMMITMENTS AND CONTINGENCIES IN THE ADMINISTRATIVE ACCOUNTS	2018	2019
PT Garuda Indonesia (Persero) Tbk	1,178,058	2,436,348
PT Pertamina (Persero)	1,922,168	2,075,352
PT Waskita Karya (Persero) Tbk	882,663	1,742,053
PT Perusahaan Gas Negara (Persero) Tbk	2,361,314	943,880
PT Dirgantara Indonesia (Persero)	1,254,834	857,493
PT Krakatau Steel (Persero) Tbk	-	631,443
PT Perusahaan Listrik Negara (Persero)	1,129,271	619,287
PT Telekomunikasi Seluler	519,702	551,234
Others	5,654,385	6,621,297
	20,715,019	23,731,794

Rp million

	2018	2019
Irrevocable L/C		
PT Indonesia Asahan Aluminium (Persero)	24,718	529,539
PT Pindad (Persero)	542,655	481,772
PT Perusahaan Listrik Negara (Persero)	441,575	425,826
PT Pembangunan Perumahan (Persero) Tbk	119,737	342,867
PT Dirgantara Indonesia (Persero)	1,263,630	336,570
PT Pertamina (Persero)	196,051	285,603
PT Kereta Api Indonesia (Persero)	748,692	192,681
PT Petrokimia Gresik	168,222	173,668
PT Gendhis Multi Manis	-	157,469
PT Barata Indonesia (Persero)	-	107,791
Others	1,580,849	351,536
	5,086,129	3,385,322
Salaries and allowances for the Board of Commissioners and Directors		
Salaries and allowances for the Board of Directors	105,060	130,565
Salaries and allowances for the Board of Commissioners	33,627	41,313
Total	138,687	171,878
Tantiem, bonuses and incentives for the Board of Commissioners, Directors and key employees		
Tantiem for the Board of Directors	268,226	309,717

Financial Review

Rp million

	2018	2019
Tantiem for the Board of Commissioners	99,290	110,152
Bonuses and incentives for key employees	40,088	116,674
Total	407,604	536,543

Details of balance of transaction with related parties dated September 2019 and December 2018 are as follows:

Rp million

	2018	2019
ASSETS		
Current accounts with other banks	0.007%	0.011%
Placements with Bank Indonesia and other banks	0.181%	0.154%
Securities	11.876%	11.781%
Export bills and notes receivable	0.943%	0.982%
Government Recapitalization Bonds	0.116%	0.080%
Securities purchased under agreement to resell	0.096%	0.062%
Loans	8.540%	7.252%
Receivables and Sharia Financing	0.188%	0.296%
Lease Receivables	-	0.005%
Acceptance Receivables	0.114%	0.067%
Investment in associated entities	0.034%	0.032%
Total	22.098%	20.722%

Rp million

	2018	2019
LIABILITIES		
Demand deposits	4.772%	4.002%
Saving deposits	0.027%	0.017%
Time deposits	7.905%	7.264%



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

Rp million

	2018	2019
LIABILITIES		
Deposits from other banks and financial institutions	0.050%	0.062%
Securities sold under sgreement to repurchase	0.174%	0.000%
Fund borrowings	0.041%	0.089%
Compensation to management and key employees	0.063%	0.060%
Total	13.032%	11.494%

MATERIAL INFORMATION ON INVESTMENT, EXPANSION, DIVESTMENT, ACQUISITION, OR DEBT AND CAPITAL RESTRUCTURING

Investment

During 2019, BRI made Rp5.05 trillion of investment. The investment consisted of land purchases amounting to Rp1.17 trillion, building additions at Rp1.38 trillion, motorized vehicles additions totaling Rp88.35 billion, computers and machinery

Expansion

During 2019, BRI continued to expand, especially in the electronic channel (e-channel) network. This is done as an effort to improve financial access and financial literacy, including in 3T areas (Left Behind, Leading and Outermost). The e-channels added and expanded were 600 Cash Recycle Machine (CRM) from the beginning until 2019, which brings the number to 3,209 CRM in 2019 from the previous 2,609 CRM in 2018.

Divestment

During 2019, BRI as individually or consolidated did not exercise any divestment.

Acquisition

On June 20, 2019, BRI signed a Conditional Share Sale and Purchase Agreement (PPJBSB) with BRI Pension Funds to take ownership of BRI Pension Fund shares in PT Asuransi Bringin Sejahtera Artamakmur (BRINS) to become 90% BRI owned, with a purchase price of Rp1, 04 trillion and has obtained approval from OJK through letter No. S-135/NB.1/2019 dated 16 September 2019. The transfer of shares was carried out effectively on 26 September 2019, as stated in the Deed of Acquisition of Shares No. 31 which was made before Dina Chozie, SH., A substitute notary from Fathiah Helmi, SH., Notary in Jakarta, where BRI owns 90% of BRINS total shares while 10% is owned by BRI Workers Welfare Foundation (YKP).

Financial Review

Debt Restructuring and/or Capital Restructuring

In 2019, BRI did not conduct debt restructuring or capital restructuring.

REGULATORY CHANGES

No	Regulations	Subject	Description	Impact for BRI
1	Regulation of the Financial Services Authority of Indonesia No. 32/POJK. 03/2018 dated 27 December 2018	Lending limit and provision of large funds to commercial banks		BRI's lending limit policy
2	BI Board of Governors Regulation No. 20/4/PADG/2018 dated 5 April 2018	The Administration of Securities through Bank Indonesia-Scripless Securities Settlement System	<p>Several provisions in the Bank Indonesia Circular (SEBI) No. 17/30/DPSP dated 13 November 2015 on the Administration of Real-Time Gross Settlement through Bank Indonesia system are amended by this regulation. The provisions are:</p> <p>α. Provision that mandates Participants to provide sufficient funds at the time of funds settlement;</p> <p>β. Queue mechanism and use of Intraday Liquidity Facility (FLI) funds settlement in the BI-RTGS system;</p> <p>γ. Procedures of the application for and adjustment of strategic and fundamental participation in the licensing services integrated in the interoperability of commercial banks in the BI-RTGS system is to be conducted in a centralized manner;</p> <p>δ. The improvement of regulations to strengthen the governance and harmonization of other system administrations in Bank Indonesia such as BI-SSSS, BI-ETP system, and SKNBI, among others in terms of :</p> <p>a. Security audit must be done no later than 6 (six) months after the the Participants of BI-RTGS system change their internal information technology system;</p> <p>b. Obligation to take part in the backup system test by system Organizers. This is intended to make participants committed to the trial and support smooth payment system.</p>	<ol style="list-style-type: none"> BRI needs to develop new procedures on securities administration through BI-SSSS As a participant of BI-RTGS, system BRI must conduct security audits at least 6 months since the change of its information technology system BRI is obliged to participate in the backup system trial held by the organizer



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

No	Regulations	Subject	Description	Impact for BRI
3	Regulation of the Board of Governors (PADG) No. 20/15/PADG/2018 dated 30 July 2018	Bank Indonesia -Real Time Gross Settlement System (BI-RTGS)	<ol style="list-style-type: none"> 1. The PADG on RTGS was issued to, among others, regulate the obligation of the provision of funds at the time of funds settlement instruction is issued in the BI-RTGS system, queue mechanism, and Intraday Liquidity Facility (FLI). In addition, in order to support Bank Indonesia's policy to deliver licensing service in an integrated manner with respect to commercial banks' operations, regulation on application procedures and adjustment to strategic and fundamental participation in BI-RTGS will be done in a centralized manner. 2. Several provisions in the Bank Indonesia Circular (SEBI) No. 17/30/DPSP dated 13 November 2015 on the Administration of Real-Time Gross Settlement through Bank Indonesia system are amended by this regulation. The provisions are: <ol style="list-style-type: none"> a. Provision that mandates Participants to provide sufficient funds at the time of funds settlement; b. Queue mechanism and use of Intraday Liquidity Facility (FLI) funds settlement in the BI-RTGS system; c. Procedures of the application for and adjustment of strategic and fundamental participation in the licensing services integrated in the interoperability of commercial banks in the BI-RTGS system is to be conducted in a centralized manner; d. The improvement of regulations to strengthen the governance and harmonization of other system administrations in Bank Indonesia such as BI-SSSS, BI-ETP system, and SKNBI, among others in terms of: <ol style="list-style-type: none"> (i) Security audit must be done no later than 6 (six) months after the the Participants of BI-RTGS system change their internal information technology system; (ii) Obligation to take part in the backup system test by system Organizers. This is intended to make participants committed to the trial and support smooth payment system. (iii) PADG number 20/15/PADG/2018 dated July 30, 2018 is effective from the date of its enactment, except for provisions on: I. Settlement instructions; II. Priority groups; III. Queue mechanisms; and IV. Liquidity Management Facilities 	<ol style="list-style-type: none"> 3. BRI needs to develop new procedures on securities administration through BI-SSSS 4. BRI must conduct security audits at least 6 months since the change of its information technology system as a participant of BI-RTGS system 5. BRI is obliged to participate in the backup system trial held by the organizer

Financial Review

No	Regulations	Subject	Description	Impact for BRI
4	Regulation of BI Board of Governors No. 20/26/PADG/2018 dated 31 October 2018	Participation in the Bank Indonesia National clearing system (SKNBI)	<ol style="list-style-type: none"> 1. Regulation of the Board of Governors (PADG) of the participation in the national clearing system of Bank Indonesia is issued in order to harmonize the integrated licensing policy by Bank Indonesia as mentioned in Bank Indonesia regulation No. 19/13/PBI/2017 dated 15 December 2017 concerning integrated licensing services regarding the interoperability between Bank Indonesia and Commercial Banks (PBI PPTBU) 2. PADG number 20/26/PADG/2018 dated October 31, 2018 regulates participation in SKNBI, such as the requirements and procedures of participants, changes in participants' data, participation status, and changes in the status of participation in SKNBI. 3. In addition, in order to harmonize against the integrated licensing policy as mentioned in point 1, there are adjustments to the settings of the application and information submission on SKNBI participation: <ol style="list-style-type: none"> a. The following applications and information should be addressed to the working unit overseeing macroprudential, monetary, and payment system: <ol style="list-style-type: none"> i. Application to be a participant submitted by a newly established bank or by a bank due to its strategic and fundamental actions such as PBI PPTBU; ii. Application to change SKNBI participant's data and changes in participation status due to strategic and fundamental actions and changes in participation data that affect the participant's data in Bank Indonesia; and iii. Submission of information about change of address and top management of the participant b. The following applications are to be submitted to a working unit that administers payment system: <ol style="list-style-type: none"> i. Application to be a participant submitted by a bank other than defined in point a. i) and non-bank fund transfer organizer; and ii. Application to amend SKNBI participation data as referred to in point A. ii) 4. PADG number 20/26/PADG/2018 dated 31 October 2018 revokes the provisions of chapter III, letter A to G, Bank Indonesia Circular No. 18/7/DPSP dated 2 May 2016 concerning the Implementation of Fund Transfer and Scheduled Clearing by Bank Indonesia as amended by Bank Indonesia Circular No. 18/40/DPSP dated 30 December 2016 5. Provisions in PADG number 20/26/PADG/2018 dated October 31, 2018 enters into force on the date of its enactment. 	As a national clearing participant BRI must follow the new provisions referred to in this regulation and formulate reports according to BRI PADG No. 20/26/PADG/2018 dated 31 October 2018.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

No	Regulations	Subject	Description	Impact for BRI
5	POJK number 34/POJK. 03/2018 dated 28 December 2018	Re-evaluation of Principals in Financial Services Institution	<ol style="list-style-type: none"> The principals in BRI who are subject to the provisions in this POJK include: <ul style="list-style-type: none"> The controlling shareholders, hereinafter abbreviated as PSP, (that may be a legal entity, a person, and/or an enterprise that holds shares and is thereby entitled to controlling powers); Members of the board of Directors; Board of Commissioners; and Executive officers (Bank officials responsible who are directly accountable to the members of the Board of Directors or have significant influence on the Bank's policies and/or operations); BRI shall submit a report on data updates and domicile information of the principals and/or their contact. The information must be submitted to the Financial Services Authority at least one month since the Financial Services Authority Regulation enters into force (28 February 2019). In the event of any changes in data and information of domicile BRI may submit the relevant data and information to the Financial Services Authority at any time. Updates on data and information of domicile of the principals and/or their contact person has been submitted by BRI Compliance Division to the Financial Services Authority by letter B. 21-KPT/BNP/02/2019 dated 28 February 2019. Furthermore, BRI must also provide explanation regarding the status of a Principal that failed to pass banking assessment as disclosed in the Quarterly and Annual Financial Statements. 	<ol style="list-style-type: none"> BRI must update the principals' data and deliver information to OJK no later than 1 month since the regulation is in force. BRI must provide explanation in its shareholders' list regarding the status of a Principal that failed to pass banking assessment as disclosed in the Quarterly and Annual Financial Statements.
6	Regulation of the Financial Services Authority No. 9/POJK. 04/2019 dated 19 February 2019	Securities brokers of Debt Securities and Sukuk (PPE-EBUS)	<ol style="list-style-type: none"> Commercial banks may conduct activities as PPE-EBUS for all debt securities and Sukuk both for their own benefit and/or depository customers Commercial bank officers who are engaged in PPE-EBUS activities, specifically in the marketing and trading of EBUS, may use their certificate of competency in Treasury when applying for permits as broker representatives of securities marketing Certificate of Competency as mentioned above is suffice to meet the requirement for the applicant to provide a copy of competency certificate broker representatives of securities marketing. In carrying out the activities as (PPE EBUS), a bank shall submit regular activity reports and incidental reports to the Financial Services Authority electronically through a reporting system Financial Services Authority Reports are submitted on a monthly basis at the latest of every 12th business day (twelfth) of the following month. Incidental reports must be submitted no later than 7 (seven) working days after a formal change takes place. 	<p>POJK impacts to BRI:</p> <ol style="list-style-type: none"> BRI needs to develop an internal policy on its activities as PPE-EBUS BRI needs to develop monitoring procedures and mechanisms to carry out activities PPE-EBUS BRI has to ensure that its assigned employees have the necessary treasury competency certificate.

Financial Review

No	Regulations	Subject	Description	Impact for BRI
7	Bank Indonesia Regulation Number 21/7/PBI/2019 dated 15 May 2019	Amendment to Bank Indonesia regulation No. 20/10/PBI/2018 of Non-Deliverable Domestic Forward Transaction	<ol style="list-style-type: none"> 1. All Domestic Non-Deliverable Forward transactions (DNDF) must have Underlying transaction. 2. Foreign exchange transactions against the Rupiah using DNDF transactions by a customer or a foreign party amount to of USD5,000, 000.00 (five million U.S. dollars) or equivalent is exempted from the underlying transaction obligation. This exemption is limited to one transaction per customer or foreign party. 3. The underlying transactions for foreign exchange sales for Rupiah must be proven by final transaction documents and supporting documents or by the Underlying transaction documents and supporting documents. 4. Underlying transaction document must be received by BI at least 5 (five) business days after the date of DNDF. 5. The Bank Waj IB verifies the veracity and legitimacy of the underlying document of foreign exchange transactions against Rupiah. 6. As stipulated in the PBI on foreign exchange transactions against the Rupiah between the Bank and domestic and foreign parties, the underlying transaction document that contains cash flow projection must be assessed for its reasonability based on: <ol style="list-style-type: none"> a. additional documents; b. Historical data at least past 1 (one) year; and c. Customer or foreign party's track record. 7. Bank must ensure that the customer and/or the foreign party provides: <ol style="list-style-type: none"> a. The underlying transaction documents and supporting documents; and/or b. The underlying transaction documents containing projections and supporting documents. 	<ol style="list-style-type: none"> 1. BRI needs to change processing time limit of DKE fund transfer through transfer service from 2 (two) hours at the latest to 1 (one) hour since the participant receives transfer order; 2. BRI needs to change the time limit of fund forwarding through transfer service to the beneficiary from 2 (two) hours to 1 (one) hour since settlement; 3. The delivery of DKE payment through regular payment service must be made no later 1 (one) hour since transfer order is received; and 4. BRI needs to change the time limit of fund forwarding through regular payment service to the beneficiary from 2 (two) hours to 1 (one) hour since settlement.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

No	Regulations	Subject	Description	Impact for BRI
8	Regulation of Board of Governors of Bank Indonesia (PADG No. 21/11/PADG/2019 dated 31 May 2019	Nominal value of transaction through Bank Indonesia system Real Time Gross Settlement and National Clearing System of Bank Indonesia (SKNBI)	<ol style="list-style-type: none"> 1. This PADG covers: <ol style="list-style-type: none"> a. General provisions, limit of nominal value of transactions through BI-RTGS system; b. The limit of nominal value of transactions through SKNBI; c. Announcements, and closing provisions. 2. This PADG improves the provisions on maximum nominal value of transactions through SKNBI, namely: <ol style="list-style-type: none"> a. Maximum Rp1 billion for fund transfer service b. Maximum Rp500 million for debit scrip service; c. Maximum Rp1 billion for regular payment services; d. Up to Rp 500 million for regular billing services. 3. All participants of BI-RTGS and SKNBI systems must inform the nominal value limit of transactions in BI-RTGS and SKNBI systems to their customers. This is done by displaying the information in each office and areas that are easily accessible by the customers. 4. This PADG entered into force on 1 September 2019 and revokes Bank Indonesia Circular No. 17/35/DPSP dated 13 November 2015 on the Nominal Limit of Fund Transfers through Bank Indonesia Real Time Gross Settlement System and Bank Indonesia National Clearing System. 	Impact of this PADG to BRI: 1. BRI will change the maximum limit of its nominal transaction through SKNBI to Rp1,000,000,000.00 (one billion rupiah) per DKE fund transfer; and 2. BRI will change the maximum limit of its nominal transaction through SKNBI to Rp1,000,000,000.00 (one billion rupiah) per DKE fund transfer; and

Financial Review

No	Regulations	Subject	Description	Impact for BRI
9	Regulation of Board of Governors of Bank Indonesia No. 21/10/PADG/2019 dated 31 May 2019	Customer service standard in the execution of scheduled funds transfer and clearing through Bank Indonesia National Clearing System (SKNBI)	<p>This PDAG contains:</p> <ul style="list-style-type: none"> a. General provisions; b. Customer service standards in fund transfer services, procedures for filling fund transfer orders, responsibility of participants as fund sender, responsibilities of participants as fund recipients; c. Customer service standards in the debit scrip service, procedures for completing the transfer of debit funds, responsibility of participants as fund sender, responsibilities of participants as fund recipients; d. Customer service standards in regular payment services, responsibility of participants as fund sender, responsibilities of participants as fund recipients e. Customer service standards in regular billing services, procedures for filling in debit transfer orders responsibility of participants as fund sender, responsibilities of participants as fund recipients f. Procedures to impose administrative penalties; g. Closing provisions. 	<p>In compliance to this PADG, BRI is required to:</p> <ul style="list-style-type: none"> 1. Change processing time limit of DKE fund transfer through transfer service from 2 (two) hours at the latest to 1 (one) hour since the participant receives transfer order; 2. Change the time limit of fund forwarding through transfer service to the beneficiary from 2 (two) hours to 1 (one) hour since settlement; 3. The delivery of DKE payment through regular payment service must be made no later than 1 (one) hour since transfer order is received; and 4. Change the time limit of fund forwarding through regular payment service to the beneficiary from 2 (two) hours to 1 (one) hour since settlement.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

No	Regulations	Subject	Description	Impact for BRI
10	Regulation of the Financial Services Authority No. 15/POJK. 05/2019 dated 12 June 2019.	Governance of Pension Fund	<ol style="list-style-type: none"> 1. This regulation expands the definition of pension fund i.e. "pension fund" is a legal entity that manages and administers a program that assures retirement benefits. This includes sharia-based Pension Funds. 2. In implementing the principles of the Pension Fund governance, a Pension Funds must have a code of governance in place. 3. The regulation sets a clearer stipulation on the number, composition, criteria, and the independency of Pension Funds' management. Employers' Pension Funds (DPPK) and Executive Officer of Financial Institution Pension Funds (DPLK) must consist of at least 2 (two). The membership must take into account the complexity and effectiveness in decision making and meet the criteria, duties, and responsibilities as stipulated in this regulation. 4. The majority of DPPK managers and the majority of management officers are prohibited from having familial relationships to the second degree with fellow managers and supervisory boards and may not be involved in any conflict of interest that may benefit them personal or their family and/or other parties who may be detrimental to the Pension Funds. 5. The regulation sets a clearer stipulation on the number, composition, criteria, and the independency of Pension Funds' management. The DPPK Board of Trustees must have at least 2 (two) members 6. In implementing good governance principles, Pension Funds must establish: <ol style="list-style-type: none"> a. Internal Audit; b. Risk management; Dan c. Compliance units <p>The establishment of the units in DPPK is carried out by the Board of Management and DPLK carried out Executive Officers, or incorporated in units under DPLK founders.</p> 7. Pension Funds must conduct governance self-assessment at least once every year based on the guidelines for Pension Funds governance. 8. Violation of the provisions stipulated in this regulation may result in the following administrative penalties: <ol style="list-style-type: none"> a. Written warnings; b. Reduced assessment of governance risk levels; and/or c. Re-administration of fit and proper test for DPPK administrators, Executive officers, Board of Trustees and/or DPS. d. This regulation is in force 6 (six) months from the date of its enactment on June 12, 2019. This regulation is in force effectively since 12 December 2019. 	BRI Pension Funds shall develop the governance guidelines in accordance with POJK number 15/POJK. 05/2019 dated 12 June 2019.

Financial Review

No	Regulations	Subject	Description	Impact for BRI
11	Bank Indonesia Regulation Number 21/10/PBI/2019 30 August 2019	Rupiah-Denominated Money Management	<p>The provisions of this PBI include:</p> <ol style="list-style-type: none"> 1. The types of Rupiah-denominated money, i.e. banknotes and coins, including Uncut Banknotes (URK); 2. Bank Indonesia determines the types Rupiah-denominated money, currency denomination, the characteristics of Rupiah, the design of Rupiah, and the raw material for Rupiah money; 3. In planning money printing, Bank Indonesia considers inflation rate and economic growth assumptions, technology development, policy on the changes to Rupiah value, market needs for certain denomination, money fraud trend, and other influential factors 4. Bank Indonesia is sole institution that is authorized to conduct money withdrawal, including the URK, by issuing a Bank Indonesia regulation that is published in the State Gazette of the Republic of Indonesia and announced through the mass media; 5. Obligation for banks and Rupiah-Currency Handling Service Provider (PJPUR) to submit reports to Bank Indonesia; 6. Bank Indonesia conducts direct supervision and indirect supervision over banks and PJPUR, as well as monitoring of banks that manage cash deposits; 7. Coordination and cooperation between Bank Indonesia and competent agencies in eradicating counterfeit money and/or in countering money counterfeiting in the planning, printing and disposing of Rupiah-denominated money 8. Imposition of administrative penalties to banks and PJPUR. 	BRI needs to develop internal regulations on the submission of regular and incidental reports to Bank Indonesia. Internal. The regulations need to apply to the working unit(s) that are responsible for developing, submitting, and revising reports when necessary.
12	Regulation of the Financial Services Authority RI No. 35/POJK. 05/2018 Year 2018	Business Implementation of Financing Companies	<p>This POJK contains:</p> <ol style="list-style-type: none"> 1. Financing business activities 2. Advance payment in motor vehicle financing 3. Financing cooperation 4. Anti-Fraud Strategy 5. Certification and sustainability requirements for the main party 6. Participation 7. Funding 8. Bans 9. Financing debt ratio 10. Equity 11. Level of financial health 12. Financing company in electricity and shipping industries 13. Submission of periodic reports 14. Penalties 	BRI needs to develop regulations on financing facility to financing companies in accordance with this POJK



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

No	Regulations	Subject	Description	Impact for BRI
13	Regulation of the Financial Services Authority No. 11/POJK. 03/2019	Prudence in asset securitization of commercial banks	This POJK contains: <ol style="list-style-type: none"> 1. General provisions 2. Bank activities in asset securitization 3. Maximum provision of facilities 4. Reporting 5. Penalties 	Impacts: <ol style="list-style-type: none"> 1. In the event that BRI is engaged in asset securitization, the Bank will apply to obtain the relevant license to the Financial Services Authority 2. In the event that BRI is engaged in Asset Securitization of Mortgages, BRI will create a risk management guideline on asset securitization prudence and the relevant SOPs. 3. BRI will make agreements relating to each of asset securitization.
14	Regulation of the Financial Services Authority: 16/POJK. 05/2019	Supervision on PT Permodalan Nasional Madani (Persero)	This POJK contains: <ol style="list-style-type: none"> 1. PNM's Organizational Structure 2. PNM's productivity ratio limits 3. Compliance with financial health level 4. Implementation of good corporate governance principles 5. Effective implementation of risk management 6. Annual Report Compliance 7. Implementation of anti-fraud strategy 8. Prohibitions applicable to PNM companies 	Impact to BRI: BRI will arrange monitoring process on PNM companies in accordance with the criteria set out in this POJK.
15	Impact analysis of the Minister of Trade regulation RI number 45 year 2019	Export-Prohibited items	This ministerial regulation stipulates the prohibition of exports of goods in 4 (four) industries: <ol style="list-style-type: none"> 1. Agriculture: natural rubber and gums in primary forms, plates slabs, strips, etc. 2. Forestry: coarse timber, stripped or dried from its sap or otherwise, <i>simpai</i> timber, cut down poles, piles, poles that are sharpened but not sawed, roughly cut wooden sticks that are not lathed, cross-tie, rails for trains or trams, etc. 3. Mining: natural sand of all kinds; other clay (excluding clay of 68.06), andalusite, kyanite, and sillimanite -- calcined or otherwise; mullite; chamotte soil; diatom soil (e.g. Kieselguhr, Tripolite, and Diatomite) and such soils containing silica, calcined or not, with mass of 1 or less; other minerals not specified or included in other posts. 4. Cultural heritage: collections and collectors' items that have values in zoology, botany, mineralogy, anatomy, history, archaeology, paleontology, ethnography or numismatics; and antiques that generally exceed 100 years old 	BRI will adjust of the provisions of its Loan Portfolio Guidelines (LPG) year 2018 especially related to the list of prohibited items.

Financial Review

No	Regulations	Subject	Description	Impact for BRI
16	Regulatory Impact Analysis of the Supreme Court Regulation (PERMA) No. 4 of 2019	Amendment to the Supreme Court Regulation No. 2 of 2015 on Simple Lawsuit Procedure	<p>This PERMA contains:</p> <p>I. Background</p> <p>This PERMA was drafted to optimize the settlement of a simple lawsuit especially in terms of the material value of the lawsuit, plaintiff and defendant's jurisdiction, the use of electronic system to administer a case, objections, execution of collateral forfeiture, execution procedures.</p> <p>a. Simple lawsuit settlement refers to court examination of civil lawsuits with material value of no higher than Rp500 million that requires simple settlement procedure and evidence.</p> <p>b. A simple lawsuit is filed against a default and/or contravention of the law with material value in lawsuit that does not exceed Rp500 million</p> <p>c. In the event that the plaintiff located outside of the jurisdiction of the defendant's domicile, the plaintiff will need to appoint an attorney, incidental attorney, or a proxy having residence in the same jurisdiction as the defendant and is equipped with a formal letter of assignment from the plaintiff's institution.</p>	BRI will make necessary adjustments relating to the simple lawsuit
17	Regulatory Impact Analysis of the Minister of Agrarian Affairs and Spatial Planning (ATR)/Head of Indonesian Land Agency (BPN) Number 9 of 2019	Integrated Electronic Services for Encumbrance Rights	<p>This regulation contains:</p> <p>I. Background</p> <p>The regulation is issued to provide a legal basis in improving the services for encumbrance rights in which the services meet the principles of openness, timeliness, speed, ease, and affordability applicable to public services so as to become more effective and efficiently by utilizing electronically integrated information technology.</p> <p>II. The mechanism of integrated electronic services for encumbrance rights:</p> <p>a. Registered users submit the application to access the encumbrance rights electronic service system (HT-el) from the ministry.</p> <p>b. The applicant states in writing the validity and correctness of the filed electronic documents (statement template attached).</p> <p>c. The required documents, i.e. Land Rights Certificate or Ownership Certificate of a Vertical Housing Unit, must bear the name(s) of the debtor(s).</p> <p>d. The applicant must keep the original copy of the said documents</p> <p>e. In registering for Encumbrance Rights, the required documents, i.e. the Encumbrance Rights Deed from a Land Deed Official, must be submitted in electronic copy through an electronic system that is integrated with the HT-el.</p> <p>f. The HT-el system will issue receipt of application registration, containing:</p> <ol style="list-style-type: none"> 1. Application number 2. Application date 3. Applicant's name, and 4. Service fee payment code. <p>g. Subsequent to obtaining the above receipt, the applicant is required to make payment to a revenue collection bank no later than 3 (three) days after the application date. The application is automatically void if the applicant fails to make payment.</p> <p>h. An application is processed after application data and application registration fee are confirmed by the system. Otherwise, system, the applicant may confirm directly to the Land Office or complaint service.</p> <p>III. Encumbrance Rights recording:</p> <p>a. The encumbrance rights application is processed by recording the rights into the logbook of land and Land Rights Certificate or Ownership Certificate of a Vertical Housing Unit by the Head of the Land Office</p> <p>b. The recording of encumbrance rights may be carried out by a Creditor by printing notes published by the HT-el System.</p> <p>Creditor then attaches the printout of the record above on the Land Rights Certificate or Ownership Certificate of a Vertical Housing Unit.</p>	BRI will adjust the provisions on collateral and the amendments thereto and prepare the technical guidelines by considering the items prohibited in the Integrated Electronic Services for Encumbrance Rights in reference to the ministerial regulation.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

No	Regulations	Subject	Description	Impact for BRI
18	Regulatory impact analysis of Regulation of the Minister of Public Works and Housing No. 11/ PRT/M/2019	System on Initial Agreement of Property Sales and Purchase	<p>I. Background</p> <p>The regulation was issued as a legal basis to optimize the regulation on the agreement of sales and purchase of vertical housing units pursuant to Article 43 of Law No. 20 of 2011 regarding Low-Cost Vertical Housing, as well as to carry out Article 42 Paragraph (3) of Law No. 1 of 2011 on Housing and Settlements.</p> <ol style="list-style-type: none"> 1. This regulation covers the Property Sales and Purchase Agreement (PPJB) system, consisting of marketing and PPJB. The PPJB system applies to Regular Housing under Personal Ownership and Commercial Housings in the form of Individual Housings, Low-Cost Multiple-Story Duplex, and High-Rise Vertical Housing. A housing developer in a PPJB system may be an individual or a legal entity. 2. The provisions on marketing in this regulation are: <ol style="list-style-type: none"> a. A developer may market an Individual Housing or Duplex Housing during or prior to construction. b. A developer may work with marketing or sales agents to market the housing units. c. A developer is responsible for the marketing information and explanation provided to prospective buyers referred to by marketing or sales agents. d. Marketing materials must contain accurate and clear information and ensure information validity about the development planning and physical conditions. Marketing information to the community must contain at least: <ul style="list-style-type: none"> - Number of planning letter issued by district/city office; - Number of Land Rights certificate bearing the name of the developer or land owners that are in cooperation with the developer - Letter of support from banks/non-banks; - Number and date of incorporation for a legally incorporated developer or identity number of an individual developer as well as the identity of landowners who cooperate with the developer; - Number and date of issuance of construction permit of model house or property construction; - The housing siteplan, landed or vertical; - The specifications of buildings and layout of housing, landed or vertical, presented vertically so as to disclose the interior plan of the structure - Selling price of the housing, landed or vertical units; - Clear information about general infrastructure, facilities and utilities promised by the developer; and - Clear information on shared sections, shared items, and shared lands for the construction of a vertical housing. 3. The provisions on PPJB are: <p>PPJB may be entered into after the developer meets all of the requirements:</p> <ol style="list-style-type: none"> a. Land tenure status (proven by a certificate of land rights and shown to prospective buyers at the execution of PPJB); b. The objects of agreement, at the very least: <ul style="list-style-type: none"> - Home conditions; - Infrastructure, facilities, and utilities; - Explanation to the prospective buyer the content of PPJB; - Status of land and/or buildings in the event that the land/ building is used as collateral c. Construction permit for a master house (original copy shown to prospective buyer at the time of the execution of PPJB); d. Availability of standard housing infrastructures, facilities, and utilities (proven by the availability of at least paved roads and rainwater disposal/drainage, construction sites of infrastructures/ facilities/utilities; and a statement letter from the developer regarding the availability of power sources and water resources); e. Availability of standard infrastructure, facilities, and utilities for vertical housing (proven by a written statement from the developer on the availability of land ready for construction exclusive of shared lands); f. Construction of at least 20% (twenty percent) the total structures according to the report from development supervisor consultant or construction management consultant with the following provisions: <ul style="list-style-type: none"> - For individual housing or duplex housing, at least 20% (twenty percent) of the total housing units must be developed with the availability of standard infrastructure, facilities, and utilities in the planned housing; or - For vertical housing, at least 20% (twenty percent) of the construction being marketed. 	BRI will make adjustments to the terms

Financial Review

No	Regulations	Subject	Description	Impact for BRI
19	Impact analysis on PBI number 21/13/PBI/2019 on changes to PBI number 20/8/PBI/2018	Loan to Value ratio for property credit, Financing to Value ratio for property financing, and advance payments for credit or financing of motor vehicles	<p>The key provisions in the PBI are as follows:</p> <p>I. Background</p> <ol style="list-style-type: none"> To encourage economic growth amid stable risk of credit or financing, a macroprudential policy is required. The policy shall be favorable and introduces relaxed provisions, especially in loan-to-value in property financing and down payment in motor vehicle financing. In line with the favorable macroprudential policy and efforts to encourage environmentally sound economics (green economy), the central bank's support is required through its policy on loan to value ratio, financing to value ratio, and down payment for green property and green motor vehicles. <p>The procedures for collateral assessment are as follows:</p> <ol style="list-style-type: none"> For credits with ceiling of up to Rp10,000,000,000.00 (ten billion rupiah), the value of collateral is based on the estimates made by the Bank's internal or independent assessor, and For credits with ceiling of above Rp10,000,000,000.00 (ten billion rupiah), the value of collateral is based on the estimates made by an independent assessor. 	The impact of the issuance of PBI then BRI will make adjustments to internal MEGANCU provisions at PBI number 21/13/PBI/2019 on the change of PBI number 20/8/PBI/2018

IMPLEMENTATION OF ACCOUNTING POLICY CHANGES

BRI and its subsidiaries adopted accounting standards on January 1, 2019, which are considered relevant to the consolidated financial statements, namely:

No.	Accounting Policies	Changes	Change Impact to BRI
1	IFAS No. 33, "Foreign Currency Transactions and Advance Consideration",	Clarifies the use of transaction date to determine the exchange rate used in the initial recognition of assets, expenses or corresponding revenues when the entity has received or paid advance considerations in foreign currencies.	Does not cause significant changes to financial reporting and disclosures in financial statements.
2	IFAS No. 34, "Uncertainty over the Income Tax Treatments",	Uncertainty over the Income Tax Treatments", clarifies and provides guidance in reflecting the uncertainty over income tax treatments in financial statements.	Does not cause significant changes to financial reporting and disclosures in financial statements.
3	SFAS No. 24 (2018 Amendment), "Employee Benefits on Plan Amendments, Curtailments or Settlements",	Provides clearer guidance for entities in recognizing past service costs, settlement gains and losses, current service costs and net interest after Plan amendments, curtailments or settlements caused by changes to the latest actuarial assumptions (previously using actuarial assumptions at the beginning of annual reporting period). In addition, the Amendment to SFAS No. 24 also clarifies how the accounting requirements for program amendments, curtailments or settlements can affect the involved assets' ceiling limit requirements in reducing surpluses which causes the impact on the assets to change.	Does not cause significant changes to financial reporting and disclosures in financial statements.



MANAGEMENT DISCUSSION & ANALYSIS

Financial Review

BUSINESS CONTINUITY INFORMATION

The threat of BRI's business continuity can originate from potential disruptions/disasters caused by, among others, nature, people and technology. To anticipate the impact of this potential disruption, the BRI Directors developed and implemented a Business Continuity Management (BCM) Policy set out in the BRI NOSE Circular Letter: S.26-DIR/DMR/12/2016. The objectives of BCM policies include protecting the workers' lives' security and safety, protecting the customers and other stakeholders' lives in the BRI Operational Work Unit (Disaster Management Plan), and maintaining the continuity of the most important business/operational activities, safeguarding BRI assets and responding adequate in a disruption/disaster situation (Business Continuity Plan).

BRI BCM implementation covers all BRI work units, which among others are carried out through the formation of a Crisis Management Team, the preparation of Call Trees and the establishment of alternate sites. The BRI work unit has also carried out a Threat and Disaster Risk Assessment (PRAB) which aims to identify the resources needed in order to prepare for threats / disasters in each work unit. As one of the implementation of BCM BRI has Emergency Response Plan (ER Plan) and Business Continuity Plan (BC Plan) policies for Critical Work Units. To ensure that the policy can be used during disruptions / disasters, the ER Plan and BC Plan trials are carried out annually and prioritized in disaster-prone work units.

BRI's readiness to ensure the implementation of business continuity procedures has been well tested in the event of disasters experienced by several BRI Work Units.

In accordance with Law Number 9 of 2016 concerning Financial System Crisis Prevention and Handling, POJK Number 2/POJK.03/2018 concerning the Establishment of Systemic Banks and Capital Surcharge, and POJK Number 14/PONK.03/2017 concerning the Action Plan (Recovery Plan) For Systemic Banks, BRI as one of the Systemic Banks has prepared a Recovery Plan Document.

Financial Review

The action plan is the stage of the plan to be carried out if the Systemic Bank experiences a condition of financial stress that can endanger business continuity. Therefore the Action Plan prepared by BRI has included scenarios aimed at preventing, recovering and / or improving conditions that endanger BRI's business continuity.

BRI's Action Plan document has included matters stipulated in the POJK. The Action Plan includes scenarios and recovery options to be implemented by BRI based on indicators that include capital aspects, liquidity aspects, profitability aspects, and asset quality aspects.

In 2019, BRI conducted the BRI Action Plan evaluation and updating as a follow-up to fulfilling obligations in accordance with the POJK Action Plan. Changes in BRI's capital trigger level (CAR) to 14.75% to less than 15.5%. This change is in line with changes in BRI's Minimum Capital Requirement (KPMM) in force in 2019 in accordance with POJK Number 11/POJK.03/2016 concerning Commercial Bank KPMM.

The Action Plan document that has been updated has been approved by the Board of Commissioners, Dwiwarna A Series Shareholders as Controlling Shareholder (PSP), and OJK.



MANAGEMENT DISCUSSION & ANALYSIS

HUMAN CAPITAL DEVELOPMENT

Human Capital Directorate

With its current total employee reaching more than 125 thousand, proper human capital management becomes one of the critical factors to foster BRI future business development. To that end, the Human Capital Directorate set the targets for the enhancement of employee engagement through culture transformation management in order to increase employee productivity.



HUMAN CAPITAL DEVELOPMENT

BRI's Human capital development has been aiming to build skilled human resource in digital services, specifically digital banking. Work process has also been digitalized for higher efficiency and work convenience.

BRI considered Human Capital or all of its Employees as the Company's main assets, to jointly realizing the Company's vision to become 'The Most Valuable Bank in South East Asia and Home to the Best Talent in 2022.

BRI is committed to human capital development to ensure that as the Company's backbone they are competent and upholding their integrity. As such, in line with the current dynamic digital era. BRI strives to transform in both business and human capital development. Employee competency enhancement in both hard competency and soft competency becomes BRI's main priority in preparing Brilian Leader.

Broadly, as part of its digital journey, BRI has established fast, proper and accurate technology-based media services for all its employees. As a result, BRI received the ISO 9001:2015 certification for its continuous commitment in human capital development. This is qualified as proper quality management in human capital data management system, communication, as well as payment compensation and benefits.



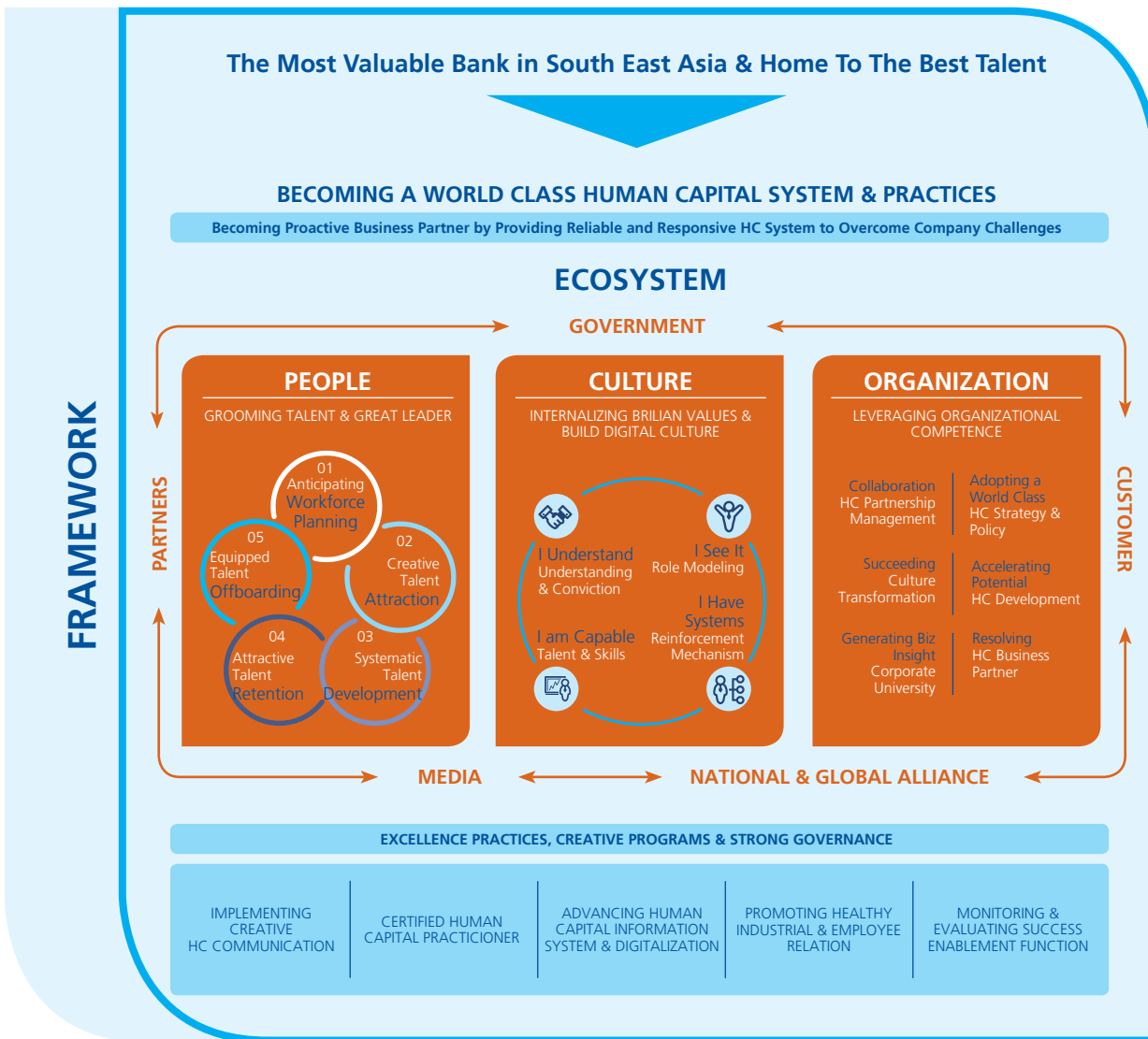


MANAGEMENT DISCUSSION & ANALYSIS

Human Capital Development

HUMAN CAPITAL POLICY

In human capital management, BRI aims to becoming a world class human capital system and practices, which is elaborated in the following human capital development framework:



HUMAN CAPITAL DEVELOPMENT IN 2019

PEOPLE - GROOMING TALENT & GREAT LEADER

Strategic Workforce Planning

Every company must address the disruptive conditions and uncertainties as impacted by the industry 4.0 revolutions. To win this global competition, BRI redesigned its strategic workforce planning.

HUMAN CAPITAL DEVELOPMENT

BRI integrates its human capital planning with the Company's business plan and human capital requirements plan, which resulted in an accurate formula to achieve optimum productivities (right people, right skills, right place, right time, right cost). In decision-making process, the comprehensive planning is carried out based on scientific data analysis

Creative Talent Attraction

To attract millennial and z generation in the talent war, BRI strives to innovate in its recruitment program in order to achieve the best talents.

BRI cooperates with excellent universities in Indonesia for its recruitment process, by participating in job fairs, campus hiring as well as other outreach recruitment programs. Moreover, BRI has since 2013 launched the e-recruitment apps aimed at expanding the coverage network for the best candidates across Indonesia. As part of the SOEs, BRI also actively involves in joint recruitment organized by the SOE Ministry.

Systematic Talent Development

BRI prepares talent specialists by launching the employee competence enhancement programs. BRI strives to develop employee's competencies for both hard competency and soft competency. Objective competency development is carried out by providing equal opportunities for employee, which is rendered in the framework of 70-20-10 models for learning development.

In career development, BRI also provides equal opportunities to all employees. This is done by adding higher authority in duties and responsibilities from the current assignment (job enrichment), or by adding number of duties and responsibilities of employee at the same level that are not part of current duties and responsibilities (job enlargement).

Career development program is also carried out based on fair opportunity principle, where every employee has an equal opportunity to grow and develop by taking into account the Company's requirements factor, proposed job family, capability, performance, talent classification, position availability, and other requirements.

Attractive Talent Retention

Proper remuneration management is one of the Company's key strategies in winning the talent war and retain best talent. Apart from retaining high-achievers in the Company, good remuneration system also attract external sources of best talent candidates to join the Company, including to motivate employee to consistently deliver excellent performance. To that end, BRI implements fair principle of remuneration system management internally however remain competitive externally. This is aligned with the Company's strategy and in compliance with the regulations.

BRI considers market conditions, industrial prevalent practices, and the Company's capabilities in implementing its remunerations strategy, hence to accommodate changes in employee's demography and manpower cost management.

Generally, BRI remuneration system includes salary, annual salary adjustment, religious holiday allowance, annual leave allowance, and main leave allowance provided for each 6-year working period. In addition, the Company also provides health facilities for employee and its dependants, including the first level of outpatient insurance, advance level of outpatient insurance, maternity, dental, general medical check up, eye-glasses allowance and retirement health programs.

BRI also provides variable compensation for its employees such as an exclusive allowance adjusted with the region characteristics, performance benefits, certain position allowance, over-time compensation, performance achievement bonus, and long-term incentive program in share ownership for the employee. BRI supports official duty by providing facilities such as lumpsum for house-lease, official residents, and rented official vehicles.



MANAGEMENT DISCUSSION & ANALYSIS

Human Capital Development

Smooth Landing Offboarding

As a trusted-based industry, banking and financial services are highly regulated in every aspect of its businesses. BRI strives to ensure all manpower relations rules in its human capital management aspect has complied with and adhered to the prevailing laws and regulations, including rules on work termination.

Work termination between the Company and employee is stipulated based on the prevailing laws and regulations, which include the following types of termination that are applicable in BRI, among others:

1. Resignation
2. Incapable
3. Over capacity of manpower
4. Retirement
5. In custody by Authorities
6. Convicted by Court Decision
7. Disciplinary conduct
8. Health issue
9. Pass away

The following are detailed of BRI work termination during 2019:

Types of Termination	Male	Female
Reaching Retirement Age	607	224
Health Issues	9	1
Resign	860	545
Pass away	95	11
Others	254	62
Subtotal	1.825	843
Total	2.668	

RETIREMENT PROGRAMS

BRI provides benefits program to improve employee's convenience during active employment following the end of tenure or retirement. The programs are as follows:

- Defined Benefit Pension Plan (PPMP)
- Defined Contribution Pension Program (PIIP)
- Old-Age Benefit (THT)
- Jamsostek Old-Age Security Program (JHT)
- Pension Guarantee Program (BPJS Employment)
- Retirement Health Care (Prospens) and BPJS Health Insurance Program

Human Capital Development

In the retirement preparation, employees are entitled to receive entrepreneurship education from the Company as the provision in entering retirement. This is applicable for employees that remain covered under the Retirement Health Care and BPJS Health Insurance Program.

WORK CULTURE

Internalizing Brilian Values & Build Digital Culture

In every culture program, the following 3 objectives are a must, namely vision, employee value proposition and core values.

Corporate culture is one of the foundations to support the achievement of the Company's aspirations and address the long-term business challenges. Work Culture was established to become the Company's foothold and as a guideline for all BRI personnel in their conduct and action, including value to foster the Company's performance.

The implementation of BRI Work Culture Revitalization is formulated in:

- Five core values of work culture called BRILiaN. The core values are important values that serve as guidelines for employees in their conduct and action, both in relations with customers, fellow employees and other external parties;
- Ten main conduct of BRI employees; and
- Twenty acts of BRI employees work culture.

Work Culture Core Values

To achieve a proper-internalized work culture, behaviors, symbols and systems are required. As such, BRI initiated five core values of the Company's work culture as follows:

1. Integrity	Integrity that has the meaning of always having commendable thought, saying and behavior, maintaining the honor, and obeying the rules. Behavior that shows the value of integrity is open, honest, sincere and obedient to the rules.
2. Professionalism	The Professionalism that has the meaning of always committed to work thoroughly and accurately with the best ability and full of responsibility. Behavior that shows the value of professionalism is continuous learner and fairness.
3. Trust	Trust that has the meaning of always-building confidence and trust among stakeholders for the sake of the Bank's progress. Behavior that shows the value of trust is mutual respect and prioritizing the interests of the Bank and the Country.
4. Innovation	Innovation that has the meaning of always utilizing the ability and expertise to find new solutions and ideas to produce products/ policies in answering the challenges of the Bank's problems. Behavior that shows the value of innovation is visionary and pioneering change.
5. Customer Centric	Customer Centric has the meaning of always placing the customer as the main partner of mutual benefit to grow on an ongoing basis. Behavior that shows the value of customer centric is to serve more than customers' expectation sincerely and collaboratively.



MANAGEMENT DISCUSSION & ANALYSIS

Human Capital Development

The scope of Corporate Culture Revitalization includes:



Work Culture Revitalization consists of two programs:

1. Internalization Program; and
2. Externalization Program.

Work Culture Internalization Program

BRI has established the following internalization programs:

Performance Improvement Forum (PIF)	A forum established for employees to participate actively in the creation of strategies and actions that can improve the performance of each work unit in order to achieve its target.
Focus Group Discussion (FGD)	A discussion forum organized with both internal and external parties as part of PIF series of activities. This forum is a formal mechanism to improve transparency culture to improve operating units' performance. The discussion in FGC includes service quality, issues, critics and recommendations, including solutions for operating units.
SportArtcular	Sports and arts activities held by the Company in collaboration with all BRI Community to welcome BRI Anniversary.
Family Gathering (FG)	Activity organized by the Bank for refreshing for employees and their families as well as a means to apply to Know Your Employee principles.
Change Agent Forum (CAF)	Forum organized at BRI Operating Units in order to create, develop, expand, evaluate and monitor BRI's Corporate Culture programs.
The Best Change Agent	Award program for the best Change Agent selected through a selection process with certain criteria.
BRILiaN Rookie Program	A coaching program to a new employee in a work unit for 1 (one) year supported by a prepared manual, which aims to assist the process of adjusting new employee.

Human Capital Development

BRI Excellence Award (BEA)	A reward program for employee and the Operating Unit that consistently has the best performance, culture and innovation in the Bank that is expected to be a means to find the best talent, and to encourage the emergence of positive cultures to support Bank's competitiveness.
BRI Millenials Forum (BRIShine)	An internalization program of work culture aimed at BRI millennial's employee in the form of discussion forums to discuss the condition of the Bank or the latest banking with a relaxed atmosphere.

Work Culture Externalization Program

BRI work culture externalization program is as follows:

BRI Communities	BRI Communities (BRIComm) is established on 25 April 2018. A community formed by BRI employees who have an interest in interest in a similar activity. Currently BRI already has various communities including bicycle community, photography, basketball, golf, running, band, dance, tennis and more.
Bussines Gathering	Relationship-building activity performed by BRI Employee with certain customers or communities that aim to increase BRI's customer loyalty.
Social Activity (BRI Peduli)	BRI's social responsibility activities towards social development.
Religious Activity	The religious activities carried out by BRI Spirituality Board.

Monitoring of Company's Work Culture Implementation

BRI Work Culture implementation has enhanced human capital management quality as reflected by the improvement of the following benchmarks:

1. Value of Corporate Value Self Assessment (CVSA), a reflection of Corporate Culture values implementation by all BRI employees and reported in real time on line by Change Agent (CA) that has been determined in each Work Unit.
2. BRI Internal Service Survey (BISS) value, a survey result or input from customers, both internal and external to each BRI Work Unit on Service Quality provided to customers.
3. Value of Corporate Culture Index (CCI), a ratio between the Work Unit performance and value of CVSA and BISS. The CCI value is a measurement index to identify the relationship between the Company's performances compared to organizational culture.

Culture of Innovation with BRI Excellence Award (BEA)

To enhance engagement and innovation competitiveness, BRI periodically organizes the BRI Excellence Award (BEA) event. Recognition to employees and work units that consistently performing is a prerequisite.



MANAGEMENT DISCUSSION & ANALYSIS

Human Capital Development

ORGANIZATION

Leveraging Organizational Competence

An international standard human capital management is required to enhance employee productivities. To support this, BRI in 2019 has established new organization model for human capital management that consists of Human Strategy & Policy Division, Human Capital Business Partner, Human Capital Development, Human Capital Partnership Management and BRI Corporate University.

Advancing Human Capital Information System & Digitalization

BRI has in place the Management Information System (MIS), an information technology-based system for human capital management. The system is integrated in the human capital management process, from planning to work termination. MIS is a dual control system that deliver accurate and comprehensive data/information. The details are as follows:

- a. Strategic Planning & Analytics
- b. Talent Attraction
- c. Talent Development
- d. Talent Retention
- e. Talent Offboarding

BRI has launched chatbot service in Telegram apps called BRIGITA. All BRI employees can submit any queries through BRIGITA in relations with human resources issues. The reply will be done in real-time.

IT system development continues to be implemented to enhance human capital management effectiveness and efficiency, which will be automated and toward Employee Self Service (ESS). The system will be supported by BRISTARS apps, a web-based application that can be accessed by all employees to carry out self-service and business processes in human capital. Other than web-access, BRI also launched mobile version of BRISTARS in 2019, which enable a touch of a finger by employees when accessing the human resources application.

INDUSTRIAL RELATIONS

BRI considers all of its employees as the Company's assets and backbone in achieving every objective. To that end, BRI strives to create an open and positive working environment. One of the efforts taken was to maintain the favorable industrial relations between Employees and the Company.

In establishing relationships with employees, BRI always upholds the basic principles of industrial relations management, as follows:

Upholding Freedom of Association

Every BRI Employee is permitted to gather, associate and express his/her opinion. Within the Company's environment, every employee can easily register and join a labor union membership. BRI Labor Union is the Company's strategic partner in creating quality and harmonious industrial relations.

Human Capital Development

BRI conducted several measures to maintain harmonious industrial relations between the Company and Employees, among others realized by:

1. Meeting on Collective Labor Agreement (CLA) between BRI and BRI Labor Union (SP) in 2019 and agreed on CLA 2019-2021 period. The CLA document stipulated the personnel administration, rights, obligations, benefits, and facilities for the Company and Employees.
2. The Bipartite Cooperation Institution (LKS) Forum is held to communicate the latest Company policies, accommodating all aspirations/proposals from Employees, as well as coordination between the Company management and Employees hence the disputes or problems that may arise in the Work Unit can be detected early.
3. Implementation of periodic meetings between National Labor Union Managers and Head Office Management.
4. The implementation of activities to enhance Employees engagement towards the Company and carry out other forms of communication such as worship, social, sports, arts and other activities involving Employees.

Anti-Discrimination Policy Implementation

BRI strives to uphold the principle of equality and implements anti-discrimination policies in every function of human capital management.

One of the equality principle implementations in the Company is the opening of employment opportunities for disabled employees. The positions and the types of work are adjusted to the level of expertise and skills of each employee with disabilities.

In 2019, BRI employees with disabilities was recorded at 95 personnel with details as follows:

Work Units	2018		2019	
	Male	Female	Male	Female
Head Office	21	13	15	12
Regional Office	34	27	18	21
Total	95		66	

Diversity Programs

As one of the Nation Pride SOEs with the Work Units operates across Indonesia, BRI's employees' demographics are very diverse. BRI considers diversity as an added value that can foster the Company's excellent endeavors.

To that end, BRI is committed to foster every diversity program. One of the supports is manifested through budget allocations for physical and spiritual development that are utilized to carry out commemoration of religious activities and other activities that support diversity.



MANAGEMENT DISCUSSION & ANALYSIS

Human Capital Development

Employees Complaints Handling

In addition to Bipartite LKS facilities, BRI also provides other alternative facilities to address the information and handling of employee's complaints that can be accessed easily and real-time.

Apart from Human Capital Call Center service, in 2019 BRI launched a chatbot service in the Telegram application called BRIGITA. Through BRIGITA, all BRI Employees can ask questions related to human resources issues that will be replied in real time.

Monitoring of Discipline Violation Cases Settlement

To strengthen corporate governance (GCG), BRI facilitates reporting of disciplinary violations by employees through a Whistleblowing System (WBS), which is directly monitored by the Company's top management.

In an effort to maintain good environment and work ethics, the management is committed to upholding the employee's discipline in the Company. To this end, BRI has enhanced the Industrial Relations Portal Application in 2019. The enhancement enables the Head Office Management to monitor every progress of disciplinary violations settlement in all BRI Work Units.

RECRUITMENT SYSTEM

In 2019, e-recruitment apps has been used in all recruitment process from acceptance of application forms to documentation of recruitment results for all BRI's employee across Indonesia. In addition, the video based assessment and online test feature has been developed in 2019 that enable every candidate to participate in recruitment process free of charge without going to the selection location. With this facility, the average new + 250,000 CV was generated every year under this e-recruitment system.

To attain best talents, BRI implements BRILiaN Scholarship program in 2019, which aim to provide scholarships for high-achiever students and as early recruitment channel for the best talents to join BRI. Moreover, BRI also organized roadshow for BRILiaN Scholarship in 2019 at 10 universities in Indonesia, which include University of Indonesia, Institute of Agriculture Bogor, Institute of Technology Bandung, University of Diponegoro, University of Gadjah Mada, Institute of Technology Sepuluh November, University of Brawijaya, University of Telkom, and Binus University. The roadshow has rendered scholarships for 12 best students from those universities.

TRAININGS AND COMPETENCE DEVELOPMENT

Certification for Employees

To enhance the quality of human capital for the achievement of excellent performance, in 2019 BRI has renewed the Certification policy for employee.

This policy enables employee to participate in the certification according to their job fields. Hence aligning their skills or competencies with industrial standards or recognized by concerned institutions.

BRI has organized educational programs during 2019 and has recorded a total of 4,231,199 participants with the composition of 3.06% in Class education, 91.39% e-Learning, and the balance 2.9% of Focus Group Discussion and 2.65% for socialization, with the following details:

Human Capital Development

No	Educational Programs	2017	2018	2019
1	Development	11,326	9,895	13,350
2	Enhancement	1,604,946	2,799,661	3,982,868
3	FPK/FGD	93,691	109,762	122,889
4	Socialization	63,231	67,963	112,096
	Total	1,773,194	2,987,281	4,231,203

Notes:

For Enhancement Educational programs including certifications, public course and e-Learning. While Development Educational include for master degree.

PROFESSION CERTIFICATION INSTITUTION & TRAINING INSTITUTION OF BRI

To ensure the achievement of competency and talent attainment in BRI employees, to jointly achieve the BRI vision of "Home to The Best Talent" as well as to become Excellent HR for Progressive Indonesia, through the Decree of BRI Board of Directors No. B.723-DIR/CDS/10/2019 dated 29 October 2019, BRI has established the Profession Certification Institution (LSP BRI) aims to organize Competency Test for all BRI Group employees. LSP BRI as the LSP P2 is the extension of the Profession Certification National Agency (BNSP), hence the issuance of competency certificates from LSP BRI is a State certificate with the Garuda Bird Emblem.

BRI Corporate University and Campus BRI Corporate University Across Indonesia have also been registered to the Department of Manpower and Transmigration to become a Corporate Training Institution (LPK). Subsequently, BRI Corporate University can issue 'Training Certificate' and record all BRI Employee Education and Trainings in the Manpower Ministry.

HUMAN CAPITAL DEVELOPMENT COSTS

BRI recorded Rp696 billion for the education and human capital development costs in 2019. BRI successfully recorded cost efficiency by 72.9% with cost per employee of Rp165,000 per participant through e-learning. The following are details of the costs during 2019:

Learning Cost

Rp million

Program	Real 2019
Development	138,293
Enhancement	384,395
Total Development & Enhancement	522,688
FPK/FGD	154,335
Socialization	4,771
Literasi	200,46
Support	14,799
Total FPK, Social, Literacy, & Support	174,106
Total Cost	696,794



MANAGEMENT DISCUSSION & ANALYSIS

Human Capital Development

Learning Participants

Programs	2018	2019	%
Development	9,895	13,350	34.9%
Enhancement	2,799,661	3,982,868	42.2%
Total Development & Enhancement	2,809,556	3,996,218	42.2%
FPK/FGD	109,762	122,889	12%
Socialisation	67,963	112,092	64.9%
Total FPK, Social & Literacy	177,728	234,981	32.2%
Total Participants	2,987,284	4,231,199	41.6%

Learning Cost Efficiency (Cost per Participant)

Programs	2018	2019	% Efficiency
Development	10,781	10,359	3.9%
Enhancement	116	96,5	16.8%
Cost per Participant I	153	131	14.6%
FPK/FGD	1,419	1,256	11.5%
Socialisation	50	43	15.4%
Literacy	-	-	-
Cost per Participant II	972	741	23.8%
Total Cost per Participant I & II	202	165	18.4%

Efficiency was recorded at 18.4% in 2019 compared to the realization in 2018. This was due to the increase in total Enhancement participants that were dominated by e-learning, resulted in a lower cost per participant.

Learning Effectiveness

During 2019 BRI has conducted development and enhancement programs for 4,231,199 participants. The result of BRI educational effectiveness reached 87.85.

Program	Learning Evaluation		Total Evaluation	
	Level 1	Level 2	Level 2	Level 3
Development	85.82	85.76		80.07
Enhancement	84.65	89.69		
Average	84.77	89.28		80.07

Note:
 Passing Grade 77.5
 Level 1: Student Reaction & Satisfaction (30%)
 Level 2: Student Learning Result (Skill & Knowledge Improvement) (50%)
 Level 3: Student Learning Behaviour (Application) (20%)

Human Capital Development

PERFORMANCE AND REMUNERATION ASSESSMENT

BRI benchmarks the performance assessment on 2 (two) issues, namely (i) employee's performance assessment based on agreed key performance indicators (KPI) and (ii) employee's competency fulfillment or improvement.

The system was established with the aim to (i) ensure the conformity of employee's performance with the Company's performance, (ii) encourage, motivate, and direct the employee to continuously improve their performances, (iii) realize clear relations between performance plan achievement with employee's career development (position promotion), and (iv) a performance assessment result serves as one of the factors that influence the stipulation of compensation and benefits, as well as determination of employee's talent class.

To develop performance driven culture in the Company, BRI sharpens its performance assessment aspect, by among other content standardization on Objective Performance Target for Unit Heads, employees with structural positions, and marketing officers. Automation and monitoring of KPI target achievements on marketing officers were carried out with quarterly performance appraisal cycle. BRI consistently standardized the KPI contents for all positions in the Company (except for staffs and administrative officers), which aimed at sharpening the objectivity and maintain the fairness of performance appraisal.

Prior to Objective Performance Target and 360o competency review, the value of Competency Target is initially collected and locked. This is aimed to ensure that performance appraisal is carried out not only from 1 vertical direction of supervisors to staffs, but also between fellow employees and staffs.

BRI sets the KPI in the Performance Management System (MIS) by integrating the Company's targets to all of its employees, hence aligning both Individual and the Company's KPIs. As such, competence-based performance appraisal is expected to deliver objective and fair results.

Employee's remuneration structure is designed based on several factors, such as performance assessment, competency, and the level of living costs in each geographical Work Unit to ensure a fair, competitive system, and according to the needs and capabilities of the Company.

Types of Compensation and Benefits

- Fixed compensation, consisting of Basic Salaries and Benefits.
- Variable compensation given to employees based on performance achievements.
- To provide a sense of security and convenience at work, BRI provides benefits to employees. The benefits are provided during the tenure, such as health care programs or those received after the end of employment such as pension programs, as well as other facilities commonly provided by similar companies in the banking industry.
- To improve employee's engagement and sense of belonging to the Company and provide long-term motivation/incentives to the employee to achieve the Company's performance targets, BRI provides the Employee Stock Ownership Program (ESOP) to its employees in 2019 in the form of Share Bonus phase 1. Employees entitled for a share allocation are permanent employee with certain performance. The grant date is determined on 23 and 24 May 2019.

Increase in Compensation

BRI applies a merit increase strategy for employee's compensation. This means that employee with excellent performance will get higher compensation. Or arguably the increase in salaries is directly proportional to the employee's performance.

In 2019, BRI also adjusted the amount of salary compensation and formulas for performance benefits that was more challenging than in previous years, especially for marketing officers who work as the spearheads of the Company.



MANAGEMENT DISCUSSION & ANALYSIS

Human Capital Development

Turnover Level

One of the measurements on employee satisfaction toward human capital management is turnover level. In 2019, turnover reached a level of 2.29%, lower than the industry turnover of 12%.

This indicates a positive result on the Company's efforts to maintain and retain employees, which were carried out by granting competitive compensation compared to the industry, secure and comfortable benefits, motivated career path, as well as a favorable working environment.

Engagement Level

An internal employee survey in 2019 recorded 78.2% of employees stated their engagement with the Company. An increase from the 2018 survey result of 76%. While 97% of employees stated their satisfaction in working with BRI.

This employee engagement was resulted from initiatives in BRI human capital management. Going forward, the Company remains committed to enhance employee engagement particularly Y generations as the majority of BRI employees that reached 80% of total employees.

Productivity Level

In 2019, the Earning per Employee (EPE) used to measure employee productivity level reached Rp556.16 million per permanent employee. An increase compared to Rp518.81 Million/Employee in 2018.

HUMAN CAPITAL DEMOGRAPHICS

HBRI human capital is currently dominated by generation Y with a composition of 80.19% generation X at 15.60%, generation Z at 3.14%, and baby boomers at 1,07%. The domination of generation Y as tech-savvy generations in BRI employee's composition indicates the Company's success to transform into digital banking.

Employees by Organization Level

The composition of BRI employees according to organization level is as follows:

Organization Level	2017	2018	2019
Senior Executive Vice President	5	3	4
Executive Vice President	98	103	109
Vice President	209	198	177
Assistant Vice President	345	353	345
Senior Manager	735	766	788
Manager	1.331	1.320	1.532
Assistant Manager	5.41	5.599	5.277
Officer	12.003	11.945	12.574
Assistant	72.722	69.656	70.814
Total	92.858	89.943	91.620

Human Capital Development

Employees by Employment Status

BRI employees in 2019 consist of 61,496 permanent employees, 29,852 contract employees and 33,982 outsourcing. The composition of BRI employees by employment status is as follows:

Status	2017	2018	2019
Permanent	60,764	60,947	61,496
Contract	31,994	28,970	29,852
Trainee	100	63	272
Outsourcing	7,929	33,949	33,982
Total	130,787	123,929	125,602

Employees (Permanent, Contract, Trainee) by Education

The majority of BRI employees by education level are Post Graduates and Diploma. The composition of BRI employees according to education is as follows:

Education	2017	2018	2019
Senior High School / Equivalent	2,652	2308	1,955
Diploma	10,134	10,595	10,564
Post Graduates	78,867	75,797	77,767
Master Degree	1,202	1237	1,317
Doctoral Degree	3	6	17
Total	93,679	89,943	91,620

Employees (Permanent, Contract, Trainee) by Age

The composition of BRI employees by age is as follows:

Age	2017	2018	2019
< 25	6,235	4,635	5,931
> 50	4,805	4,767	4,759
25 - 30	46,616	41,304	36,617
31 - 35	17,638	21,606	26,116
36 - 40	8,503	9,023	9,449
41 - 45	3,940	3,980	4,619
46 - 50	5,121	4,628	4,129
Total	92,858	89,943	91,620



MANAGEMENT DISCUSSION & ANALYSIS

Human Capital Development

Growth of Employees by Generation

The majority of BRI employees are Generation Y that is equal to 80.19% or as many as 73,469 employees.

Age	2017			2018			2019		
	L	P	Total	L	P	Total	L	P	Total
Baby Boomers (born in 1944-1964)	2,107	743	2,850	1,347	555	1,902	668	311	979
Gen X (born in 1965 – 1979)	9,660	5,754	15,414	9,269	5,469	14,738	9,000	5,292	14,292
Gen Y (born in 1980 – 1995)	40,636	33,863	74,499	40,484	32,274	72,758	41,609	31,860	73,469
Gen Z (born after 1995)	31	64	95	180	365	545	1,020	1,860	2,880
Total	52,434	40,424	92,858	51,280	38,663	89,943	52,297	39,323	91,620

Employees (Permanent, Contract, Trainee) by Gender

BRI's support for gender equality is seen in the practice of employment recruitment with a fairly balanced composition of 42.92% female employees and 57.08% male employees with the following details:

Gender	2017	2018	2019
Female	40,424	38,662	39,323
Male	52,434	51,281	52,297
Total	92,858	89,943	91,620

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MANAGEMENT DISCUSSION & ANALYSIS

INFORMATION TECHNOLOGY & OPERATIONS

Digital, Information Technology and Operations Directorate

Technology and digital are currently becoming the backbone in developing banking services and products. Considering the evolution in banking customers' preferences from previously traditional banking product using conventional bank outlets into digital-oriented banking services and products, the Digital, Information Technology and Operations Directorate therefore ensures the achievement of technology governance and effective information, availability & reliability of BRI information system, effective implementation of information security, development of BRI digital banking as well as the implementation of strategic initiatives.

Throughout 2019, IT development was focused on BRI Transformation Blue Print that emphasizes on digital transformation. This underlines the strategic function of information technology and operations, as well as its direct role in the implementation of the Bank's business initiatives.



BRI's shift of business focus to digital services underlines the strategic function of information technology and operations, as well as its direct role in the implementation of the Company's business initiatives.

Information Technology (IT) development answers business needs in two ways, namely in terms of customer service and how the Company's operates. Quick, convenience interaction between customers and BRI through the Company's excellent products is made possible by quality IT system. Similarly, in the operation side, IT system drives for higher work and cost efficiency and productivity. Realizing IT's substantial value, BRI regularly improves and upgrades its system to ensure that it is always up to date with the organization's needs.

Information Technology & Operations

Using the latest technologies, BRI distinguishes itself as the leader in the industry by providing the best connectivity and expansive outreach throughout Indonesia. To maintain this, BRI continues to systematically develop its IT system, enabling IT to optimally contribute to the attainment of the Company's performance target, bringing about a digital nation, and advancing the lives of the people at large.

INFORMATION TECHNOLOGY POLICY

BRI's information technology policy refers to the vision and mission that in line with the Company's vision and mission, future Development Roadmap, as well as IT Governance.

IT STRATEGY PLAN

Addressing the market challenges, changes and digitalization trend in the financial and non-financial industry, such as banking value chain disruption, challenged macroeconomics trend, regulatory changes, as well as shifting-customer preferences and new segment establishment, Bank BRI launched the IT Strategy Plan 2018-2022, prepared to create opportunities in reaching its digitalization commitment.

BRI'S INFORMATION TECHNOLOGY VISION AND MISSION

THEME

Becoming "The Most Valuable Bank in Southeast Asia" and "Home to The Best Talent".

VISION

Becoming a technology provider of customer centric oriented, with excellent solutions and services, secure and responsive through innovation and collaboration.

MISSION

1. Developing the best digital talents and enhancing innovative corporate culture.
2. Implementing a Bi-modal IT governance for faster and excellent collaboration with business lines.
3. Building a future-ready, excellent, secure and responsive ICT platform.
4. Optimizing data & analytics governance in order to disclose single source of truth in relations to the customers database and fostering faster decision making.
5. Creating innovative digital banking that are focusing on customer-centric solutions and services.

The IT vision and mission is realized through solid synergy with the Subsidiaries, which is implemented based on the following principles:

1. Cost Reduction
Improve cost efficiency by conducting purchases on a collective economic scale.
2. Cost Avoidance
Save costs through sharing of resources and consolidating IT services and activities.
3. Revenue Enhancement
Creating new sources of income through sharing platforms and information.
4. Group Procurement
Procurement of IT products and services collectively to get a better deal from the vendors.
5. Join Operation
Perform Shared Services or IT co-location operations to achieve operational cost efficiency.
6. Application & E-channel
Application development collaboration are integrated and can be used together.



MANAGEMENT DISCUSSION & ANALYSIS






Information Technology & Operations

7. Standardization
Implement standardization through best practices sharing.
8. Talent Development
Collaboration in the talents development organically and support the acceleration of talent recruitment using the digital technology.

IT ROADMAP AND MAIN WORK PROGRAMS

BRI has determined the IT Strategic Directions roadmap that has been developed based on 5 (five) functional strategy pillars:

1. Nurture Great Digital Talent
2. Drive Bi-modal IT Governance
3. Build Future Ready ICT Platform
4. Leverage Data Governance & Analytics
5. Deliver Innovative Digital Banks

	2019	2020	2021 - 2022
Functional Strategy	Intensify Digital & IT Agility to Drive Leading MSME & Consumer Banking	Foster Integrated Digital Financial Solution Ecosystem	Industry leader on Digital Maturity in Indonesia & Southeast Asia
 Nurture Digital Talent	Enhance ICT Competence & Digital Talent to Enable The Best Business Performance	Digital Talent Center of Excellence	Home to the Best Digital Talent & Mature Digital Dexterity (Holding & Subsidiaries)
 Drive Bi-modal IT Governance	Establish Agile DevSecOps to Accelerate Business Need Delivery	Effective Agile & DevSecOps to Support Business & IT	Mature Bimodal IT Governance
 Build Future Ready ICT Platform	Deliver Excellent, Flexible and Secured ICT Service & Platform	Robust & Secured Digital Architecture & Infrastructure	World-Class Digital Infrastructure
 Leverage Data & Analytics	Provide Fast & Accurate Reporting using Reliable Data Management & Big-Data Analytics	Improved Data Management Process & Big Data Analytics	World-Class Data Company
 Deliver Innovative Digital Banks	Concert Leading Digital Banking and Leverage Transaction thru Open Banking	Innovative Digital & Open Financial Solution	The Most Innovative Digital Financial Ecosystem in Southeast Asia

Information Technology & Operations

IT GOVERNANCE AND RISK MANAGEMENT

Not limited to technical matters, IT-related issues also include the aspects of governance. IT planning and project implementation demands robust management and governance process to ensure that all activities are carried out in the right corridor, and in line with the Bank’s vision and mission.

As such, to maintain IT risk governance and the Bank’s strategic value, BRI’s IT governance is undertaken based on Good Corporate Governance (GCG) principles,.

BRI applies the effective and efficient IT governance frameworks to deliver proper decision making process and leadership in the implementation of IT governance.

To implement a professional management and good corporate governance, BRI is committed to enhance appropriate standards of conduct with reference to best practices and meet the prevailing laws and regulations, as well as consistent in the application of GCG values such as Transparency, Accountability, Responsibility, Independence, and Fairness.

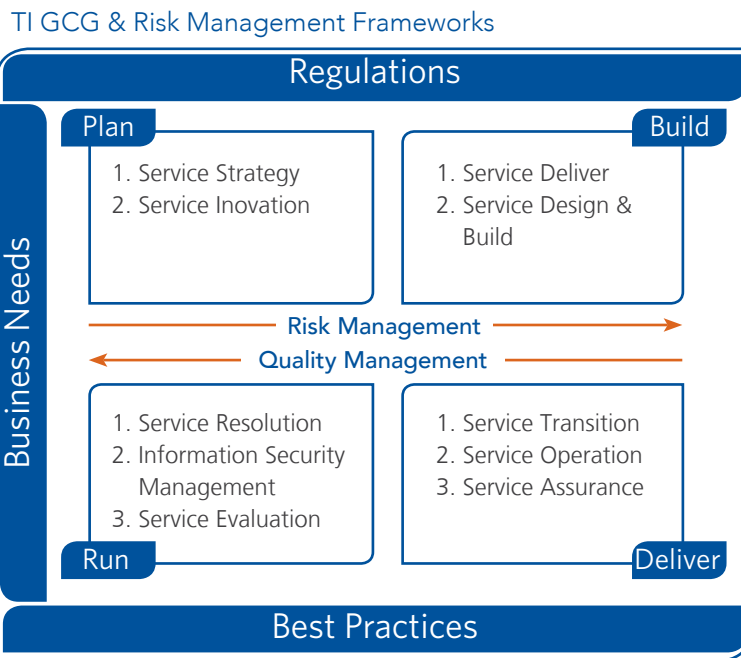
GCG References and IT Risk Management Framework





MANAGEMENT DISCUSSION & ANALYSIS

Information Technology & Operations



IT HUMAN CAPITAL

In terms of IT human capital, it is vital that every individual demonstrates excellent professional competencies, a quality that today has become even more relevant given the highly dynamic business environment and rapid technology development.

As at December 2019, BRI managed 877 Employees under 6 Division of Digital Information Technology and Operations Directorate, which consisted of:

No	Division/Desk	2019
1	Planning and Development Division	286
2	IT Operations Division	274
3	Technology Cooperation Division	40
4	Technology Cooperation Division	107
5	Digital Center of Excellence Division	108
6	Satellite and Infrastructure Network Division	127
Total		942

Information Technology & Operations

IT COMPETENCY

Carried out by the Human Capital Division, IT people development in the form of trainings and certifications was one of BRI's priorities in 2019. A continuous process, people development is all-round program that address all aspects of professional skills, such as communication, character building, and soft and technical skills. In addition, IT employees have always been encouraged to actively participate in various IT forums.

To that end, BRI has mapped-out the training and certification requirements for technical, non-technical and managerial employees. The following are trainings and certifications conducted and attained during 2019:

No	Training Modules	Material
1	Talent Leadership and Management	<ol style="list-style-type: none"> 1. Improve Communication Skill for IT Professionals 2. Enhancement Special Request Project Management 3. Building Capability & Acknowledgement 4. Establishing & Managing The Project Management Office 5. High-Potential Leader: Accelerating Your Impact 6. Digital Leadership Executive Transformation Program 7. Internalization of Value Professionalism "Brilian Presentation" 8. Becoming A Leader of Leaders: Pathways For Success 9. Digital Leadership Executive Transformation Program 10. Personal Branding Year 2019 11. Training for Interpretation of Excellent Performance Assessment Criteria 12. Stakeholder Roles in Minimizing Internal and External Fraud 13. Digital Leadership Executive Transformation Program 14. Design Thinking 15. Management Development Program AVDPD
2	IT Product, Services and Governance	<ol style="list-style-type: none"> 1. TOGAF 9.2 Foundation & Certified 2. COBIT 5 3. BITAF (Business IT Architecture Fundamental) 4. Product Life Cycle 5. BRILian Shine "Moving From Project To Product Centric" 6. Leading And Winning In The Era Of Digital Transformation 7. Agile Training for BRILink Product Development & Internet Banking Teams 8. Product Creation: How Company Can Survive in Fast Changing World 9. In House Training IT Strategic Plan 10. Agile For Executives 11. IT Infrastructure Library (ITIL Foundation V4) 12. Agile Practical Guide 13. Update Digital Banking & Fintech 2019 14. Internal Audit ISO 9001:2015 15. Implementation of ISO 20000 IT SMS 16. Human Capital & Systems Product Development Agile Team



MANAGEMENT DISCUSSION & ANALYSIS

Information Technology & Operations

No	Training Modules	Material
3	Application and Database	<ol style="list-style-type: none"> 1. React & React Native 2. Special Request Aldon 3. Machine Learning 4. JQ & JQM Programming Full Package 5. Android Application Development & Programming 6. Tableau application 7. The IServer Orbus application 8. Software AG-WebMethods 9. Progressive Web Application (PWA) 10. Python Data Science and Machine Learning 11. Microservices With Docker 12. Docker & Kubernetes 13. ASP.NET Core 3 Development 14. Administering Microsoft SQL Server Databases 15. Programming API Service with GraphQL 16. KONY Partnership 17. ESB Web Methods: "Operation Training" 18. MySQL Full Package 19. Advanced Android Development
4	Infrastructure and Service Operation	<ol style="list-style-type: none"> 1. Archimate 3.0 2. Data Architecture Fundamental of IT Governance for Industrial 3. Enhancement Special Request Hadoop Cloudera Admin 4. Visiting World Class Data Center Equinix 5. Training IBM Z Systems 6. Complaint Handling 7. Data Architecture Fundamental of IT Governance for Industrial 8. IServer Orbus Apps 9. Data Science for Manager
5	Security	<ol style="list-style-type: none"> 1. Secure Programming 2. Information Security Management Professional 3. Project Management in IT Security
6	Risk Management	<ol style="list-style-type: none"> 1. Workshop and Test of Risk Management Level 1 Certification 2. Workshop and Test of Risk Management Level 2 Certification 3. Workshop and Test of Risk Management Level 3 Certification 4. Workshop and Test of Risk Management Level 4 Certification 5. Workshop and Test of Risk Management Level 5 Certification 6. IT Risk Management Knowledge
7	Quality Assurance	<ol style="list-style-type: none"> 1. Quality Control & Quality Assurance 2. Advance Level Test Automation Engineer 3. Advance Software Test

Information Technology & Operations

Certifications

No	Certifications Material	Description	Total Certified Employees
IT PLANNING AND DEVELOPMENT DIVISION			
1	Certified Secure Programmer .NET	Certification for security of .Net program languages	2
2	Developing ASP.NET MVC Web Application	A certification program with the ASP.Net infrastructure and implementation skills, apps development, controller concept and action to manage apps workflow.	2
3	Certified Data Science Specialist - CDSS Certification	Skills program certification for Data Scientist.	1
4	COBIT 5 Foundation	Best practices framework certification for Information Technology (IT) governance and management.	1
5	CICPE: Certified IT Capacity Planning Expert	Expertise certification program for IT Capacity Planning	1
6	Implementing a Datawarehouse with Microsoft SQL Server	Skills certification from Microsoft on SQL server and its implementation.	5
7	IT Architecture (TOGAF 9.1)	Corporate architecture framework certification that provides comprehensive approaches for design, planning, implementation, and governance of corporate information architecture.	2
8	Risk Management Level 2 Manager Certifications	Risk Management competence certification for the professionals to apply and develop Risk Management (Level 2).	1
9	Certified Data Science For Manager - CDSM	The program facilitates the managers and other participants to attain knowledge on big data in general and related knowledge and capability on data science and machine learning.	5
10	Information Technology Infrastructure Library (ITIL) v.3 Foundation Certification	Certification on infrastructure concept and management technique, development, and information technology (IT) operations.	1
11	Red Hat RHCSA & RHCE	Certification program on skills, expertise, knowledge, and capability required by system administrator on Red Hat Enterprise Linux system.	2
12	Risk Management Level 1 Certifications	Risk Management competence certification to apply and develop Risk Management (Level 1).	4



MANAGEMENT DISCUSSION & ANALYSIS

Information Technology & Operations

No	Certifications Material	Description	Total Certified Employees
IT OPERATIONS DIVISION			
1	Certified Data Center Professional (CDCP)	Certification on Data Center main or key components, such as electricity, cooling system, security, cabling, safety, and others to ensure high availability achievement of Data Center.	8
2	Information Technology Infrastructure Library (ITIL)	Certification on infrastructure concept and management technique, development, and information technology (IT) operations.	6
3	Certified in the Governance of Enterprise Information Technology (CGEIT)	A management certification program of information technology governance management or consultation held by ISACA.	1
4	International Software Testing Qualification Board (ISTQB) Agile Tester	A certification program for software tester with agile concept.	1
5	Certified Ethical Hacker (CEH)	One of certification level from EC-Council, certification institute on cyber security.	2
6	International Software Testing Qualification Board (ISTQB) Tester (Business Analyst)	A certification program for software tester on the understanding of business processes.	1
7	Certified Data Science for Manager (CDSM)	The program facilitates the managers and other participants to attain knowledge on big data in general and related knowledge and capability on data science and machine learning.	1
8	Lead Auditor Course ISO 9001:2015 Quality Management System (IRCA Approved)	International Standard Certification for Quality Management System Certification.	3
9	Occupational Health & Safety (OHS) for First Aid at Workplace Accident	Certification on health, safety, and welfare of employee of institution or project location.	6
10	Certified Network Defender (CND)	Certification and training for basic skills required to analyze internal thread and external security thread on network and services (Email Server, Apps Server, Voip, etc.).	2

Information Technology & Operations

No	Certifications Material	Description	Total Certified Employees
11	Red Hat Certified System Administrator (RHCSA) 1 & 2	Certification program for core system administrator capability and skills required for Red Hat Enterprise Linux.	2
12	Certified Data Centre Facilities Operation Manager	Expert certification program for IT Facility and Data Center Operations.	2
13	Microsoft Certified Solutions Associate (MCSA): Provisioning SQL Databases	Certification for SQL Server Database include the SQL Server Configuration, SQL Server Components, Performance, Migration, etc.	1
19	Certified Data Center Specialist (CDCS)	Certification for Data Center specialization to enhance Data Center accuracy, effectiveness, and efficiency, Learning the data center design life cycle and its stages.	1
20	Certified IT Capacity Planning Expert (CICPE)	Expert certification program on IT Capacity Planning	1
SATELLITE & NETWORK INFRASTRUCTURE DIVISION			
1	Cisco Certification Network Associate (CCNA)	Certification program for computer network industry by Cisco System. CCNA is an intermediate level certification which the holder is considered able to manage a medium-high scale enterprise level network.	8
2	Cisco Certified Network Professional (CCNP)	A certification of one above CCNA, has the ability to handle a multi-area with a capacity of 500-1000 users, analyze troubles and enact troubleshooting accurately and structurally.	1
3	Cisco Certified Internetwork Expert (CCIE)	Network Expert Certification to design, develop, implement, maintain, and solve the complex network infrastructure issues.	1
4	Certified Information Systems Auditor (CISA)	Information system audit professional certification issued by ISACA, has the capability in IT audit, control and security.	1
5	Certified Ethical Hacker (CEH)	One of certification level from EC-Council, a certification institute on cyber security.	1
6	Juniper Networks Certified Internet Associate (JNCIA)	Certification on Juniper Networks for network fundamental, basic routing and switching by using Juniper technology to be implemented into networks that uses Juniper hardware.	8
7	Information Technology Infrastructure Library (ITIL)	Certification on infrastructure concept and management technique, development, as well as information technology (IT) operations.	2



MANAGEMENT DISCUSSION & ANALYSIS

Information Technology & Operations

No	Certifications Material	Description	Total Certified Employees
8	Certified Data Center Professional (CDCP)	Certification on Data Center main or key components, such as electricity, cooling system, security, cabling, safety, and others to ensure high availability achievement of Data Center.	4
9	Mikrotik Certified Network Associate (MTCNA)	Certification program for RouterOS Software and RouterBoard application from Mikrotik.	2
10	Palo Alto	Certification program to ensure capability in operating and managing the Palo Alto Networks Security Operations Platform.	3
11	Certified Data Science for Manager (CDSM)	The program facilitates the managers and other participants to attain knowledge on big data in general and related knowledge and capability on data science and machine learning.	7
12	Certified Data Centre Facilities Operation Manager (CDFOM)	A certification designed for deeper knowledge on Data Centre operation management from planning to monitoring and reporting.	2
13	ISO/IEC 27001:2013	Global standard for information security management.	2
14	DevOps	DevOps certification, a specific competence and subject matter to become professional DevOps.	2

DIGITAL CENTER EXCELLENCE

1	JIRA	A certification program to manage, adjust, and configuration with Jira Interface, support Agile management methodology on scrum, kanban, and others for software development.	8
2	Big Data Analytic (BDA) - Machine Learning	Certification on data-based system development.	2

DESK INFORMATION SECURITY

1	Certified Information Systems Auditor (CISA)	Information system audit professional certification by ISACA, has the capability in IT, audit, control and security	1
2	Certified Information Systems Security Professional (CISSP)	Certified Information Systems Security Professional is a certification in information system security that independently issued by (ISC) ² or International Information Systems Security Certification Consortium	1

Information Technology & Operations

No	Certifications Material	Description	Total Certified Employees
3	Certified Ethical Hacker (CEH)	One of certification level from EC-Council, a certification institute on cyber security.	3
4	Certified Hacking Forensics Investigator (CHFI)	A certification on Hacking and Cyber Crime incident handling process covering Digital Investigation, both on evidence compiling and securing, digital forensic, as well as computer data and mobile hardware recovery.	1
5	Certified Secure Programming (ECSP)	A certification to identify various security weaknesses and applications security technique on all Software Development Life Cycle (SDLC), in order to enhance apps quality development.	1
6	Ec-council Network Security Administrator (ENSA)	A certification design to provide basic skills required to analyze internal and external security threat on the network, and the security policy development to safeguard information.	1
7	DevOps	DevOps certification, a specific competence and subject matter to become professional DevOps.	2
INFORMATION COOPERATION DIVISION			
1	Risk Management Level 2 Certification	Enhancing risk management and corporate governance quality. The Risk Management Level 2 provides the importance of risk management processes implementation covering identification, measurement, monitoring, and risk control	1
2	Devops Foundation	DevOps Introduction – a culture that emphasize on communication, collaboration, integration, and automation to enhance work flow between software developers and IT Operations.	6
TOTAL			135

IT Work Plan Realization 2019

No	Strategic Initiatives	Work Programs	Realization of IT Work Programs 2019
1	Enhance ICT Competence & Digital Talent	Groom Digital Leaders & Talents	<ol style="list-style-type: none"> 139 Certification for IT Employee 47 Product Managers 75 Talent BRI DREAM (Digital Leadership Executive Transformation Program) and BRI Digital Leader Curriculum 799 BRI insourcing/outsourcing IT employee



MANAGEMENT DISCUSSION & ANALYSIS

Information Technology & Operations

No	Strategic Initiatives	Work Programs	Realization of IT Work Programs 2019
2	Develop Product Management Mindset	Enforce Product Approach in IT Business Alignment	<ol style="list-style-type: none"> 637 initiatives completed, 171 on progress Implementation of ADLM - Atlassian tools: Confluence, Jira, Bitbucket, Bamboo, etc. Product Development Team: BRILINK, Internet Banking (Mobile and Web), Payment for BI-Remittance-Trade Finance, CMS, BRISPOT, Human Capital
3	Advance Implementation BiModal IT	Impose Governance For Agile & DevSecOps Method	<ol style="list-style-type: none"> Integration of DevSecOps Tools - Static Application Security Testing Revamping of BRI IT Governance
4	Modernize CBS by managing impact vs risk	Enhance Finance & Core System	<ol style="list-style-type: none"> Pre-Implementation of Tactical Enhancement BRINETS Project Pre-Implementation of Enterprise GL System
		Implement Middleware Enhancement	Roll-Out of Microservices-Based ESB (Phase 1)
5	Accelerate Next-Gen ICT Architecture	Excel Network & IT Service Delivery	<ol style="list-style-type: none"> Next Gen Infrastructure: <ul style="list-style-type: none"> BRISat Utilization iNMS Implementation ODC Implementation DRC Implementation VSAT HUB VSAT Remote IT Service Performance: <ul style="list-style-type: none"> Response Time Host: 1.6 seconds (target max 2 seconds, achievement of 115%), Availability Power DC: 100% (target 99.749%) Availability Server: 99.99% (target 99.95%) Success Rate Trx: 99.81% (Target: 99.5%).
6	Enhance Cyber security & Digital Resilience	Improve Privacy Management	Implementation of the Security Operation Center (SOC)
7	Excel Data Governance & Analytics	Enrich Big Data for Augment intelligent	<ol style="list-style-type: none"> Augment Risk Management & Operational Excellence, use cases: <ul style="list-style-type: none"> Credit Risk Analytics Platform Customer & Merchant Analytics Platform Fraud Analytics Fast Data Analytics Platform Democratize Business Intelligence through Self Service Analytics (Big Data Self Service Analytics Platform)
8	Deliver Digital Initiative	Thrive Digital Banking for MSME & Consumer	<ol style="list-style-type: none"> Digital Ultra Micro Loan: Pinang 1.0 & 2.0 Digital Consumer Loan: Ceria 1.0 & 2.0
9	Deliver Excellent Ecosystem Platform	Boost Digital Ecosystem Platform	<ol style="list-style-type: none"> BRI API (with 60 partners that has been live, fintech and e-commerce: DANA, Lazada and Tokopedia, etc) Ecosystem Platform Junio Smart, BRI Smart Billing, BRI Store

Information Technology & Operations

IT INVESTMENT AND EXPLOITATION

BRI has allocated a total budget of Rp4.9 trillion in 2019, with IT investment amounted to Rp3.6 trillion and IT exploitation at Rp1.4 trillion. The budget was allocated until December 2019 for 33 projects from 14 initiation Divisions.

The following are various IT&O Directorate main projects in 2019 that has utilized the IT investment and exploitation budget:

No	Division	Projects
1	Retail Business Network Division	1. Bankstore 2. Smart Branch 3. BRIBOX
2		1. CRM Expansion Outlets of 2019 (600 CRM) 2. EDC Expansion Outlets of 2019 (25,500 EDC)
3	E-Channel Desk Division	Network & Security Enhancement (Network, Application, Data Center, Business Processes Procedures)
4		Procurement of ATM data Communication Security
5	Infrastructure Satellite & Network Division	1. Enterprise Data Warehouse (EDW) 2. Core Banking System Modernization 3. New Delivery System
6	Desk Information Security	1. Development of Big Data BRI Phase 1 2. BRI Open API 3. Digital Banking -- Pinang & Ceria
7	IT Planning and Development Division	1. Acquisition of CMS Platform End to End Corporate Feature 2. Development of Supply Chain Financing Platform
8	Digital Center of Excellence Division	1. Integrated Complaint Handling System 2. Use of Voice Biometrics in BRI Contact (Contact Center Development)
9	Consumer Loan Division	Development of Consumer Loan Collection Support System
10	International Business Division	1. Increase of BRI Hongkong Representative Office (HKRO) Status 2. Opening of BRI Taiwan Work Unit
11	Accounting and Management Division	Implementation of IFRS 9 (PSAK 71)
12	Compliance Division	Development of New Product & Activity Reporting Apps (PAB)
13	Investment Services Division	Tapera Application System
14	Corporate Transformation Division	1. New Finance System 2. Middleware Modernizations 3. Data Reporting Architecture 4. Digitalization of end to end process of Micro business 5. Procurement of Environment Back-Up for BRISPOT Apps 6. Digitalization process of Retail loan 7. Server DB & Repository (Storage) for BRISPOT Apps to support Retail Segment 8. Business Process Reengineering of Consumer Business 9. Enhance Customer Experience Through Integrated BRI Loyalty Point 10. Stress Asset Management



MANAGEMENT DISCUSSION & ANALYSIS

Information Technology & Operations

BRI DIGITAL STRATEGY FRAMEWORK

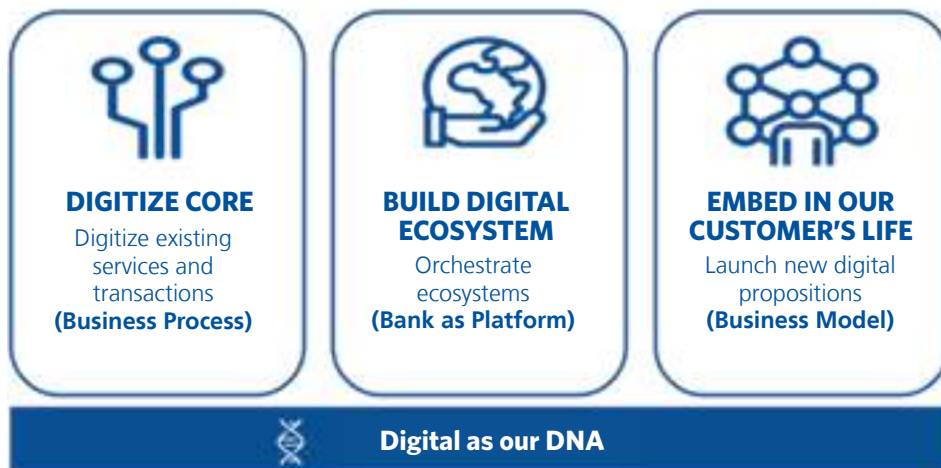
BRI Digital Transformation refers to BRI's core strength, a broad network reaching remote villages, as well as focusing on market share growth of MSME and consumer segment. To support this transformation, Bank BRI focuses on three pillars of **BRI Digital Strategy Framework**:

First Pillar, 'Digitizing our Core' aims to improve business process on existing system. For example BRISport, credit approval system app, which enable on-location lending decision by loan officers thereby accelerating the process and paperless.

Second Pillar, 'Building a Digital Ecosystem'. The key product of this pillar is BRIAPI, BRI Open Banking platform that has been certified and has obtained permit from regulator, and the only API in Indonesia that received certification of ISO 27001 in an effort to building super digital ecosystem in Indonesia.

Third Pillar, 'Embedding Digital in Our Customers' Lives', where BRI develops and launch new digital banking proposition. The key result of this pillar is Pinang. Pinang app has been fully digital and equipped with digital verification system, digital scoring, and digital signature. This app is the first digital-based lending product in Indonesia.

These pillars are founded as "Digital as our DNA":



Information Technology & Operations

- a. BRIMOLA: a web-based non-financing supply chain platform and a special smartphone application of 3kg subsidized LPG that is specifically developed to facilitate ordering systems from the depot to Pertamina agents, as well as providing cashless solutions for payment in order to handle cash handling risks and LPG quota information transparency by the depot. Over 1,350 agents and 60,000 depots have utilized Brimola platform for transaction and ordered 2.6 million LPG 3kg cylinders. This is in line with one of BRI's focus on MSME empowerment through cashless payment for the distribution chain of LPG 3kg.
- b. JUNIO SMART: an education and school management platform that can be applied by students, parents, teachers, and school administrations to share information on education syllabus, attendance, payment of school fees, in order to create a favorable environment to support the efficient learning and teaching activities in schools. The Junio Smart platform is a web-based application that is specifically designed to serve the elementary, secondary, high school and educational levels. Over 200 schools across Indonesia regions has utilized Junio Smart and served more than 16 thousand parents of the students. This aim at creating educational-based and financial literacy to Indonesian young generation through BRI banking services.
- c. BEST STORE: a web-based ordering system platform and application that can be used for retailers to order goods with the distributors through excellent online inventory and status payment features, a convenience facility for retailers and distributors in managing inventories and cash flows. This platform is specifically made to facilitate business efficiency for BRI's customers and prospective customers. This also serves as BRI's engagement to advance its customers' business progress to attain more convenient banking transaction and financing access.
- d. BRI Smart Billing: an electronic invoicing/ billing management platform that can be used for the property business segment, building management, tenant management, and small medium enterprise to create an integrated billing management. BRI billing management is supported by tracking invoice, payment status, and reporting services to facilitate business communities in managing receivables. This also serves as a green banking apps that may impact on the reduction of the use of papers for invoicing and by replacing it with electronic invoicing.



MANAGEMENT DISCUSSION & ANALYSIS

Information Technology & Operations



Build Ecosystem Platforms



Ecosystems Platform to provide service solutions in B2B2C. Closed ecosystems for BRI will increase:

CASA, Fee Based Income, Loan, Awareness

BRIMOLA

Ordering system of Gas LPG 3Kg Pertamina - Agent - Outlet

CASA FBI Loan Awareness

BRIstore

Supply chain platform for trade ecosystem

CASA FBI Loan Awareness

BRISMA

School Management System

CASA FBI Loan Awareness

BRI smart BILLING

B2B2C Integrated Billing Management System

CASA FBI Loan Awareness

In 2020, several initiatives platform will be launched for corporate and MSME ecosystem, services such as:

- a. Gov-Store: a supply chain platform for government agencies and institutions in support of cashless payment within their environment by upholding principle of transparency and real time online cashless payment through government’s Credit Card, to reach the efficiency of government expenditures spending.
- b. Corporate Billing Management: a billing management platform that can be used by the corporate entities in managing its invoices, as well as payment transaction through banking service and other facilities.

Information Technology & Operations

INDONESIA MALL

In coherent with the increase of global e-commerce transactions, BRI has developed business ecosystem in the last couple of years through cooperation with entrepreneurs, including e-commerce and fintech. BRI has since 2018 developed Indonesia Mall, an innovative cooperation with global e-commerce entities to foster the MSME communities to go-online. The international-qualified MSMEs are assisted through this platform to improve their competitive advantage, productivities and product reach.

Indonesia Mall has operated 6 e-commerce networks in 2019, and the last cooperation with Qoo10, a global e-commerce from Singapore.

BRI will continue its innovations by focusing on the economic development of MSME sector, as well as collaborates with several strategic partners such as e-commerce and fintech.





MANAGEMENT DISCUSSION & ANALYSIS

Information Technology & Operations

BRIAPI

In addressing digital era, BRI is committed to foster the integration of non-cash transaction program with strategic partners, such as government, public service agencies, fintech companies, as well as e-commerce communities.

Backed by advance technology, BRI develops BRI Application Programming Interface (BRIAPI), an interface that facilitate secure connectivity of payment system as well as enhance market reach that are not yet conventionally served.

BRIAPI has been certified and has attained permit from regulator.

BRI becomes the first bank in Indonesia in 2019 that has in place the first open banking platform in Indonesia with ISO 27001 certification. The ISO 27001 certification is an evidence that BRIAPI has clarity in operational flows, data security, information system compliance with prevailing

rules, as well as readiness in handling risks that may occur.

Going forward, encouraged by this achievement including the success in connecting more than 100 business-partners through BRIAPI, BRI strives to develop technology digital-based products for better customer service.



2019
**ISO 27001
Certification**



100++

Business Partner
through BRIAPI

Information Technology & Operations

PINANG

Through its subsidiary, PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro), BRI launched new digital financial product and service, called PINANG (“Pinjam Tenang”). This is BRI strategy to optimize business roles of subsidiaries with technology approach.

PINANG is the first digital-based loan apps in Indonesia that was launched on February 2019. Available on Android platform, this apps provides selection of loans with competitive installment for customer.

Fully digital PINANG apps is ready and equipped with digital verification, digital scoring, and digital signature system. PINANG provides lending limit of up to Rp20 million with a tenor of up to 12 months. Moreover, the loan application process will take only 15 minutes. These are the advantages of PINANG, a convenience, safe and efficient facility.

With its simplicity, PINANG’s security factor remains first priority. PINANG has been registered and supervised by the Financial Services Authority (OJK).





MANAGEMENT DISCUSSION & ANALYSIS

Information Technology & Operations


CERIA

BRI continues its innovation breakthroughs to foster the company's aspirations and accelerates financial inclusion and literacy in Indonesia. In 2019, BRI launched online loan facility, called CERIA. This program made BRI as the first SOE that launched online loan apps.

CERIA addressed the millennial's practical lifestyle, a fully digital apps with digital verification, digital scoring, and digital signature system. This apps has been registered and supervised by OJK. The loan application process with CERIA accelerates loan application process within 10 minutes, with flexible tenor of up to 12 months. The application is done through branchless methods. The transaction limits of up to Rp20 million and competitive interest rates compared with similar online loan facilities. Today, CERIA can be downloaded by public through Android ops system, Playstore.



Information Technology & Operations



SABRINA

To enhance its customer services, BRI has developed BRI New Smart Assistance (Sabrina) since 2018. Sabrina is an artificial intelligence-based Chatbot that can be directly accessed by users through smartphone.

The customers may attain information through Sabrina, such as product information, promo and event, ATM location, BRIZZI Offices and Top-up, as well as direct assistance by the Contact Center Agent. Sabrina service is continually enhanced by BRI, which is available in the popular chat apps by utilizing chatbot technology and machine learning.

BIG DATA

Current transformation and digital era are not only rendering attractive results for business community, however at the same time brought about sizeable risks if its not adequately managed. New risks in the cyber world are very complex, with increasing dynamic threat patterns, and fraud players that are innovative, fast and create networking. To address this, BRI builds Digital Trust through Big Data management aimed at improving customer service and company's performance, while at the same time increasing transaction security.

Big Data is one of fundamental elements for BRI in providing excellent customer services such as Big Data Analytics that utilizing machine learning in fraud detection, credit scoring and merchant assessment. To that end, Big Data Analytics management of international standard becomes an issue that shall continuously be maintained by Bank BRI.

Bank BRI has received ISO 27001 in 2018 and has been recognized world-wide by receiving Global Data Impact Awards by Cloudera in 2019. The achievement enhances BRI spirits to always maintain and improve Big Data governance.

FRAUD DETECTION SYSTEM

Realizing the operations risk in banking business may occur because of insufficient internal processes, human resources, system or external factors, BRI managed the risk effectively by optimizing the Information Technology. This is done through Big Data Analytics with Fraud Detection System and Early Warning System that anticipate fraud proactively for prevention measures.



MANAGEMENT DISCUSSION & ANALYSIS

Information Technology & Operations

Proactive approach is considered to increase the company current risk management process. The Bank's integrated platform has been developed through Fraud Detection System, in order to detect anomaly transactions, fraud reporting, and investigation processes, hence delivering effective banking transaction. With this system, the company is now able to manage a more effective banking transaction.



An innovative program, BRI Innovation Lab Program is a Business Matchmaking and Business Pitching Idea Competition to foster the progress of financial industry and MSME industry in Indonesia. Innovative business cooperation ideas are being contested by the participants to realize BRI's aspirations as the Financial Integration Solution in 2020.

With the theme of Business Collaboration to Achieve Financial Integration, BRI Innovation Lab Program 2019 was held on 3 – 11 December 2019, participated by 100 startup communities that resulted in 66 business collaborations with BRI and BRI Group. Moreover, BRI organized the Appreciation Night, to appreciate such business collaboration ideas, with the award ceremony for the following categories: The Best Collaboration Program of The Year; The Best Product Manager of The Year and The Best Collaboration Startup & BRI Group of The Year.

INNOVATION LAB PROGRAM

Collaboration in this digital era becomes a key success to reach the company's aspirations. To enhance business efficiency and effectiveness, BRI strives to foster synergy with business segments and its Subsidiaries. Furthermore, the simple and seamless business pattern of a startup entity is presented to reach public needs, in both financial and non-financial services.

As such, BRI launched Innovation Lab Program aimed at creating business collaboration with BRI Group and startup entities, in both financial and non-financial industry.



Information Technology & Operations

ISO 9001:2015 Certification

To improve the quality of procurement of goods and services as well as fixed assets management processes, BRI has received ISO 9001:2015 for various processes, as follows:

1. ISO 9001:2015 Certification from Certification Agency PT Lloyd's Register Indonesia valid since 13 January 2018 to 9 December 2020 regarding the "Provision of Inventory, Purchase Payment and Archiving Service". This certification has also been recognized nationally and internationally by the National Accreditation Committee (KAN) and United Kingdom Accreditation Services (UKAS) Management System.
2. ISO 9001:2015 from Certification Agency PT Lloyd's Register Indonesia valid since 26 November 2018 to 25 November 2021 regarding the "Provision of Establishment Strategy and Policy of AT Management Division & Property Procurement Including Vendor Management". This certification has also been recognized nationally and internationally by the National Accreditation Committee (KAN) and United Kingdom Accreditation Services (UKAS) Management System.
3. ISO 9001:2015 Certification from Certification Agency PT Lloyd's Register Indonesia valid since 29 November 2018 to 28 November 2021 regarding the "Provision of Cost Estimation Processes". This certification has also been recognized nationally and internationally by the National Accreditation Committee (KAN) and United Kingdom Accreditation Services (UKAS) Management System.



ISO 9001:2015

In all sections of Computing Service Operations

ISO 9001 is an international standard of quality management system, in which the attainment of this ISO all computing service areas have met international standard in term of quality management system on product/services offered.

ISO 9001 Certificate will be entrenched into all segments in 2020.



ISO 27001

In Spacecraft Operations

ISO 27001 is an international standard of information security, in which the attainment of this ISO all spacecraft operations have met international standard of security on all information in place.

ISO 27001 Certificate will be entrenched into all segments in 2020.



MANAGEMENT DISCUSSION & ANALYSIS

Information Technology & Operations

INTERNATION AWARDS FOR BRI DIGITAL TRANSFORMATION IN 2019

Following the introduction of all digital innovations, BRI was able to achieve prestigious awards of international level in 2019, among others: The Best Digital Bank in Indonesia by The Asian Banker and Global Data Impact Award 2019 by Cloudera.



The Best Digital Bank in Indonesia 2019



Best Implementation of Confluent Kafka Platform in Indonesia



Global Data Impact Award 2019



The Best Client Innovation Award 2019



ASEAN Enterprise Innovation Award 2018/2019

Information Technology & Operations

WORK PROGRAMS 2020

In 2020, several initiatives platform will be launched for corporate and MSME ecosystem, and other services such as:

- a. Gov-Store: a supply chain platform for government agencies and institutions in support of cashless payment within their environment by upholding principle of transparency and real time online cashless payment through government's Credit Card, to reach the efficiency of government expenditures spending.
- b. Corporate Billing Management: a billing management platform that can be used by the corporate entities in managing its invoices, as well as payment transaction through banking service and other facilities.
- c. Market Ecosystem Platform: to facilitate market transactions, consisting of retribution payment transaction facility with BRI Smart Billing Micro, payment transaction facility with POS/Merchant System integrated with Link Aja (QRIS standardization-based). An integrated electronic transaction solution specifically intended to improve traders welfares in the market sustainably through digital financial services that can address financial issues in the market. The traders will also equip with simple dashboard to attain mutation and transaction from the used platform.
- d. SME Ecosystem Platform: to facilitate transactions of MSME segment which include POS system and Profit Loss Journal system that also utilizing supply chain platforms such as BRISore and BRIMOLA, payment transaction facility through EDC and other payment methods.
- e. Agriculture Ecosystem Platform: to monitor harvesting outcome of every farm-land in Indonesia regions, in order to optimize and proper monitoring of the harvest which will impact on increasing the welfares of Farmers and its surrounding communities.



MANAGEMENT DISCUSSION & ANALYSIS

OPERATIONS

As financial intermediary, BRI business activities in general focuses on public fund acquisition and retribution in terms of loans and financing in addition to other banking services. BRI has set proper strategies marked by significant increase of performance through refinement of business process and operations efficiency.

Continued advancement of financial technology industry in 2019 becomes a challenge for Indonesia's economy and banking industry growth. To that end, BRI established strategic measures through business process refinements by improving banking services quality among others through optimization of service efficiency and accuracy. Intensive operations efficiency improvement includes cost reduction was implemented while taking into account inherent risk, namely through network optimization and payment system infrastructure, Business Process Re-engineering, and quality standardization.

OPERATIONS DEVELOPMENT IN 2019

To address the increasing customer needs, BRI continually develops its operations system. During 2019, BRI's system and operations development includes the following:

1. Optimization of Payment System Network and Infrastructure

Bank BRI regularly reviews network productivity and stability on payment system activities such as rupiah fund transfer transactions (RTGS & Clearing), foreign currencies fund transfer (remittance) and settlement treasury as well as reconciliation process centralization. Strategic measures to improve network quality and business continuity plan in 2019 include refinement of back up system architecture for payment systems such as BI-RTGS, SKNBI and BI-SSSS in the data center and in the Disaster Recovery Center. BRI also periodically examine this back up system to carry out business continuity plan.

2. Over Head Cost Efficiency through Business Process Re-engineering

Cost allocation focuses on service network development that supports transaction growth and efficient digital infrastructure advancement by prioritizing costs for strategic initiatives in line with long-term strategy.

During 2019, BRI has exercised business process re-engineering for its operations activities through business process automation that impacted on over head cost efficiency, such as:

- Enhancement system for the management of bonds, BRI cards inventories and automation of quality target registration.
- Effectiveness of cash management through cash smart system development and integration of ATM Cash management with CRO.

3. Operational Excellence

Since 2012, BRI Operations has received Quality Standardization ISO 9001:2008. Over time, quality standardization ISO 9001:2008 changed into Quality Standardization ISO 9001:2015 in 2017 for 9 (nine) scopes including Operation Centre System for RTGS, Clearing, Remittance, Card Perso Processing, E-Banking Reconciliation, ATM Reconciliation,

Operations

Treasury and E-Banking Settlement, Cash Operation and Trade Processing Centre from Certification Agency PT Lloyd's Register Indonesia. Moreover BRI has improved information system security particularly in maintaining customer data through ISO/IEC 27001:2013 Certification of Information Security Management System from BSI Certification Agency.

OPERATIONS STRATEGY SYNCHRONIZATION IN 2020

To realize Centralized Back Office Organization and Improving Internal Control supported by real time data in operations, BRI Operations Division has set the operations strategies for 2020, which are:

1. Integrated Remittance Payment System (Simplification of remittance transaction process for operations efficiency and facilitation of transaction monitoring)
2. Centralized Payment Reconciliation (Synergy of product owner and support in realizing accurate and proper payment system reconciliation, and in compliance with external rules/regulatory)
3. Reliable Human Resources through the improvement of employee quality and capability as well as specific certifications for operations staffs.



MANAGEMENT DISCUSSION & ANALYSIS

FIXED ASSETS MANAGEMENT & PROCUREMENT

Fixed Assets Management & Procurement Directorate

With over 120 million customers and over 9,000 office networks including total employees that reaching 125 thousands, BRI operates a large scale of business operations. To that end, the Fixed Assets Management & Procurement Directorate is responsible to fulfill the need of operations procurement in BRI and the achievement of proper management of BRI fixed assets and properties.

FIXED ASSETS MANAGEMENT & PROCUREMENT

To achieve in becoming effective and efficient business support with a mission to implement planned fixed assets and logistics management, and render optimum contribution to BRI, the Division has developed strategy that emphasized on the acceleration of procurement process and accuracy of information system on fixed assets management.

FIXED ASSETS MANAGEMENT DIVISION & PROPERTY PROCUREMENT

Fixed Assets Management and Property Procurement Division set the Vision to become effective and efficient business support and has the Mission to implement planned and integrated fixed assets and logistics management that oriented on the accuracy of targets, accuracy of utilization and accuracy of time. To achieve the vision and to render optimum contribution to BRI, the Division sets the strategy that emphasized on the acceleration of procurement process and accuracy of information system on fixed assets management. This is in line with the Division duties and responsibilities, which is to carry out property procurement process (land/building) and building supporting facilities, property monitoring as well as recording of BRI assets.

The strategy developed to achieve the Division Vision and Mission was realized by jointly formulating the Procurement Plan List (DRP) with User Divisions at early year 2019. This is intended to attain detailed information on goods/services required at early year, hence to obtain a more directed and timely procurement implementation.

Fixed Assets Management Policy

BRI Fixed Assets Management is founded upon the General Policy of Fixed Assets and Logistics Management (KEMAL) that has been set out by the Board of Directors. KEMAL BRI was ratified by the Board of Directors in 2011

Fixed Assets Management & Procurement

and effective at the beginning of 2012. KEMAL refers to the State-Owned Enterprise Minister Regulation No. PER-05/MBU/2008 dated 3 September 2008 on the General Guidelines of Goods and Services Procurement for State-Owned Enterprises. The refinement on KEMAL was continually carried out by highly upholding Good Corporate Governance (GCG) and the company's requirements. As such, it is expected that the process of procurement of goods and services in BRI will be implemented according to business needs, priority scales, budget availability, and cost efficiency.

Strategy and Operations Realization in 2019

Work programs that have been carried out in 2019 are among others:

1. Implementation of umbrella contract strategy for the procurement of genset 12.5 KVA.
2. Implementation of building renovation and/or construction with design and build methods.
3. Application of Online Vendor Registration of Web-based.
4. Refinement of BRISmile App, such as:
 - a. New function development for insurance premium cost calculation of fixed assets in all BRI work units across Indonesia.
 - b. Automatic calculation of insurance premium cost of fixed assets for fast and accurate implementation.
 - c. Migration of User Management from single sign on (SSO portal) to PN Base Bristars.
 - d. Facilitating a more user-friendly business process.
 - e. Integration of Payment Module of BRISmile with BRIpasti app for AMK Division.
 - f. Main objective to simplify payment business process to vendors of goods and/or services.
 - g. Integration of payment with third parties on BRIpasti app of KPD Division.
 - h. Aim to improve the accuracy of cost efficiency that is accurately intended for fixed purpose.
 - i. Existing module refinement to enable maximum function of BRISmile in Head Office, Regional Offices to Branch Offices hence to implement effective and efficient fixed assets management. The efficiency derived from this exercises are as follows:
 1. Online monitoring of recorded fixed assets by BRI work units, hence any issues related with any dispute between the physical fixed assets with detailed data in BRISmile can be immediately resolved. Work unit can ensure the received fixed assets have been recorded in BRISmile.
 2. Expansion of BRI work units and its resupervisions required decentralized fixed assets management particularly in relations with relocation of fixed assets inter work units.
 3. Online implementation of insurance process for fixed assets including the closing of insurance and claims payments on the losses of fixed assets with the guarantor, hence accelerating the insurance closing process compared to manual-ways in order to reduce risks from fixed assets losses. Moreover, the work units proposing the claims through BRISmile can monitor the insurance claims progress on fixed assets losses. Following the claims approval from the guarantor, the claim payment is automatically done.
 4. The written-off process can independently done by BRI work units from proposal to write-off from BRISmile record. This process conveniently enables the work units to monitor the progress of write-off proposals.
 5. BRISmile provides easy costing module for the development of BRI budgeting. This is done because all proposals from work units are carried out systematically for direct monitoring and analysis by Head Office.
 6. Fixed assets procurement process that begins from the input of procurement principle authorization, result of procurement principle authorization and Work Assignment Letter until delivery/distribution of fixed assets to BRI work units can be done through BRISmile App, hence all on going progresses and or



MANAGEMENT DISCUSSION & ANALYSIS

Fixed Assets Management & Procurement

settlement of fixed assets in Head Office, Regional Offices, Inspection Offices and BRI Corporate University can be monitored in accordance with granted authority. As such, evaluation can be done including timing and any obstacles that occur.

7. Proposal process to recording of fixed assets for leasing/buying of property and construction/renovation of BRI buildings can be done through BRISmile, hence the process can be directly monitored by BRI work units.
8. BRISmile module has directly interfaced with BRInets, whereby the majority of bookkeeping transactions are automatically done through BRISmile, hence no manual bookkeeping required.
9. Information requirement on BRI fixed assets for both internal and external purposes, primarily related to BRI financial statements can be promptly and accurately obtained. Reporting that can be taken from BRISmile are among others fixed assets detailed report, fixed assets mutation report, fixed assets write-off report, fixed assets insurance closing report, and so forth.
10. Facilitating the management in taking strategies and policies related to fixed assets.

Optimization of Fixed Assets

Optimization of idle properties until the end of 2019 were 10 idle properties that consisted of 8 lands and 2 lands and building. Of 8 lands property, 2 units were optimized as work units and 6 units were optimized as BRI operations supporting facility. While from the 2 lands and building property, 1 unit was optimized as work unit and 1 unit as BRI operations supporting facility.

The measures taken to identify and settle those idle properties are as follows:

- a. Visiting the locations that allegedly or identified as idle property.
- b. Analyzing and providing recommendation on idle property. Based on the feasibility analysis conducted on business aspect, location and compliance with the spatial planning of the areas or regions of idle property, the optimization of idle property can be done by transforming them into work units or operations supporting units. Write-off idle property will be resolved as last alternative by taking into consideration that the properties are unusable or cannot be transformed into operations facility. Moreover, write-off of property can be done following the mandatory regulatory.

PROCUREMENT OF GOODS AND SERVICES

BRI carries out quality goods and services procurement that emphasize on the importance of GCG principles implementation. As such, one of the steps taken to create this qualified process is to maintain transparency in every procurement process.

Procurement is an activity process to fulfill or provide the need of goods and/or services by buying or leasing or collaboration with other parties, in which implementation is conducted through vendors or other parties' appointment.

BRI Procurement of Goods and Services aims at supporting the bank's operations and business performance in general. In an effort to provide excellent services and adheres to the principles of GCG, BRI firmly adheres to create secure, effective and efficient procurement of goods and services.

Policy

Fixed Assets and Logistics Management General Policy (KEMAL) serves as guidelines in the procurement of goods and services to support the Bank's operations according to set quality, quantity and timing with the best price with due observance to the principles of GCG.

KEMAL BRI is effective for implementation since 2012. KEMAL refers to the State-Owned Enterprise Minister Regulation No. PER-05/MBU/2008 dated 3 September 2008 on the General Guidelines of Goods and Services Procurement for State-Owned Enterprises. The objectives of KEMAL BRI formulation are as follows:

- Guidelines to deliver quality fixed assets management and logistics services to all BRI work units.
- Guidelines for goods and services procurement process in BRI.

Refinement of KEMAL is continually carried out by taking into account the control mechanisms and company's challenges. As such, the goods and services procurement process can be more in line with the business needs, priority scales, budget availability and cost efficiency.



MANAGEMENT DISCUSSION & ANALYSIS

Procurement of Goods and Services

Goods and Services Procurement Principles

In procurement process, the Bank refers to the basic principles of procurement, which include:

Efficient	Procurement of goods/services shall obtain optimum and best results within a swift timeframe by using as minimal as funding and capabilities.
Effective	Procurement of goods/services shall be in line with the set requirements and provide significant benefits according to the set targets.
Competitive	Procurement of goods/services shall be an open opportunity for vendors of goods/services that meet the requirements and shall be done through sound competition between the equal vendors and meet certain requirements/criteria based on clear and transparent rules and procedures.
Transparent	All rules and information on procurement of goods/services, including technical requirement of procurement administration, evaluation procedures, evaluation results, determination of prospective vendors, are conducted transparently for interested parties.
Fairness	Provide equal treatment for all prospective vendors of goods/services that meet the requirements.
Accountable	Shall meet the target and accountable, hence preventing form the potential of abuse and fraud.

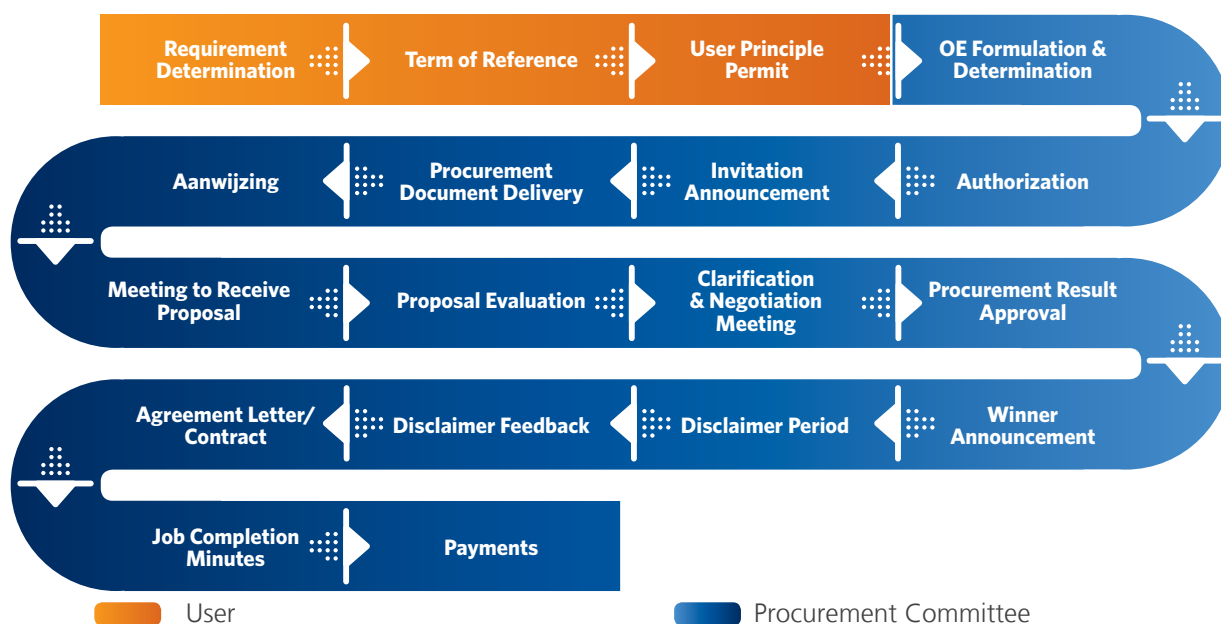
To realize procurement with the above principles, BRI implements the principles through the following:

1. Transparency and Independency of Procurement of Goods and Services Process.
2. Always in compliance with the internal and external regulations.
3. Implementation of risk management principles, including risk identification, measurement, monitoring and control.
4. Always guided by BRI Corporate Culture that founded upon the values of:
 - a. BRILIAN (Integrity, Professionalism, Trust, Innovation, Customer Centric);
 - b. Good Corporate Governance; and
 - c. Code of Conduct and prudence principles.

Procurement of Goods and Services

Procurement of Goods and Services Procedures

The implementation stages of BRI procurement of goods and services are as follows:



Explanation:

- In order to support BRI operational activities, the adequate facilities, infrastructure and infrastructure are required to achieve the Company's objectives. To meet the needs of facilities, infrastructure and infrastructure a procurement process is required.
- In each implementation of the procurement process, the Owner Estimate (OE) is required as one of the basis in determining the procurement method. In 2017 an Estimation Group was formed, namely an independent unit that has the duties and responsibilities in preparing and stipulating the prices for the procurement of goods and/or services at BRI.
- The procurement process can be undertaken with several methods, including self-management, direct purchase, direct appointment, direct election and open auction.
- In the procurement process an evaluation of the offer submitted by the prospective Provider of Goods/ Services will be carried out to obtain the best quality and price.
- In order to obtain conformity between the needs of BRI and the bids submitted by prospective suppliers of goods/services, Clarification and Negotiation will be carried out in the procurement process until the winner of the goods/ services provider is determined.
- If a winner has been determined, BRI provides a refutation time if there are any parties objecting the implemented procurement process or on the winner's determination. This is done in order to realize the procurement of goods and services process that meet the rules of Good Corporate Governance.

Vendor Management

- Vendor management includes the process of registration and selection of prospective vendors, monitoring and evaluation vendors performance to the determination of black list, hence with vendor management BRI has the supplier's database that are ready and able to support the implementation of its procurement of goods and services.



MANAGEMENT DISCUSSION & ANALYSIS

Procurement of Goods and Services

2. Providers of goods/services that will participate in the procurement of goods and services in BRI in principle have to attain BRI Vendor Certificate. This is a statement in the certificate or letter format explaining that the provider of goods/ services listed therein has been registered as BRI Vendor, as a condition for participating in the procurement of goods/services at BRI.
 3. The Vendor Certificate is selectively issued to the prospective vendors that are considered feasible and meet the set requirements, and are not being limited into certain business activities as long as the product/services rendered are required by BRI.
 4. BRI has in place the vendor list of goods/ services that can be used in the procurement of goods and services process at BRI. The vendor list is obtained from the selection of qualifications and requirements determined by BRI. The requirements set out to become BRI vendors to suppliers of goods/ services that have passed the vendor selection have been carried out transparently, in compliance with Good Corporate Governance principles.
 5. Evaluation on Vendors is carried out with variable valuation including procurement process, quality, delivery, responsiveness, and maintenance period.
 6. BRI has developed a Vendor management application that is integrated with BRISMILE, from vendor registration conducted independently by vendors (TDR Online), legality and vendor business evaluation process to the issuance of BRI Vendor Certificate (TDR BRI) through TDR Online app.
- Procurement with blanket orders
The implementation of this strategy accelerates the process of fulfilling routine goods and services with a relatively large amount, as well as streamlining the procurement operational costs.
 - Procurement of Repeat Order
Goods and services order strategy to maintain continuity of goods and/or services for cost efficiency
 - BRISMILE Application Usage
By using the system, monitoring processes and reporting on the procurement results can be electronically done.

Procurement of Goods and Services Transparency and e-procurement Implementation

BRI undertakes the quality procurement of goods and services by emphasizing on the importance of Good Corporate Governance Principles implementation. As such, to create a quality procurement process, one of the steps taken is to maintain transparency in every implementation of the procurement process. The work programs that has been carried out to support the transparency of goods and services implementation are as follows:

1. Financial Assessment Implementation using the E-Procurement Modul E-Auction Application
2. Announcement of procurement auctions through various print and electronic media.

Strategy and Work Programs in 2019

The Procurement of Goods and Services Division acts as a benefactor of BRI's business and operations. In an effort to provide the best service and in compliance with the Principles of Good Corporate Governance, BRI is determined to create a safe, effective and efficient procurement process.

The following are several strategies implemented during 2019:

- Procurement with multi vendors
Multi vendor strategies accelerate the process of fulfilling goods and/or services.

To ensure financial evaluation in the procurement of goods and services process has met the GCG aspect, an independent Owner Estimate (OE) was provided. As such, following the Board of Directors policy, in 2019 the enhancement of organization status responsible to carry out price estimation, namely Estimation Group formed in 2017 transformed to become the Estimation Desk. In implementing its duties, Estimation Desk shall become an independent, effective and efficient strategic procurement, which also can accelerate business process of procurement of goods and services through the accurate and fast OE provision, hence can foster the achievement of growth target and cost efficiency.

Procurement of Goods and Services

Cost Efficiency Percentage Achievement (10% Target of the Budget)

Efficiency becomes a significant factor in procurement of goods and services. As such, BRI strives to maintain cost efficiency hence to achieve effective process of procurement of goods and services.

Procurement of Goods and Services Report in 2019

In implementing prudence principle, the procurement of goods and services within certain value of limits shall be done with joint decision making mechanisms by the Procurement Deciding Executives through the forum of Procurement of Goods and Services Committee.

With the Procurement of Goods and Services Committee, the decision taken in the procurement of goods and services is expected to be properly given by taking into account effective and efficient principles and within the process of procurement of goods and services.

The following are data of Procurement of Goods and Services Committee during 2019:

No.	Committee Name	Procurement Values	Total Procurement
1	Procurement Committee I	> Rp200 Billion	1
2	Procurement Committee II	> Rp75 Billion to Rp200 Billion	1
3	Procurement Committee III	> Rp20 Billion to Rp75 Billion	6
4	Procurement Committee IV	> Rp7.5 Billion to Rp20 Billion	40
Total			48

Strategy and Operations Plan in 2019

Work programs that have been carried out by the Fixed Assets Management and Procurement Directorate in 2019 are as follows:

1. Implementation of procurement strategy through umbrella contract for goods/services.
2. Implementation of procurement strategy through multi vendors.
3. Implementation of procurement strategy through repeat orders.
4. Implementation of procurement strategy through design and build for building renovation/construction.
5. Implementation of online vendor registration of web-based.
6. Implementation of methodology and price estimation standardization.
7. Implementation of new business process estimation of app-based.
8. Development of new function for fixed assets insurance premium cost of all BRI work units.
9. Migration of User Management System in existing BRISmile app.
10. Integration of Payment Module in existing BRISmile app.

Management Information System of Procurement of Goods and Services and Fixed Assets Management

For optimum function of BRISmile in the users level of Head Office, Regional Offices until Branch Offices, the refinement of module and versioning are continually carried out, hence render a positive impact on BRI Fixed Assets management as follows:

1. BRI work units can carry out online monitoring on fixed assets record in order to control the difference of fixed assets recording.
2. BRI work units can decentralize the fixed assets management.
3. BRI work units can carry out online monitoring of insurance claim progress on assets losses.



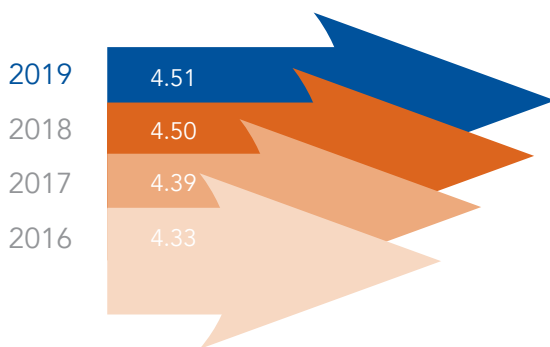
MANAGEMENT DISCUSSION & ANALYSIS

Procurement of Goods and Services

4. BRI work units can independently carry out fixed assets write-off.
5. BRI work units can carry out monitoring on propose write-off progress.
6. BRI work units can develop systematic needs and budgeting including monitoring the realization optimally.
7. BRI work units can propose systematic proposal of property leasing/buying.

Responsibilities to Vendor

1. Audit of Procurement of Goods and Services
To ensure the implementation of procurement of goods and services according to applicable rules and procedures, BRI conducts the periodical audit by internal and external auditors.
2. Vendor Gathering
In 2019, BRI has organized Vendor Gathering through Forum Group Discussion (FGD). The program presentation in this gathering includes:
 - a. Sharing on BRI future vision and mission.
 - b. Strengthening harmonious collaboration between BRI with its working partners.
 - c. Communication forum to obtain vendors' inputs for improvement of procurement process in BRI.
3. Internal and External Customer Satisfaction Index
To improve quality standard of procurement of goods and services, BRI has organized survey to suppliers/vendors with the following results:



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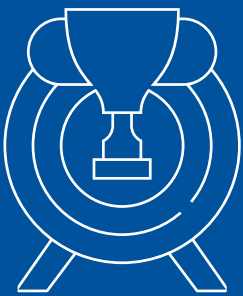
PT. Bank Rakyat Indonesia (Persero) Tbk terdaftar dan diawasi oleh Otoritas Jasa Keuangan 

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05

CORPORATE GOVERNANCE



The aptitude of BRI's role in fostering the market share growth of Micro, Small and Medium Enterprises in 2019 is a manifestation of sustainable governance implementation and the Bank's focused on transparency and accountability to stakeholders.

In 2019, BRI was able to realize a responsive and adaptive governance towards rapid development of digital business growth. This governance practices renders satisfaction for the stakeholders in fostering the MSME sector development through banking digitization.





CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Compliance Directorate

BRI, as the trusted financial institution, continually adheres to align its business operations with good corporate governance (GCG) principles. As such, the Compliance Directorate strives to ensure the achievement of compliance implementation in BRI through effective policies and procedures management to attain continuous improvement on compliance with prevailing laws and regulations.

CORPORATE GOVERNANCE

GCG mechanisms serve as a key role in implementing BRI Transformation Blue Print, where the strategic activities on operations and corporate actions require comprehensive analysis, fast and effective decision-making as well as accurate oversight including risk management implementation. Digitization are not only applied in product offering to the customer and collaboration with third parties, but also implemented in GCG practices by the Company's organs particularly on the decision-making process and everyday work culture.

As a customer-based company, BRI is always adaptable to technological development and customer needs that are now moving rapidly towards digital trend. This condition is acknowledged by the Bank with the implementation of BRI Digital Transformation Blue Print through excellent information technology development and data analytics to support the creation of digital services across fast and quality networks.

GCG AWARDS

The governance outcome as a reflection of GCG best practices during 2019 let to the recognitions from external parties, among others are:



11th IICD Award: Bank BRI received the award from the Indonesian Institute for Corporate Directorship (IICD)



GCG Award 2019: Bank BRI received the "Most Trusted Company" award from the Indonesian Institute for Corporate Governance (IICG)

GCG IMPLEMENTATION

GCG Legal References

The GCG principles is carried out by referring to the following regulations:

1. Republic of Indonesia Law No. 7 of 1992 on Banking in lieu of the Republic of Indonesia Law No. 10 of 1998.
2. Government Regulation No. 21 of 1992 dated 29 April 1992 on Legal Entity Adjustment of Bank Rakyat Indonesia to become a Company (Persero).
3. Republic of Indonesia Law No. 19 of 2003 on State-Owned Enterprises.
4. Republic of Indonesia Law No. 40 of 2007 on Limited Liabilities Companies.
5. Minister of State-Owned Enterprise Regulation No. PER-01/MBU/2011 dated 1 August 2011 on Stipulation of Good Corporate Governance in State-Owned Enterprises (SOEs), in lieu of Ministry of State-Owned Enterprise Regulation No. PER-09/MBU/2012 dated 6 July 2012.
6. Bank Indonesia Circular No.15/15/DPNP dated 29 April 2013 on Good Corporate Governance Practices for Commercial Banks.
7. Financial Services Authority Regulation (POJK) No.18/POJK.03/2014 dated 18 November 2014 on Integrated Governance Practices for Financial Conglomerates.
8. Financial Services Authority Circular (SEOJK) No.15/SEOJK.03/2015 dated 25 May 2015 Integrated Governance Practices for Financial Conglomerates
9. POJK No.31/POJK.04/2015 dated 22 December 2015 on Transparency on Material Information or Facts by Issuers or Public Companies.
10. POJK No.4/POJK.03/2016 dated 26 January 2016 on Commercial Banks Ratings Valuation.
11. SEOJK No.32/SEOJK.04/2015 dated 17 November 2015 on Public Companies Governance.
12. POJK No.55/POJK.03/2016 dated 07 December 2016 on Governance Practices for Commercial Banks.
13. SEOJK No.13/SE.OJK.03/2017 dated 17 March 2017 on Governance Practices for Commercial Banks.
14. SOE Ministry Circular No: SE-2/MBU/07/2019 dated 29 July 2019 on Clean Management of State-Owned Enterprises through Prevention Practices of Corruption, Collusion, Nepotism, and Handling of Conflict of Interest as well as Strengthening of Internal Control.



CORPORATE GOVERNANCE

Corporate Governance

BRI also adopts the best standards and latest guidelines and best practices to improve GCG quality implementation, among others:

1. GCG principles by the Organization for Economic Cooperation and Development.
2. ASEAN Corporate Governance Scorecard.
3. GCG Guidelines for Indonesian Banking by the Governance Policy National Committee.
4. Principles for Enhancing Corporate Governance by Basel Committee on Banking Supervision.

GCG PRINCIPLES AND ITS PRACTICES

GCG principles are implemented by BRI to improve the company's value and performance for sustainable management. These principles include:



GCG principles formulation in supporting BRI sustainable business activities are as follows:

Transparency

1. The Bank has a policy to disclose important information required by the stakeholders.
2. The Bank discloses information in accordance with prevailing laws and regulations including the Bank's vision and mission, business values and targets

and strategies, financial condition, composition and remuneration of the Board of Commissioners and Board of Directors, controlling shareholder, organizational structure, risk management, internal control system, and implementation of GCG and compliance.

Corporate Governance

3. The principle of information disclosure does not reduce the obligation of Bank and Customers confidential information in accordance with applicable regulations.

Accountability

1. The Bank establishes long-term and short-term business targets that are accountable to shareholders and stakeholders.
2. The Board of Commissioners and the Board of Directors submit the annual report and financial accountability in the GMS.
3. The Bank submits the report in accordance with the applicable provisions to the supervisory authority of the Bank and other stakeholders as applicable.
4. The Bank shall determine the duties and responsibilities of the Board of Commissioners, Board of Directors and corporate organs as well as their subordinates in line with the Bank's vision and mission.
5. The Bank ensures on the availability of competencies of the Board of Commissioners and the Board of Directors as well as all levels below in accordance with their responsibilities and understands their role in GCG implementation.
6. The Bank ensures on the availability of structures, systems and SOPs that can insure the operation of check and balance mechanism in achieving the Bank's vision and mission.
7. The Bank has an effective internal control system.

Responsibility

1. The Bank adheres to the principles of prudence and guarantees the enforcement of regulations, articles of association and internal regulations of the Bank.
2. The Bank maintains nature conservation through lending policy and other policies that support the natural resources preservation.
3. The Bank acts as a good corporate citizen through social and environmental responsibility.

Independency

1. The Bank avoids the dominance of any party, unaffected by certain interests, free of conflict of interest and any influence or pressure so as to act objectively.
2. The Bank performs its functions and duties in accordance with the Articles of Association, internal Bank rules and regulations.

Equality and Fairness

3. The Bank provides fair and equal behavior to the stakeholders in accordance with the benefit and contribution made to the Bank.
4. The Bank provides opportunities for stakeholders to provide input and convey opinions for the interests of the Bank and access to information disclosure.

OBJECTIVES OF GCG IMPLEMENTATION

BRI is committed to continually implement GCG that has been proven to have a positive impact on achieving the company performance and sustainability. It aims to:

1. Foster the Bank's vision and mission.
2. Foster the Bank's achievement through significant performance enhancement.
3. Maximize the company's value.
4. Enhance the shareholders and stakeholders' confidence that the Bank management and oversight are professionally implemented.
5. Ensure the sustainable sound and progressive development of the Bank.
6. Provide guidelines to the Board of Commissioners and Board of Directors and all Bank employees.
7. Support the management of Bank resources effectively and efficiently.
8. Optimize risk-return relation being consistent with business strategy.
9. Foster the creation of decision making by all Bank's personnel based on GCG principles.
10. Foster the establishment of Bank policies based on GCG principles.
11. Foster the realization of good corporate citizen.



CORPORATE GOVERNANCE

GCG ROADMAP

The stages of GCG mechanisms is stipulated under the continuous roadmap in which application is adjusted with the Company's needs. The BRI Roadmap are as follows:

2000-2001

- GCG implementation as stated in the business plan.
- Management's commitment in the vision, mission, core values, and corporate culture.
- GCG policy (Charter)

2002-2005

- BRI Code of Conduct Policy.
- Board Manual of the Board of Commissioners and Board of Directors.
- Corporate Secretary Charter.
- Transparency and Disclosures Manual.
- Audit Committee Charter.
- Risk Management General Policy.
- Discipline Regulatory Policy.
- Manpower Regulatory.
- Information System Technology Security Policy.
- Revision of Information System Technology Security Policy.
- Revision of Logistic General Policy.

2006-2009

- Nomination and Remuneration Committee Charter.
- Risk Management Oversight Committee Charter.
- Audit Charter.
- HR Architecture.

2010-2012

- Compliance Charter.
- Compliance Culture Implementation Policy.
- Conflict of Interest Handling Manual.
- Anti Fraud Strategy Policy.
- Service Level Agreement (SLA) Standard.

2013

- Know Your Employee Principle Policy.
- Community Development Program Implementation.
- Educational Budget Development and Utilization Guideline.

2014

- Update of Internal Audit Policy and Procedures.
- New Employee Coaching Program Implementation.
- AML and CTF Implementation.
- Bank Soundness Rating Assessment Guideline.
- Internal Capital Adequacy Assessment Process (ICAAP).
- BRI Information System Technology Security Rules.

2015

- BRI Long Term Plan General Policy.
- Guideline for BRI Long Term Plan Implementation.
- Risk Management General Policy.
- Integrated Risk Management Policy.

- Risk Based Bank Rating Assessment Guideline.
- Anti Money Laundering (AML) and Counter Terrorism Financing (CTF) Program Policy and Procedures.
- BRI Integrated Governance Financial Conglomerate Guideline.
- BRI Internal Audit Charter.
- IT Strategic Plan.
- Risk Management Maturity Level Assessment.

BRI has again received:

1. Most Trusted Company based on Corporate Governance Performance Index.
2. The Best Overall dalam acara Good Corporate Governance Award yang diselenggarakan oleh Indonesian Institute for Corporate Directorship (IICD)

2016

- Commitment of BRI's Gratuity Control Program with KPK.
- Disaster Recovery Plan (DRP) for BRI Information Technology.
- Implementation of Knowledge Management, namely sharing of knowledge (internal and external provision, publication of research/ review result and training) to all employees.
- E-Learning implementation to all BRI Employees.

BRI has again received:

1. Most Trusted Company based on Corporate Governance Performance Index.
2. The Best Overall in the Good Corporate Governance Award event held by Indonesian Institute for Corporate Directorship (IICD).

GCG Roadmap

2017	2018	2019
<p>Establishment of BRIGratuity Management Unit.</p> <p>BRI has again received:</p> <ol style="list-style-type: none"> 1. Most Trusted Company based on Corporate Governance Performance Index. 2. The Best Overall in Good Corporate Governance Award Event held by Indonesian Institute for Corporate Directorship (IICD). 	<ul style="list-style-type: none"> - BRI's policy on Sustainable Financial Action Plans. - Implementation of a Recovery Plan for systemic Banks determined by the Financial Services Authority. - Review the Whistleblowing System and implementation of WBS reporting facility on BRI website. 	<p>Dissemination of Gratuity Control System Implementation</p> <p>BRI has again received some awards in 2019:</p> <ol style="list-style-type: none"> 1. Most Trusted Company based on Corporate Governance Performance Index for 7 consecutive years. 2. The Best Financial Sector and Top 50 Public Listed Companies in the Good Corporate Governance Award event held by The Indonesian Institute for Corporate Directorship (IICD).

GCG IMPLEMENTATION IN 2019

BRI GCG implementation during 2019 are as follows:

1. Signing of GCG Commitment by the Board of Commissioners and Directors followed by all Employees of BRI across Indonesia in the Performance Improvement Forum
2. The announcement of Annual GMS Fiscal Year 2018 has been done 40 (fourty) calendar days prior to the dated of the GMS following the Indonesian Companies GCG Roadmap Recommendation and POJK No. 32/POJK.04/2014 where the Annual GMS Invitation shall called upon at 21 (twenty one) calendar days prior to the date of the Annual GMS.
3. Detailed explanation of each agenda has been included in the GMS Invitation according to the Indonesian Companies GCG Roadmap Recommendation and POJK No. 32/POJK.04/2014.
4. Publication of Meeting Minutes of the Annual GMS Fiscal Year 2018 and the Announcement of Cash Dividend Schedule and Payout Procedures for Fiscal Year 2018 dated 17 May 2019 has met the rules of POJK No. 32/POJK.04/2014 as lastly amended with POJK No. 10/POJK.04/2017.
5. Cash Dividend Payout for Fiscal Year 2018 shall not be exceeded 1 (one) month after the GMS convention date or following the announcement of GMS minutes which is on 13 June 2019.
6. Signing of Anti Fraud Integrity Pact by all BRI employees as a commitment of zero tolerance on Fraud.
7. Publication of Anti Gratuity in Investor Daily, and Bisnis Indonesia on May 2019 in conjunction with led Fitr Holiday as well as during Christmas 2019 and New Year 2020.
8. Employee trainings on GCG, Anti Fraud, Gratuity Control, AML CTF and Compliance Culture to all BRI employees through in-class, socialization or e-learning.
9. Submission of 2018 Annual Report prior to the end of the fourth months following the ended of fiscal year, has been in accordance with POJK No.29/POJK.04/2016.
10. GCG Self Assessment of 2019 has been submitted to OJK in accordance with POJK No.55/POJK.03/2016 and SEOJK No.13/SEOJK.03/2017.
11. Integrated Governance Self Assessment of 2019 has been submitted to OJK in accordance with POJK No.18/POJK.03/2014 and SEOJK No.15/SEOJK.03/2015
12. Submission of Corporate Secretary Implementation function to the Board of Directors copied to the Board of Commissioners according to rules stipulated in POJK No. 35/POJK.04/2014
13. Corporate Governance Performance Index (CGPI) implementation held by The Indonesia Institute for Corporate Governance and in 2019 BRI recorded a score of 90.75 with the Most Trusted Company predicate.
14. Fulfillment of GCG practices referring to the ASEAN Corporate Governance Scorecard and participating in the valuation of Good Corporate Governance Award held by The Indonesian Institute for Corporate Directorship (IICD). BRI successfully received the recognition as The Best Financial Sector and Top 50 Public Listed Companies for 2019.
15. Revitalisation of Whistleblowing System in the Company's Website.



CORPORATE GOVERNANCE

GOVERNANCE POLICY

BRI has in place the internal policy that regulate duties and responsibilities of each level of the organization in accordance with GCG principles and applicable regulations, namely:

1. Decree of BRI Board of Directors No. S.281-DIR/DKP/12/2011 on the Implementation of Compliance Culture in Work Unit of PT Bank Rakyat Indonesia (Persero) Tbk.
2. Joint Decree of BRI Board of Commissioners and Board of Directors No. 02-KOM/BRI/15/2012 and Nokep. S.104-DIR/DKP/05/2012 on the General Guidelines for Handling Conflicts of Interest PT Bank Rakyat Indonesia (Persero) Tbk.
3. Joint Decree of BRI Board of Commissioners and Board of Directors No. 05-KOM/ BRI/12/2013 and Nokep. S.64-DIR/DKP/12/2013 on Good Corporate Governance Policy PT Bank Rakyat Indonesia (Persero) Tbk.
4. Joint Decree of BRI Board of Commissioners and Board of Directors No. 06-KOM/BRI/12/2013 and Nokep. S.65-DIR/DKP/12/2013 on the Code of Conduct of PT Bank Rakyat Indonesia (Persero) Tbk.
5. Joint Decree of BRI Board of Commissioners and Board of Directors No. 06-KOM/BRI/07/2015 and Nokep.S.339-DIR/DKP/07/2015 on the Integrated Corporate Governance Guidelines for Financial Conglomeration of PT Bank Rakyat Indonesia (Persero) Tbk.
6. Circular Letter of BRI Board of Directors Nose. S.27-DIR/DKP/12/2016 on the Whistleblowing System of PT Bank Rakyat Indonesia (Persero) Tbk.
7. Joint Decree of BRI Board of Commissioners and Board of Directors No. 03-KOM/BRI/03/2017 and Nokep. S.11-DIR/DKP/03/2017 on the Guidelines for Gratification Control PT Bank Rakyat Indonesia (Persero) Tbk.
8. Joint Decree of BRI Board of Commissioners and Board of Directors No. 09-KOM/BRI/11/2017 and Nokep: S.1023-DIR/KPS/11/2017 on the Remuneration Governance Policy of PT Bank Rakyat Indonesia (Persero) Tbk.
9. Code of Conduct of the Board of Commissioners.
10. Dividend Policy.
11. Decree/Decision of the Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk. No: 04-KOM/BRI/09/2018 concerning Implementation of Deferred Variable Remuneration of PT Bank Rakyat Indonesia (Persero) Tbk.

GOVERNANCE STRUCTURE MECHANISMS AND RELATIONS

GCG Policy Charter is formulated based on BRI's business development, evaluation of previous guidelines and GCG best practices covering 4 (four) aspects of governance, namely commitment, structure, process and results described in the following:

GOVERNANCE COMMITMENT	GOVERNANCE STRUCTURE	GOVERNANCE PROCESS	GOVERNANCE OUTCOME
<ul style="list-style-type: none"> • Vision and Mission • Corporate Values • Board Charter • Code of Conduct • Environment Conservation 	<p>Main Organ</p> <ul style="list-style-type: none"> • GMS • Board of Commissioners • Board of Directors <p>Supporting Organ</p> <ul style="list-style-type: none"> • Committees • Board of Commissioners' Secretary • Corporate Secretary • Compliance Unit • Internal Audit Unit • Risk Management Unit <p>Policies and Procedures</p> <ul style="list-style-type: none"> • Bank Strategic Plans • Bank Business Policies • Transparency and Disclosures 	<ul style="list-style-type: none"> • GMS Implementation • Implementation of the Board of Directors' and Board of Commissioners' Duties and Responsibilities • Implementation of the Bank Business • HR Management • Social and Environment Responsibility • IT Governance • Management of Subsidiaries 	<ul style="list-style-type: none"> • Bank Sustainability • Customer Protection • Social and Environmental Responsibilities as Good Corporate Citizen • The Bank's benefits for the Community and National Economy.



CORPORATE GOVERNANCE

Governance Structure Mechanisms and Relations

1. GOVERNANCE COMMITMENT

Vision and Mission

BRI has a vision that reflects the achievement of corporate objectives in the future. The mission then explains BRI's measures toward the achievement of these objectives. The Vision and Mission are elaborated further in the Company Profile Chapter.

Core Values

BRI Core Value includes values and culture that become the foundation of thinking, behavior and conduct, which further invested as a Corporate Culture translated in the Corporate Culture Conduct. The Core Value is described further in the Company Profile Chapter.

BOC Charter and BOD Charter

BRI has in place the BOC Charter and BOD Charter which contains the structure, division of duties and responsibilities, work ethics, meeting procedures, organization and work relations between the Board of Commissioners and Board of Directors, which is used as a reference for the Boards in performing the duties for the achievement of the Company's business objectives. The Code of Conduct is further described in the Board of Commissioners' sub Chapter.

Code of Conduct

BRI developed the Bank's Code of Conduct as a guideline on business ethics, work ethics and conduct in implementing good corporate management practices,

including interacting with stakeholders. The Code of Conduct applies to all BRI employees throughout the organization. The Code of Conduct is further elaborated in the sub Chapter of the Code of Conduct.

Collective Labor Agreement (CLA)

The collective labor agreement (CLA) is developed to regulate the terms of employment as a result of negotiations and agreements between BRI and its trade union, which later became the guidance of both parties in carrying out the employment relationship and as a primary reference in the event of work disputes. CLA is a mandate of the Manpower Act, which in principle upholds the harmonious industrial relations between the company and the workers. The collective labor agreement is clearly described in the HC Chapter.

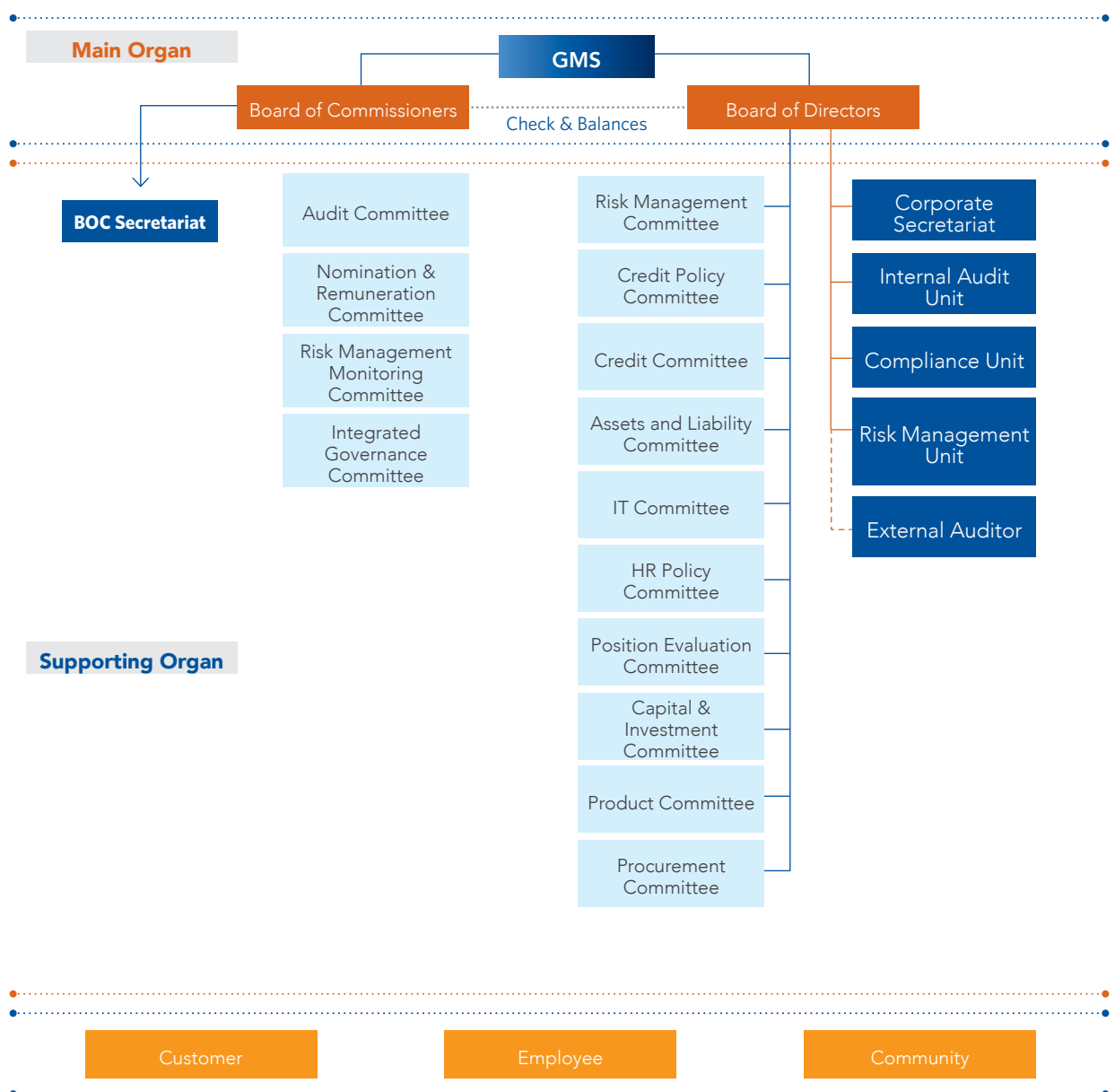
Natural Resources and Environmental Conservation

Responsibility toward natural resources and environmental conservation serves as BRI commitment to participate in sustainable economic development in order to improve the quality of life and the beneficial environment, both for BRI, local communities and society in general. The implementation of social and environmental responsibility is published to stakeholders in periodical reports. The role of BRI in the preservation of natural resources is further explained under the Corporate Social Responsibility Section.

Governance Structure Mechanisms and Relations

2. GOVERNANCE STRUCTURE

Pursuant to Law No. 40 of 2007, GCG structure consists of 3 (three) main organs, namely the General Meeting of Shareholders, the Board of Commissioners and the Directors. In its implementation, to ensure the effectiveness of GCG, and create a check and balances control mechanism, BRI Governance structure also includes Supporting Organ and the following Policies and Procedures:





CORPORATE GOVERNANCE

Governance Structure Mechanisms and Relations

GMS

The GMS is the highest organ in the GCG structure. The GMS is a forum of shareholders for decision making and holds accountability for matters relating to BRI's business interests by taking into account the Articles of Association as well as legislation. The GMS consists of an Annual GMS held at the latest period of 6 (six) months after the end of the financial year and the Extraordinary GMS which can be held at any time based on needs for the benefit of the Company.

BOARD OF COMMISSIONERS

The Board of Commissioners is an organ that carries out the supervisory function of the Bank management by the Board of Directors, including providing advice to the Board of Directors on the Bank management.

The Board of Commissioners consists of Commissioners and Independent Commissioners. The Independent Commissioners are set at least 50% (fifty percent) of the total members of the Board of Commissioners.

The Board of Commissioners is not involved in decision making process on the Bank's operational activities, except for the provision of funds to related parties, and matters regulated in the Bank's Articles of Association or applicable laws and regulations.

More detailed stipulations regarding the duties and responsibilities of BRI Board of Commissioners are stated in the BOC Charter.

BOARD OF DIRECTORS

The Board of Directors is an organ responsible for the Bank's management including representing the Bank with third parties inside and outside the court. The implementation of duties and responsibilities of the Board of Directors refers to the Bank's Articles of Association, and applicable laws and regulations.

More detailed stipulations regarding the duties and responsibilities of the Bank's Directors are stated in the BOD Charter.

SUPPORTING ORGANS OF GOVERNANCE STRUCTURE

Committee Under the Board of Commissioners

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Monitoring Committee
- Integrated Governance Committee

More detailed elaboration regarding Committees under the Board of Commissioners will be discussed in a separate chapter in this annual report.

Committee Under the Board of Directors

- Asset & Liabilities Committee (ALCO)
- Risk Management Committee.
- Credit Committee.
- Capital & Investment Committee.
- Credit Policy Committee.
- Information Technology Steering Committee.
- Human Capital Policy Committee.
- Job Evaluation Committee.
- Product Committee
- Goods and Services Procurement Committee

More detailed elaboration on the Committees under the Board of Directors are stipulated in the Board of Directors' committee charters and will be discussed in a separate section of this annual report.

Secretariat of the Board of Commissioners

Is the organ appointed by the Board of Commissioners and has the duties to assist the implementation of the Board of Commissioners' duties and responsibilities. Detailed elaboration of the Board of Commissioners' Secretary is stated on separate chapter of this annual report.

Corporate Secretary

Is the supporting organ responsible to the President Director that has the roles to assist the Board of Commissioners and Board of Directors in implementing duties and responsibilities related to corporate governance implementation and serves as a liaison and communication management both between the company internally and externally, among others to the shareholders, regulators and other stakeholders.

Governance Structure Mechanisms and Relations

Detailed information on the Corporate Secretary is stipulated on separate chapter of this annual report.

Risk Management Unit

Risk Management duties include the implementation of Corporate Risk Management (ERM). A more detail explanation on the Risk Management Unit will be discussed on a separate section of this annual report.

Compliance Unit

An independent unit responsible to implementing compliance functions at BRI. More detailed explanations on the Compliance Unit will be discussed in a separate section of this annual report.

Internal Audit Unit

Internal Audit is a work unit that is structurally responsible directly to the President Director and has a line of communication with the Audit Committee. Internal Audit serves as an independent and objective assurance and consultancy by evaluating the adequacy and effectiveness of risk management, internal control and corporate governance processes, with the aim of increasing added value and improving the Bank operations. A more detailed explanation on the Internal Audit Unit will be discussed in a separate section of this annual report.

External Auditors

Auditing of the Bank is also carried out by External Auditors, namely Bank Indonesia, the Financial Audit Agency (BPK), other auditors in accordance with regulations and public accounting firm. The Bank requires to appoint a Public accountant and Public accountant firm registered with the Financial Services Authority in conducting audits of the Bank's financial statements.

Policies and Procedures

In order to maintain the efficiency and effectiveness of GCG implementation by the Board of Commissioners, Directors and the Company's employees, the Bank's internal policies are periodically evaluated and refined by the policy-making unit (policy owner) in accordance with the need and development of the Bank.

The Bank's Plan Development Policy

The Bank's Plan includes:

- a. Corporate Plan which functioned as the comprehensive background of the Bank's business direction or strategy for the period of 5 (five) years. The policy on corporate plan is stated under the Corporate Plan General Policy and Corporate Plan Implementation Guidelines.
- b. The Bank Business Plan is the detailed implementation of work strategy and program as well as the Bank's 3 (three) year's performance targets. The policy on the Bank Business Plan is stated under the Bank Business Plan General Policy and the Bank Business Plan Implementation Guidelines.
- c. Work and Budget Plan is the detailed explanation on the Bank's 1 (one) year performance targets. The policy on the Work and Budget Plan is stated in the Bank's Circular Letter on the Work and Budget Plan.

Business Policy

BRI internal policies and rules is in line with the GCG policy, which includes the Standard Operating Procedures covering circular letters, decrees, Operating Procedures Book and/or Manuals. The GCG principles shall be reflected in the Bank's internal policies and rules related to the Bank's business and or internal management. Every new product development and/or business activities shall be appropriately aligned with the prevailing rules. The Bank's new product and/or activities are regulated under separate provisions.

Oversight Policy

The Bank's oversight is implemented through Three Lines of Defense concept, which are:

- a. First Line of defense is the oversight conducted by Business/Operating Units responsible to maintain the business output and process quality in accordance with the set policy and procedures.
- b. Second Line of defense is a function conducted by Risk Management Unit and Compliance Unit as stated in Bank Indonesia regulations.



CORPORATE GOVERNANCE

Governance Structure Mechanisms and Relations

- c. Third Line of Defense is the oversight conducted by internal audit through the evaluation of First Line and Second Line of Defenses. The Unit also provides independent reports to the President Director and the Board of Commissioners.

BRI's Oversight Policy consists of:

- a. Internal control policy that developed by taking into account the scopes of:
 1. Control environment, example: three line of defense concept implementation
 2. Business risk management and analysis, example: risk assessment on the Bank's product and/or business activities
 3. Control activities implemented in every level of the Bank's structures, example: direct supervisor oversight, dual control and so forth
 4. Information and communication system, example: information in the Data Warehouse (DWH)
 5. Monitoring, evaluation and follow up on internal control activities, example: risk management device implementation policy.
- b. Internal oversight policy, among others covering the internal audit policy, Anti Fraud Strategy, legal analysis and compliance examination.
- c. External oversight policy, which is the oversight by the external auditors and banking oversight regulators in accordance with the prevailing provisions.

Transparency and Disclosures Policy

The Bank's internal policy on transparency and disclosures is stated in:

- a. Transparency and Disclosure Guidelines.
- b. Bank Confidentiality Policy.
- c. Reporting policy, both internal and external including reports to the Bank's authorities and regulators, which is stated under separate policy according to the report types.
- d. Information Service and Management Policy.

3. GOVERNANCE PROCESS

The governance process of a company is the way or mechanism carried out by company organs and the all levels below in carrying out their function and duties as a manifestation of commitment and implementation of current governance structure in order to achieve governance results in accordance with GCG principles.

BRI GCG process includes:

1. The implementation of Annual General Meeting of Shareholders. The AGMS/ other GMS are held in accordance with timeline and procedures as stipulated in prevailing regulations. The GMS result is announced to the Shareholders and Stakeholders in accordance with applicable regulation.
2. Implementation of function, duties and responsibilities of the Board of Commissioners and the Board of Directors. The implementation of function, duties and responsibilities of the Board of Commissioners and the Board of Directors are conducted based on accountability, good faith, prudence and professionalism in accordance with the provisions as stipulated in the regulations, Articles of Association, and the Guideline & Working Code of Conduct of the Board of Commissioners and the Board of Directors. The performance evaluation of the Board of Commissioners and the Board of Directors is carried out in line with the mechanism stipulated in accordance with the laws and regulations.
3. Implementation of Business Activities of the Bank.
The Bank's business activities are carried out in line with the company's vision, mission and values, by adhering to the Bank's strategy, to achieved the agreed objective and with reference to the principles of GCG.
4. Human Capital Management
HC management of the Bank is carried out by referring to the article of association and HC business plan, based on GCG principles, and supporting the achievement of the Bank's business objectives.

Governance Structure Mechanisms and Relations

5. Social and Environment Responsibility
 The social and environment responsibility of the Bank must be part of the Bank's strategic target, and carried out based on GCG principles.
6. Information Technology Governance (IT Governance).
 The Bank has a huge interest in the presence of reliable, effective, efficient, accurate and reliable Information technology. Hence, the Bank continues to ensure that IT is developed based on the principles of GCG and able to provides strategic value for the company, as well as support the risk management encountered by the company.
7. Subsidiaries Management
 Business development of Company's subsidiaries is conducted to provide additional value and to support the main business of the Bank. Therefore, the management of Company's subsidiaries must adhere to GCG guidelines and best practice based on sound business code.
8. Socialization of Bank Policies
 All Bank policies must be properly and completely socialized/communicated to employees in accordance with their scope of work/duties as a reference for the implementation of work, as well as other relevant stakeholders.

4. GOVERNANCE OUTCOME

The results of GCG implementation are realized through:

1. Business Continuity
 BRI maintain its business continuity through application of GCG best practices within all element of organization by referring to GCG principles: Transparency, Accountability, Responsibility, Equality and Fairness. The results of GCG are seen in more improved financial performance of BRI.
2. Consumer Protection
 BRI always maintain consumer trust and satisfaction in accordance with GCG principles which detail is disclosed under the sub-section of Responsibility to Consumer in the Corporate Social Responsibility Section on this Annual Report.
3. Social and Environmental Responsibility as Good Corporate Citizenship
 BRI is not only aiming to generate profits but also committed to give contribution to the community, which is implemented through CSR programs. These programs are empowering and provide benefits for the community, in particular to Micro and Small Business (MSE) segment. In addition, BRI also supports environmental programs, one of which is through Green Banking's commitment in daily operations and Green Financing within lending process.
4. Benefits of the Bank for Community and National Economy
 In line with its vision, namely the Integrated Financial Solution, BRI is committed to provide services that are supported by technology reliability, extensive network as well as product and services improvement which are closer to the community.

BRI commitment to get closer to the community is realized through convenient networks that are easily accesible among others through Teras Kapal, collaboration with BRILink agents and work units that are operating across Indonesia. Products innovations are also expanded with added values to the community such as Teman Simpedes and BRI mall.



CORPORATE GOVERNANCE

Governance Structure Mechanisms and Relations

GCG PRACTICES MECHANISMS

For the purpose of ensuring GCG Excellent in BRI, the GCG implementation within the Bank is conducted through three (3) stage mechanism namely, formulation, implementation as well as monitoring and continuous and sustainable evaluation.



Relations Between Governance Structures, Mechanisms, and Outcome

The Bank's governance is implemented in an integrated series of 3 (three) governance aspects, namely structure, process, and outcome. The Bank implements the three aspects in an effort to ensuring the availability of adequate governance structures and infrastructures, maximizing the effectiveness of governance implementation process, and encouraging the creation of quality governance outcome to meet the expectation of all stakeholders.

Governance Structure Mechanisms and Relations

STRUCTURE

The structure, composition, criteria, number and independence of the Board of Commissioners, Directors and the Company's Supporting Organs meet the needs of the company as well as the criteria of the Financial Services Authority rules.

The Bank is required to establish committees and work units to carry out internal control functions.

In the implementation of the Bank's operations activities, the duties and responsibilities of each organ function are determined through Policies, Guidelines, Code of Conduct and Procedures.

The Bank's business strategy plan is in line with the Company's vision and mission.



PROCESS

The implementation of functions, duties and responsibilities as well as the diversity of the Board of Commissioners and Board of Directors in carrying out optimum function of supervision and internal control.

In the implementation of internal control functions, the Board of Commissioners shall form 4 (four) committees under the supervision of the company. The Board of Directors shall form 3 (three) Units within the company's internal Control.

The implementation of duties and responsibilities of employees is based on the level of position/field of duty and segregation of duty in performing internal control functions.

The preparation of the Bank's strategic plan is comprehensively conducted and measurably approved by the Board of Commissioners and communicated to the shareholders and all levels of the organization.



OUTCOME

The Bank's positive performance is among others the achievement of increased profit, good financial performance and strong capital structure.

The Committees under the Board of Commissioners are Audit Committee, Nomination and Remuneration Committee, Risk Management Monitoring Committee, and Integrated Governance Committee. Units under the Board of Directors are Audit, Compliance and Risk Management Unit.

A Job Description List is developed at every level of position within the organizational structure of the company.

The Bank's strategic plan illustrates the company's sustainability and positive contributions to shareholders and stakeholders.





CORPORATE GOVERNANCE

INFORMATION TECHNOLOGY GOVERNANCE

Information Technology Governance Policy

To implement professional management and good corporate governance, BRI always refers to the best practices and in compliance with prevailing laws. BRI also implements sustainable and consistent GCG values, which are Transparency, Accountability, Responsibility, Independency, and Fairness. BRI IT Governance refers to the following rules/regulations:

1. State-Owned Enterprise Minister Regulation No. Per-03/MBU/02/2018 on the Amendment of State-Owned Enterprise Minister Regulation No. Per-02/MBU/2013 on the Guidance in Formulating Information Technology for State-Owned Enterprises.
2. Minister Regulation No. 4/2016 dated 11 April 2016 on Information Security Management System.
3. Bank Indonesia Regulation No. 19/12/PBI/2017 dated 30 November 2017 on Financial Technology Development.
4. POJK No. 77/POJK.01/2016 dated 29 December 2016 on Lending Borrowing Services with Information Technology Based.
5. POJK No. 38/POJK.03/2016, on the implementation of risk management in the use of information technology by Commercial Banks.
6. SEOJK No. 21/SEOJK.03/2017, on the implementation of risk management in the use of information technology (followed up from POJK No. 38/POJK.03/2016).

IT Governance has the policy as stated in the Decree of BRI Board of Directors No. S.874-DIR/PPT/10/2017 on Governance and Risk Management of BRI Information Technology Policy. The policy is used as a guideline and control for Information Technology Unit to implement risk management and control of IT usage at BRI.

IT governance policies include, among others:

- a. Roles and Responsibilities of Management in Management of Information Technology.
- b. Information Technology Development and Procurement.
- c. Information Technology Operational Activities.
- d. Provision, Risk Control and Information Technology Risk Management.
- e. Information Technology Security.
- f. Disaster Recovery Plan.
- g. Electronic Banking Services.
- h. Information Technology Internal Audit.
- i. Use of Information Technology Service Providers.
- j. Provision of Information Technology Services.
- k. Information Technology Reporting.

Information Technology Governance Practices

The implementation of information technology governance consists of main frameworks (primary activities) as well as supporting frameworks (supporting activities) in providing added value to stakeholders:

1. Information Technology Infrastructure Library (ITIL) v4 2019.
2. Control Objectives for Information and Related Technology (COBIT) 2019.
3. SNI ISO/IEC 27001:2013 Information Security Management System (ISMS).
4. ISO 20000 Information Technology – Service Management.

In realizing the IT 2018-2022 vision and mission, the management has provided and set out the directives through 5 pillars Functional Strategy and its sub-points of 9 Strategic Initiatives and 10 Main Programs as follows:

Information Technology Governance



Functional Strategy (SF)	Main Programs	Work Programs
Nurture Great Digital Talent	Enhance ICT Competence & Digital Talent	Groom Digital Leaders & Talents
Drive Bimodal IT Governance	Develop Product Management Mindset	Enforce Product Approach in IT Business Alignment
	Advance Implementation BiModal IT	Impose Governance For Agile & DevSecOps Method
Build Future Ready Platform	Modernize CBS by managing impact vs risk	1. Enhance Finance & Core System 2. Implement Middleware Enhancement
	Accelerate Next-Gen ICT Architecture	Excel Network & IT Service Delivery
	Enhance Cyber security & Digital Resilience	Improve Privacy Management
Leverage Data Governance & Analytics	Excel Data Governance & Analytics	Enrich Big Data for Augment intelligent
Deliver Innovative Digital Bank	Deliver Digital Initiative	Thrive Digital Banking for MSME & Consumer
	Deliver Excellent Ecosystem Platform	Boost Digital Ecosystem Platform



CORPORATE GOVERNANCE

GCG EVALUATION AND ASSESSMENT IN 2019

To maintain the implementation of GCG to always in line with the best standards and the Company's GCG Roadmap as well as fulfillment of GCG commitment, BRI periodically evaluates and conducts assessment on the implementation of GCG (GCG Assessment) aimed at improving the quality of GCG mechanisms at the Bank.

GCG Assessment from Internal, Regulator and External Parties

GCG assessment on GCG implementation is conducted with 2 approaches, which are assessment by external parties and regulators that are mandatory according to OJK Regulation on Governance for Commercial Banks.

Internal evaluation by the Committee under the Board of Commissioners is carried out periodically with due observance to prevailing oversight principles. The regulator evaluation is periodically carried out in accordance with the regulators' rules (by half year) based on its assessments. While external parties evaluation and assessment is done once a year for BRI GCG implementation based on best practices and applicable rules.

Self-assessment valuation with GCG principles based on ACGS (ASEAN Corporate Governance Scorecard) standard is also carried out and analysed towards improvements based on international best practices.

GCG Self-Assessment 2019

Pursuant to POJK No: 55/POJK.03/2016 and SEOJK No: 13/SEOJK.03/2017 on Governance Implementation for Commercial Banks, the Bank shall carry out a comprehensive and structured self assessment integrated into three (3) aspects of governance as follows:

1. Governance Structure

The assessment aims to assess the adequacy of Bank governance structures and infrastructures hence good governance principles processes produce results that meet the expectations of stakeholders.

2. Governance Process

The assessment aims to assess the effectiveness of the process of GCG principles application supported by adequacy of the Bank governance structures and infrastructure hence to produce results in accordance with the stakeholders' expectations.

3. Governance Outcome

The assessment aims to assess outcomes that meet expectations of the Bank stakeholders resulted from GCG implementation process and supported by adequacy of the Bank's governance structure and infrastructure.

The self assessment is conducted periodically on the principles of GCG consisting of 11 governance valuation factors, which are:

1. Implementation of duties and responsibilities of the Board of Directors.
2. Implementation of duties and responsibilities of the Board of Commissioners.
3. Completeness and execution of committee duties.
4. Handling of conflict of interest.
5. Implementation of compliance function.
6. Implementation of internal audit function.
7. Implementation of external audit function.
8. Implementation of risk management including internal control system.
9. Funding to related parties and large exposure.
10. Transparency of the Bank's financial and non-financial condition, governance report and internal reporting.
11. Bank's strategic plan.

The GCG Self Assessment is conducted twice a year. GCG assessment result during 2019 has reached a composite index of 2 (GOOD), with the following details:

Evaluasi Dan Penilaian GCG 2019

Period	Rating	Definition
2019	PK-2 (Good)	Reflecting that BRI Management has implemented GCG in the Governance Structure, Governance Process, and Governance Outcome aspects, which are generally good. This is reflected in adequate fulfillment of Good Corporate Governance principles. If there is a weakness in the application of GCG principles, then the general weakness is less significant and can be solved by normal action by the management of BRI.

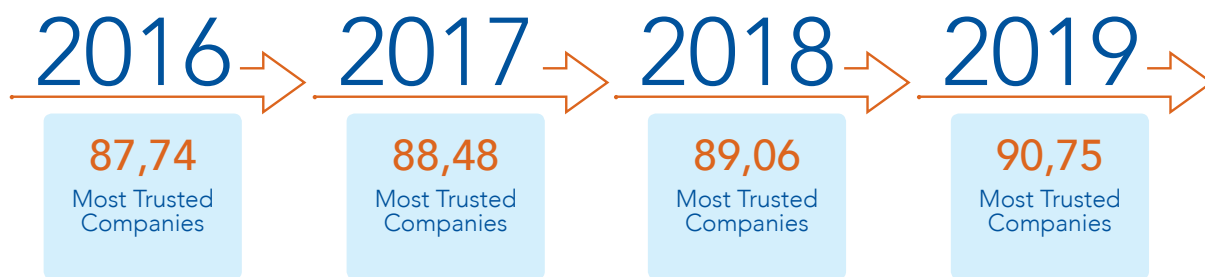
Analysis	
Governance Structure	BRI Governance Structure has been properly implemented by the establishment of organizational structure consist of main organ and supporting organ of the Company including the availability of business plan, policies, and procedures in GCG implementation.
Governance Process	The Governance Process has been well implemented, every company organ has the duties and responsibilities in accordance with prevailing rules. BRI continually strives to review and conduct evaluation to improve the effectiveness of the company organ's duties and responsibilities.
Outcome	The Governance Outcome has been well implemented, the disclosure and information transparency process, data and report have been properly conducted with no violation to Legal Lending Limits. BRI continually evaluates and improves the management information system and reporting system to enhance the information quality provided to the stakeholders.



CORPORATE GOVERNANCE

GCG Evaluation and Assessment in 2019

BRI recorded significant increase on its CGPI Assessment in the last 4 years. This emphasizes the Management seriousness in continuously improving GCG practices to foster the Company's vision and mission.



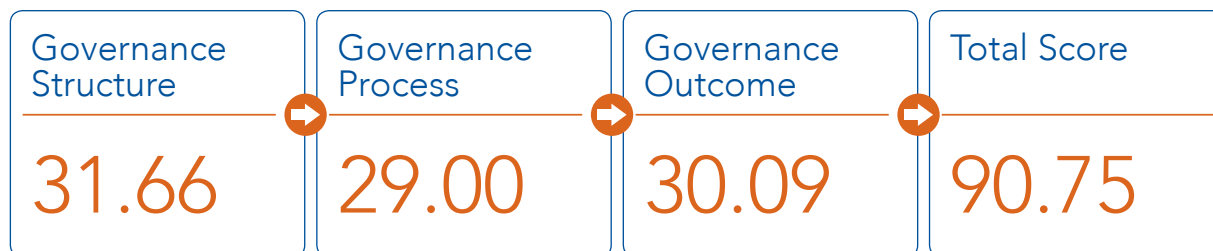
Corporate Governance Performance Index (CGPI)

CGPI held by The Indonesian Institute for Corporate Governance (IICG) is a research program and GCG implementation rating for the companies in Indonesia with the aim of improving GCG implementation on an ongoing basis.

In the 2019 CGPI with the theme of "Strengthening Business Platform within GCG Framework", 3 aspects have been evaluated, as follows:

- Governance Structure covers corporate governance structure and policy.
- Governance Process includes corporate governance system and mechanism.
- Governance outcome includes output, outcome and impact of GCG implementation process.

The CGPI assessment results based on 2019 evaluation delivered a score of 90,75 point with the Most Trusted rating, in detailed as follows:



ASEAN Corporate Governance Scorecard (ACGS)

BRI strives to improve the Corporate Governance principles according to the ASEAN Corporate Governance Scorecard criteria that adopted the Organization for Economic Cooperation and Development (OECD) principle. The GCG assessment based on the ACGS criteria is carried out by independent party, namely Indonesian Institute for Corporate Directorship (IICD) with the following assessment parameters:

12. Shareholders rights
13. Equal treatments for the Shareholders
14. Stakeholders Roles
15. Disclosures and Transparency
16. Responsibility of the Board of Directors and Board of Commissioners

GCG Evaluation and Assessment in 2019

From the assessment results of GCG practices according to ACGS criteria in 2019, BRI received the awards under the categories of The Best Financial Sector and Top 50 Public Listed Companies in the Good Corporate Governance Award event held by The Indonesian Institute for Corporate Directorship (IICD).

Board of Directors Assessment through the SOE Criteria of Excellent Performance Assessment (KPKU)

The Board of Directors Performance Assessment as stipulated by the Ministry of SOEs shall be conducted by applying the Excellent Performance Appraisal Criteria (KPKU) in accordance with the Ministry of SOE Letter No. S-153/S.MBU/2012 dated 19 July 2012 on the Performance Reporting Based on KPKU Approach which consists of 6 (six) process categories and 1 (one) result category, which are:

1. Leadership
2. Strategic Planning
3. Customer Focus
4. Measurement of Knowledge Analysis and Management.
5. Labor Focus
6. Focus of Operation
7. Outcome.

The KPKU assessment results on BRI for the last few years: BRI received a score of 696.75 in 2019, an increase compared to previous year of 686.75 that able to maintaining BRI position as the Industri Leader.





CORPORATE GOVERNANCE

GCG Evaluation and Assessment in 2019

CORPORATE GOVERNANCE INFRASTRUCTURE

BRI has in place the governance structure, among others are:

1. BRI's Articles of Association No. 5 dated December 3, 2018 has been accepted and recorded in the Legal Administration System of the Ministry of Justice and Human Rights of the Republic of Indonesia No. AHU/AH.01.03-0272183 dated December 6, 2018.
2. BRI Policy Architecture was ratified in 2016.
3. Joint Decree of the Board of Commissioners and Board of Directors No. 06 KOM/BRI/12/2013 and Nokep: S.65-DIR/DKP/12/2013 dated December 16, 2013 on BRI Code of Conduct.
4. Board Manual of the Board of Commissioners.
5. Board Manual of the Board of Directors.
6. Audit Committee Charter.
7. Nomination and Remuneration Committee Charter.
8. Risk Management Oversight Committee Charter.
9. Integrated GCG Committee Charter.
10. Joint Decree of the Board of Commissioners and Board of Directors No. 05 KOM/BRI/12/2013 and Nokep: S.64-DIR/DKP/12/2013 dated December 16, 2013 on the Good Corporate Governance Policy of PT Bank Rakyat Indonesia (Persero) Tbk.
11. Joint Decree of the Board of Commissioners and Board of Directors No. 06-KOM/BRI/07/2015 and Nokep: S.339-DIR/DKP/07/2015 dated July 28, 2015 on the Financial Integrated Governance Guidelines.
12. Joint Decree of the Board of Commissioners and Board of Directors No. 09-KOM/BRI/11/2017 and Nokep: S.1023-DIR/KPS/11/2017 dated November 30, 2017 on the BRI Remuneration Governance Policy.
13. Decree Nokep: S.209-DIR/DML/09/2011 dated September 15, 2011 on the General Policy of Fixed Assets Management and Logistics of PT Bank Rakyat Indonesia (Persero) Tbk (KEMAL-BRI).
14. BRI Board of Directors Decree Nokep: S.08-DIR/ KPT/05/2018 dated May 24, 2018 on the BRI Whistleblowing System Policy.
15. Joint Decree of the Board of Commissioners and Board of Directors No. 03-KOM/BRI/03/2017 and Nokep: S.11-DIR/DKP/03/2017 dated March 07, 2017 on the Gratification Control Guidelines.
16. BRI Board of Directors Circular Letter No. S.05-DIR/MOP/3/2018 dated March 29, 2018 on the BRI Anti Fraud Strategy.
17. Joint Decree of the Board of Commissioners and Board of Directors No. 02-KOM/BRI/05/2012 and Nokep: S.104-DIR/DKP/05/2012 dated May 24, 2012 on the General Guidelines of BRI Conflict of Interest Handling.
18. Bank Business Development Guidelines.
19. Decree Nokep: S.296-DIR/CDS/03/2017 dated March 30, 2017 on the General Policy of the Bank Business Plan of PT Bank Rakyat Indonesia (Persero) Tbk.

CORPORATE GOVERNANCE PRACTICES BASED ON FINANCIAL SERVICES AUTHORITY RULES

The implementation of aspect and principles of public company is regulated in POJK No. 21/POJK.04/2015 on the Implementation of Public Companies' Governance Guidelines and SEOJK No. 32/SEOJK.04/2015 on Public Companies' Governance Guidelines that stipulated 5 aspects, 8 principles and 24 recommendations on governance principles implementation.

The implementation of these recommendations in BRI GCG is as follows:

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
A.	RELATIONSHIP BETWEEN PUBLIC COMPANY AND SHAREHOLDERS IN ENSURING THE RIGHTS OF SHAREHOLDERS.			
	Principle 1 Enhancing the Value of General Meeting of Shareholders (GMS).	The Public Company has technical means or procedure for both open and closed voting that prioritize independency and interest of Shareholders.	<p>Every issued share with voting right has one vote (one share one vote). The Shareholders may use their voting rights during the decision making process, in particular to decision with voting mechanism. However, both open and closed voting mechanism has not been regulated in details.</p> <p>The Public Company is recommended to have voting procedure in decision making of GMS agenda. Such voting procedure must maintain independency or freedom of Shareholders. As an example, an open voting mechanism is implemented by raising hand in accordance with option as offered by the GMS chairman. Whilst a close voting mechanism is conducted in any decision that required confidentiality or by request from Shareholders through voting card or electronic voting.</p>	<p>The BRI General Meeting of Shareholders is conducted through one vote one share. The voting mechanism is implemented by way of raising hands and the Officer collects voting rights by approaching all present shareholders.</p> <p>The Company has utilized the decision making procedure through voting which prioritizes independence, and the interest of shareholders in accordance with OJK provision, the Company has implemented as follows:</p> <p>Have a voting procedure in decision making on GMS agenda as stipulated in the BRI GMS Rules of Conduct which is announced to the shareholders through the company's website.</p> <p>The voting procedure involves an Independent Party namely Notary, PT Datindo Entrycom, Public Accounting Firm.</p> <p>The voting process has been regulated in BRI's Articles of Association and the GMS Rules are uploaded on the company's website.</p> <p>Remark: Comply</p>



CORPORATE GOVERNANCE

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
		All members of the Board of Directors and the Board of Commissioners of Public Company attend the Annual GMS.	The presence of all members of the Board of Directors and the Board of Commissioners of the Public Company is intended so that each member of the Board of Directors and the Board of Commissioners can pay attention to, explain, and answer directly the issues or questions as raised by shareholders related the GMS agenda.	<p>AGMS Year 2019 was convened on 15 May 2019 and was attended by all members of the Board of Commissioners and Board of Directors.</p> <p>Remark: Comply</p>
		The Summary of Minutes of GMS is available in the Public Company's website at least for one (1) year.	Based on Article 34 paragraph (2) of the Financial Services Authority Regulation No.32/POJK.04/2014 on the Plan and Implementation of the General Meeting of Shareholders of Public Company, The Public Company is required to make summary of GMS Minutes in Indonesian and foreign language (minimum in English), and announced to the public within two (2) working days after the GMS is held, one of which is through the Public Company Website. The availability of summary of GMS Minutes in the Public Company Website provides an opportunity for shareholders who are not present, to easily obtain important information in GMS implementation. Therefore, the provision on the minimum period of availability of GMS Minutes summary in the Website are intended to provide sufficient time for shareholders to obtain such information.	<p>The Company has made the meeting minutes of AGMS in Indonesian and English.</p> <p>The AGMS minutes of meeting has been published on the company's website for a maximum of 2 (two) working days, namely on 17 May 2019. The minutes of meeting was published in Kontan, Tempo and Investor Daily, as well as through the Company's website for more than 1 (one) year (www.bri.co.id).</p> <p>The EGMS minutes of meeting has been published on the company's website for a maximum of 2 (two) working days, namely on 4 September 2019. The minutes of meeting was published in Bisnis Indonesia and Jakarta Post, as well as through the Company's website for more than 1 (one) year (www.bri.co.id).</p> <p>Remark: Comply</p>

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
	<p>Principle 2</p> <p>Enhancing the Quality of Communication between Public Company with Shareholders or Investors.</p>	<p>Public Company has communication policy with the Shareholders and Investors</p>	<p>The communication between Public Company and shareholders or investors is intended so that shareholders or investors obtain clarity of information that has been published to the public, such as periodic reports, information disclosure, business condition or prospect and performance, as well as implementation of public company governance. In addition, the shareholders or investors can also submit input and opinion to the management of Public Company. The communication policy with shareholders or investors shows the commitment of the Public Company in carrying out communication with shareholders or investors. This policy can include strategies, programs, and timing of communication implementation, as well as guideline that support shareholders or investors to participate in the communication.</p>	<p>The Bank has a communication policy with shareholders or investors. This policy includes investor relations activities i.e. analyst meetings, public expose that allows the shareholders or investors to attain a clearer understanding of information that has been published to the public as disclosed by the Corporate Secretary.</p> <p>Bank BRI has a special work unit, namely the Investor Relations Division with function to manage relationship with investors.</p> <p>Access to this Annual Report Information Disclosure and also disclosed through the Company's Website (www.bri.co.id and www.ir-bri.com).</p> <p>Remark: Comply</p>
		<p>The Public Company discloses the Communication Policy of Public Company with shareholders or investors in Website.</p>	<p>Disclosure of communication policy is a form of transparency on the commitment of the Public Company in providing equality to all shareholders or investors for the implementation of communication. The disclosure of information also aims to increase the participation and role of shareholders or investors in the implementation of the Public Company communication program.</p>	<p>Disclosure of communication policy with shareholders or investors has been uploaded in the Company's website, namely www.ir-bri.com and www.bri.co.id.</p> <p>Remark: Comply</p>



CORPORATE GOVERNANCE

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
B. FUNCTION AND ROLES OF THE BOARD OF COMMISSIONERS				
	Principle 3 Strengthen the Membership composition of the Board of Commissioners	Determination of total members of the Board of Commissioners takes into account the conditions of the Public Company.	The total members of the Board of Commissioners may affect the effectiveness of the duties of the Board of Commissioners. Determination of total members of the Board of Commissioners of a Public Company must refer to the provisions of the prevailing law in which at least consists of two (2) people based on the provisions of the Financial Services Authority Regulation No.33/POJK.04/2 14 on The Board of Directors and Commissioners of Issuers or Public Companies. In addition, it is also necessary to consider the condition of the Public Company, which includes among other, the characteristic, capacity and size, as well as achievement of target and fulfillment of different business needs among the Public Companies. However, exorbitant Board of Commissioners has the potential to disrupt the effectiveness on the implementation function of the Board of Commissioners.	The total members of BRI Board of Commissioners as of 31 December 2019 are 8 (Eight) members which consist of 5 (five) Independent Commissioners and 3 (three) Commissioners of non Independent. Remark: Comply
		Determination on the composition of members of the Board of Commissioners takes into account on diversity of expertise, knowledge and required experience	The composition of the Board of Commissioners is a combination of characteristics from both organ and individual perspective according to the need of respective Public Company. These characteristics can be reflected in the determination of expertise, knowledge and experience required in the implementation of supervisory and advisory duty by the Board of Commissioners of the Public Company. The composition that has taken into account the need of the Public Company is a positive, especially related to decision making related with supervisory function as carried out by considering various broader aspects.	The composition of members of the Board of Commissioners takes into account the diversity of expertise, knowledge and experience needed as disclosed in the Section of Composition and Assignment of the BRI Board of Commissioners. Remark: Comply

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
	<p>Principle 4</p> <p>Enhancing the Quality of Implementation of Duties and Responsibilities of the Board of Commissioners</p>	<p>The Board of Commissioners has Self Assessment Policy to evaluate the performance of the Board of Commissioners</p>	<p>The Board of Commissioners' Self Assessment policy is a guideline that is used as a form of collegial accountability for evaluating the performance of the Board of Commissioners. Self-assessment is carried out by each member to assess the collegial performance of the Board of Commissioners, and not to assess the individual performance of each member of the Board of Commissioners. With this Self Assessment, it is expected that each member of the Board of Commissioners can contribute in improving the performance of the Board of Commissioners on an ongoing basis.</p> <p>This policy can include the assessment activity as carried out along with the purpose and objective, periodic period of implementation, and benchmark or assessment criteria being used in accordance with the recommendations from the Remuneration and Nomination function of Public Company as required by OJK Regulation on the Remuneration and Nomination Committee of Issuer or Public Company.</p>	<p>BRI has conducted the performance assessment of the Board of Commissioners based on prevailing law and provisions, hence able to improve the quality on the implementation of duties and responsibilities of the Board of Commissioners as well as to improve continuous performance of BRI. The Board of Commissioners has in place the Self Assessment Policy as stipulated under the Board Charter being elaborated under the section of Board of Commissioners Performance Assessment of this Annual Report as well as in the Company's website (www.bri.co.id)</p> <p>Remark: Comply</p>
		<p>The Self Assessment Policy to evaluate the performance of the Board of Commissioners is disclosed in the Annual Report of Public Company</p>	<p>The disclosure of Self Assessment Policy on performance of the Board of Commissioners is conducted not only to comply with transparency aspect as form of accountability of its duties but also to provide assurance to the Shareholders or investors on efforts that need to be done in improving the performance of the Board of Commissioners. Upon the availability of disclosure, the Shareholders or investors acknowledge the check and balance mechanism towards the Board of Commissioners.</p>	<p>The Board of Commissioners has a Self Assessment Policy as stipulated in the Board Manual as described in the performance evaluation section of the Board of Commissioners of this Annual Report and the Company's website (www.bri.co.id)</p> <p>Remark: Comply</p>



CORPORATE GOVERNANCE

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
		<p>The Board of Commissioners has policy on resignation of member of the Board of Commissioner when involved in financial crime</p>	<p>The resignation policy of member of the Board of Commissioners being involved in financial crime is a policy that can increase the stakeholders' trust in the Public Company, so that corporate integrity will be maintained. This policy is needed to help the legal process and so that the legal process does not interfere the course of business activities. In addition, in terms of morality, this policy builds an ethical culture within the Public Company. This policy can be included in the Code or the Code of Ethics that applies to the Board of Commissioners.</p> <p>Furthermore, being involved in financial crimes shall means the convicted status from the authorities of respective member of the Board of Commissioners. The financial crimes are manipulation and various forms of embezzlement in financial service activities as well as Money Laundering Criminal Action as referred to Law Number 8 of 2010 on Prevention and Eradication of Money Laundering Crimes.</p>	<p>The Company has in place the policy regarding the resignation and dismissal of the Board of Commissioners in the Company's Articles of Association and the policy of resignation of the Board of Commissioners is disclosed in the 2019 Annual Report of BRI in the Chapter of the Board of Commissioners.</p> <p>Remark: Comply</p>

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
		The Board of Commissioners or Committee that perform the Remuneration And Nomination Function formulates the succession policy in the nomination process of member of the Board of Directors	Based on the provision of the OJK Regulation on the Remuneration and Nomination Committee of Issuer or Public Company, the committee that carries out the nomination function has the task of formulating policy and criteria needed in the nomination process of potential member of the Board of Directors. Policy that can support the nomination process is the succession policy of member of the Board of Directors. The policy on succession aims to maintain the continuity of the regeneration of leadership in the company in order to maintain the business continuity and the company's long-term objective.	<p>The succession policy of the Board of Directors refers to the Minister of State-Owned Enterprises Regulation No. PER-03/MBU/02/2015 on Requirements, Procedures for Appointment and Dismissal of Director of State-Owned Enterprise. In addition, as a public company, the Company's policy also refers to the Financial Services Authority Regulation No.33/POJK.04/2014 concerning The Board of Directors and the Board of Commissioners of Issuer or Public Company.</p> <p>The Board of Directors Succession Policy is submitted in the Nomination and Remuneration Committee Chapter in the 2019 BRI annual report</p> <p>Remark: Comply</p>
C. FUNCTION AND ROLES OF THE BOARD OF DIRECTORS				
	Principle 5 Strengthen the Membership composition of the Board of Directors	Determination of total members of the Board of Directors takes into account on the condition of the Public Company	Being the Company's organ that authorized in managing the Company, the determination of total members of the Board of Directors has significant impact to the Company's performance. Thus, the determination of the total members of the Board of Directors must be done through careful consideration and refer to the provisions of the applicable regulation, whereby based on Financial Services Authority Regulation No.33/POJK.04/2 14 on the Board of Directors and Board of Commissioners of Public Company, shall at least consists of 2 (two) people. In addition, the determination of total members of the Board of Directors must be based on the need to achieve the objectives and purpose of public company and being adjusted to the conditions of the public company including the characteristic, capacity and size of the public company and effectiveness of the decision-making by the Board of Directors.	<p>The determination of total members of the Board of Directors has been done through Careful consideration as well as referring to the Financial Services Authority Regulation No.33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of the Issuer of Public Company in which shall at least consist of two (2) persons.</p> <p>Total members of BRI Board of Directors in 2019 consists of 12 (twelve) Directors.</p> <p>Remark: Comply</p>



CORPORATE GOVERNANCE

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
		Determination on the composition of members of the Board of Directors takes into account on diversity of expertise, knowledge and required experience	Similar with the Board of Commissioners, the composition diversity of members of the Board of Directors is a combination of required characteristic from both organ and individual perspective according to the needs of respective Public Company. The combination is determined in view of expertise, knowledge and experience in accordance with segregation of tasks and functions of the Board of Directors in achieving the purpose of the Public Company. Thus, consideration of the combination of characteristics will have an impact on the accuracy of the collegial nomination and appointment of individual member of the Board of Directors or Directors.	The fit and proper test was conducted to ensure that the competencies, experience and educational background of members of the Board of Directors were in accordance with the feasibility based on the applicable provision and needs of the Company and disclosed in the Diversity Composition of The Board of Directors of this Annual Report. Remark: Comply
		Member of the Board of Directors in charge of accounting or finance has expertise and/or knowledge in accounting field	The Financial Report is a management accountability report for resources management owned by the Public Company, which must be compiled and presented in accordance with Financial Accounting Standards in Indonesia as well as related OJK regulations, including regulation in the Capital Market sector which regulates the presentation and disclosure of Public Company Financial Statement. Based on the laws and regulations in the Capital Market sector that regulates the responsibility of the Board of Directors for the Financial Report, the Board of Directors is jointly responsible for the Financial Report, signed by the President Director and member of the Board of Directors in charge of accounting or finance.	Referring to POJK 06/2015 on Transparency and Publication of Report of Bank, the respective Director in charge of accounting or finance is held by Haru Koesmahargyo, with competencies and/or knowledge in accounting amongst others: Educational Background: Earned an MBA degree, Investment Banking, From Emory University, USA (2000). Bachelor of Agricultural Industrial Engineering, Universitas Brawijaya, Malang (1989). Professional Background: Treasury Head Division, General Manager Overseas Sub-Branch BRI New York President Commissioner of BTMU-BRI Finance. Remark: Comply

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
	Principle 6 Enhancing the Quality of Implementation of Duties and Responsibilities of the Board of Directors	The Board of Directors has Self Assessment Policy to evaluate the performance of the Board of Directors	<p>Similar with the Board of Commissioners, the Board of Directors' Self Assessment policy is a guideline being used as a form of accountability to evaluate collegial performance of the Board of Directors.</p> <p>The self assessment is conducted each member of the Board of Directors to assess the collegial performance of the Board of Directors, and not to assess the individual performance of each member of the Board of Directors. With this self-assessment, it is expected that each member of the Board of Directors can contribute to improve the performance of the Board of Directors on an ongoing basis. This policy can include the assessment activity as carried out along with the purpose and objective, periodic period of implementation, and benchmark or assessment criteria being used in accordance with the recommendations from the Remuneration and Nomination function of Public Company as required by OJK Regulation on the Remuneration and Nomination Committee of Issuer or Public Company.</p>	<p>BRI conducts a performance assessment of the Board of Directors based on applicable law and regulations in order to improve the quality of the implementation of the duties and responsibilities of the Board of Directors and to improve BRI's performance continuously.</p> <p>The Board of Directors has a Self Assessment Policy listed in the Board Charter as described in the performance evaluation section of the board of commissioners of this Annual Report and the Company's Website (www.bri.co.id)</p> <p>Remark: Comply</p>
		The Self Assessment Policy to evaluate the performance of the Board of Directors is disclosed in the Annual Report of Public Company	The disclosure of Self Assessment Policy on performance of the Board of Directors is conducted not only to comply with transparency aspect as form of accountability of its duties but also to provide assurance to the Shareholders or investors on efforts that need to be done in improving the performance of the Board of Commissioners. Upon the availability of disclosure, the Shareholders or investors acknowledge the check and balance mechanism towards the Board of Directors.	<p>The Self Assessment policy on the performance of the Board of Directors has been disclosed in the results of the Board of Directors' Performance Assessment in the 2019 BRI Annual Report.</p> <p>Remark: Comply</p>



CORPORATE GOVERNANCE

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
		The Board of Directors has policy on resignation of member of the Board of Commissioner when involved in financial crime	The resignation policy of the Board of Directors involved in financial crimes is a policy that can increase the stakeholders' trust in the Public Company, so that corporate integrity will be maintained. This policy is needed to help the legal process and so that the legal process does not interfere with the course of business activities. In addition, in terms of morality, this policy will build an ethical culture within the Public Company. This policy can cover in the Code or the Code of Ethics that applies to the Board of Directors.	<p>BRI has in place the policy regarding the resignation and dismissal of the Board of Directors in the event where the respective member of the Board of Directors is involved in such action that detrimental to the Company and/ or the State and if the respective person is found guilty by a legally binding court decision, as stated on the Board Charter.</p> <p>The Policy related to the resignation and dismissal of the Board of Directors is regulated in BRI's Articles of Association.</p> <p>Remark: Comply</p>
D. STAKEHOLDERS PARTICIPATION				
	Principle 7 Enhancing Governance Aspect Through Stakeholders Participation	The Public Company has the Policy to prevent Insider Trading	A person with inside information is prohibited from conducting a Securities transaction by using inside information as stipulate under the Capital Market Law. Public company can minimize the occurrence of insider trading through prevention policies, for example by firmly separating between confidential and public data as well as distributing the duties and responsibilities on informational management in proportional and efficient manner.	<p>BRI Insider Trading Policy is regulated under:</p> <p>BRI Code of Conduct (Join Decree of the BRI Board of Commissioners and Board of Directors No. 06-KOM/BRI/12/ 2013 and No. S.65 DIR/DKP/12/2013 dated 16 December 2013).</p> <p>Conflict of Interest Handling Guideline (Join Decree of the Board of Commissioners and the Board of Directors BRI No.02-KOM/BRI/05/2012 and Nokep: S.104-DIR/DKP/05/2012 dated 24 May 2012)</p>

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
		Public Company has anti corruption and fraud policy	The anti corruption policy is useful to ensure that the business activities of the Public Company are legally carried out with prudent manner and in accordance with the principles of good governance. The policy can be part of the code of ethics, or as a stand-alone policy. The policy can include, among others, programs and procedures carried out in overcoming corruption practices, kickbacks, fraud, bribery and/or gratuities in a public company. The scope of the policy must describe the prevention of the Public Company from all corrupt practices, either giving or receiving from other parties.	<p>The implementation of Anti Fraud Strategy at BRI is regulated under the Circular of the Board of Directors of BRI No.S.25-DIR/DMR/12/2016 on Anti-Fraud Strategies of PT. Bank Rakyat Indonesia (Persero) Tbk.</p> <p>The Anti-Fraud Strategy in the form of Fraud control system has 4 (four) pillars as follows: Prevention; Detection; Investigation, reporting and sanctions; Monitoring, evaluation and follow up.</p> <p>BRI also has in place the Policy related to corruption practice as stipulated in the Joint Decree of the Board of Commissioners and the Board of Directors of BRI No: 03-KOM/BRI/03/2017 and No:S.11-DIR/DKP/2017 on BRI's Gratuity Control Guideline.</p> <p>This policy is part of BRI's commitment with the KPK in preventing corruption.</p> <p>Remark: Comply</p>
		The Public Company has policy on vendor or supplier selection and capability improvement	The Policy on vendor or supplier selection is useful to ensure that the Public Company can obtain the required goods or services at competitive prices and good quality. While the policy of increasing the capability of supplier or vendor is useful for ensuring the efficient and effective supply chain. The capability of supplier or vendor to supply/fulfill the goods or services needed by the company will affect the quality of the company's output. Thus, the implementation of these policies can guarantee the supply continuity in terms of quantity and quality as required by the Public Company. The scope of this policy includes criteria in selecting supplier or vendor, transparent procurement mechanism, effort to improve supplier or vendor capability, and fulfill the right relating to supplier or vendor.	<p>BRI has in place the policy related to vendor management as stipulated in the Circular Letter of the Board of Directors No. S.35-DIR/MAT/12/2015 on Registration of Partner for Goods and Services of PT. Bank Rakyat Indonesia (Persero) Tbk.</p> <p>BRI has developed a vendor management application that is integrated with the BRISMILE application in which includes the registration and selection process of partner candidate, monitoring, maintenance of partner (Vendor Maintenance) up until partner performance evaluation hence BRI has a database in supporting the implementation of BRI procurement on good and service procurement.</p> <p>Remark: Comply</p>



CORPORATE GOVERNANCE

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
		The Public Company has policy on fulfillment of creditor rights	The policy on fulfillment of creditor rights is used as a guideline in providing loan to creditor. The purpose of the policy is to maintain the fulfillment of right and maintain creditor trust in the Public Company. The policy includes consideration in making agreement, as well as follow-up in fulfilling the obligation of the Public Company to creditor.	The Company has a policy on fulfillment of creditor rights as outlined in each Credit Agreement between BRI and the debtor. The agreement included the rights and obligations of both parties such as the transparency of financial statements to creditors. Remark: Comply
		The Public Company has the Whistleblowing System policy	A well-developed Whistleblowing system policy will provide certainty of protection to witness or reporter for an indication of violation committed by employees or management of the Public Company. The implementation of the policy will have an impact on establishing a culture of good corporate governance. The Whistleblowing system policy includes, among others, type of violations that can be reported through the Whistleblowing system, complaint procedure, protection and guarantee of the confidentiality of the reporter, handling procedure for received complaints, parties that managing the complaints, and the results and follow-up of complaints handling.	The policy on Whistleblowing Systems at BRI is regulated by the Board of Directors Circular Number S.08-DIR/KPT/05/2018. BRI's Whistleblowing System policy regulates the types of violations reported, reporting facilities, protection & confidentiality of whistleblowers, and Whistleblowing System handlers. Discussion on Whistleblowing System can be found in 2019 BRI Annual Report. Remark: Comply

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
		<p>The Public Company has a long term incentive policy for the Board of Directors and employees</p>	<p>Long-term incentive is a given incentive based long-term performance achievement. The long-term incentive plan has the rationale that the long-term performance of the company is reflected in the growth of shares value or other long-term target of the company. Long-term incentive shall have the benefit to maintain loyalty and provide motivation to the Board of Directors and employees to improve their performance or productivity, which will have an impact on improving the company's performance in the long run. The availability of a long-term incentive policy is an actual commitment by the Public Company to encourage the implementation of long-term incentive to the Board of Directors and Employees with terms, procedures and forms being adjusted to the long-term objectives of the Public Company. The policy can include, amongst other, the purpose of objective in providing the long-term incentive, terms and procedures in providing the incentive, and condition as well as risks that must be considered by the Public Company in providing the incentives. This policy can also be included in the existing public company remuneration policy.</p>	<p>The long-term incentive for employees is included in the Employees Welfare Section in the 2019 BRI Annual Report.</p> <p>Remark: Comply</p>



CORPORATE GOVERNANCE

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
E.	INFORMATION DISCLOSURE			
	Principle 8 Enhancing the Disclosure Implementation	The Public Company utilizes technology information wider than the Website as a media for information disclosure	The use of information technology can be useful as a medium for information disclosure. The disclosure of information is not only information disclosure that has been regulated in legislation, but also other information related to the Public Company, upon consideration is useful to shareholders or investors. Upon the use of wider of information technology than the Website, the company is expected to improve the effectiveness of information dissemination. Nevertheless, the use of information technology is carried out while taking into account the benefit and costs of the company.	<p>The Company always strive to improve the quality of information disclosure to Stakeholders through information technology media, in addition to the website. The Omni Channel BRI is an access where BRI customers can obtain information about BRI products and services in full as well as may submit complaints through the following available channels:</p> <p>Direct visits through Customer Service in all BRI operating units</p> <p>Calls through 14017, 1500017, dan 021-57987400 Premium calls through 021-5758899 dan 08001017017 SMS 0812 12 14017</p> <p>Web chat through website www.bri.co.id Email: callbri@bri.co.id Telegram: 0812 12 14017 Internet Banking: https://ib.bri.co.id Twitter: @kontak_bri Facebook: Bank BRI Official</p> <p>Remark: Comply</p>

Corporate Governance Practices Based on Financial Services Authority Rules

No.	Principles	Recommendation	Explanation of OJK Recommendation	Explanation and Implementation in BRI
		The Annual Report of Public Company disclose the ultimate benefit owner in Public Company share ownership at least 5% (five percent), other than final beneficial owner disclosures in ownership shares of the Public Company through main and controlling shareholder	The Capital Market Regulation that regulates the submission of annual reports of Public Company has regulated the obligation to Disclose information regarding shareholders with 5% (five percent) or more shares of the Public Company, as well as the obligation to disclose information about directly or indirectly main and controlling shareholders of Public Company up to the owner of the last benefit in the ownership of the shares. In this Governance Guideline, it is recommended to disclose the ultimate benefit owner of the shares of the Public Company at least 5% (five percent), in addition to disclosing the owner of the final benefit of share ownership by the main and controlling shareholders.	The 2018 BRI Annual Report conveyed the mandatory disclosure on shareholders with 5% (five percent) or more shares of the Public Company, as well as mandatory disclosure directly or indirectly main and controlling shareholders of Public Company immediately up until the owner of the last benefit in the ownership of the shares. Remark: Comply

The Implementation of Good Corporate Governance Aspect and Principles in accordance to the Guidelines of Corporate Governance Principles for Banks as Published by Basel Committee in Banking Supervision

Principles	Elaboration	Implementation
Principle 1 Responsibilities of the Board of Commissioners	The Board of Commissioners has the responsibilities of amongst others approval and supervisory on the implementation of business strategy, structure and governance mechanism as well as the Corporate Culture.	The scope of responsibilities of the Board of Commissioners as stipulated in the BOC Charter in the Decree of the Board of Commissioners No. 09-KOM/11/2018 dated 1 November 2018 are amongst others that the Board of Commissioners provide suggestion and approval on the Company's business plan consist of the Corporate Plan of the Company (RJPP), Business Plan Bank (RBB), Work Plan and Budget of Company (RKAP) and Business Plan and Budget for Partnership Program and Community Development (PKBL), as well as provide directives, monitoring, and evaluation on the implementation of the Bank strategic policies.
Principle 2 Qualification and Composition of the Board of Commissioners	Member of the Board of Commissioners must have the quality in accordance with duties and responsibilities as both collegial or as per individual. The Board of Commissioners shall understand the roles within the supervisory and implementation of corporate governance, as well as able to conduct a sound and objective decision process.	The scope of responsibilities of the Board of Commissioners as stipulated in the BOC Charter in the Decree of the Board of Commissioners No. 09-KOM/11/2018 dated 1 November 2018 are amongst others that the Board of Commissioners has the role in ensuring the implementation of Good Corporate Governance in every business activity of the Company, in all levels or organization elements and conduct oversight on the implementation of Integrated Governance. For good implementation of GCG, the Board of Commissioners has the responsibilities to among others: <ul style="list-style-type: none"> Propose the appointment of Accountant Publik to the GMS Provide the oversight report to the GMS.



CORPORATE GOVERNANCE

Corporate Governance Practices Based on Financial Services Authority Rules

Principles	Elaboration	Implementation
Principle 3 Structure and Mechanism of the Board of Commissioners	The Board of Commissioners must apply the proper governance practice and structure in performing their duties and to periodically review its effectiveness.	The Board of Commissioners has committees under the Board of Commissioners to assist the implementation duties of Board of Commissioners namely the Audit Committee, the Risk Management Oversight Committee, the Nomination and Remuneration Committee as well as the Integrated Governance Committee.
Principle 4 The Board of Directors	Under the direction and supervision of the Board of Commissioners, the Board of Directors is able to manage the Bank's activities in accordance with the business strategy, risk appetite, remuneration policy and other policies that have been approved by the Board of Commissioners.	The duties and responsibilities of the Board of Commissioners are to provide direction and supervision to the Board of Directors in managing the Company. The Board of Commissioners approve of the business plan and the implementation of the Bank's strategic policies.
Principle 5 Governance Structure of Business Group	In a business group, the Board of Commissioners of the parent company has overall responsibility on the business group and to ensure the establishment and implementation of clean governance practice related to the structure, business and risks of business group and entities. The Board of Commissioners and the Board of Directors must understand the business group organizational structure as well as the encountered risk.	The Board of Directors and Board of Commissioners of BRI have knowledge and understanding of the Company's key business and risks. This can be seen in the diversity of the Board of Commissioners and the Board of Directors as well as the implementation of the Fit and Proper Test. In addition, the Board of Directors and the Board of Commissioners also constantly improve their knowledge of the latest banking developments by participating in training and development both at home and abroad.
Principle 6 Risk Management Function	The Bank must have the qualified, independent risk management function that has qualified resources with access to the Board of Commissioners.	BRI has Risk Management with the function to identifying, measuring, monitoring and controlling all of Company's risk exposures as carried out by two (2) Divisions namely the Enterprise Risk and Portfolio Management Division and the Operational and Market Risk Management Division. As a supervisory function, the Board of Directors communicates the implementation of risk management function to the Board of Commissioners through the Risk Management Supervisory Committee.
Principle 7 Identification of Risk Monitoring and Control	Risks must be identified, monitored and controlled for all activities of the Bank. The quality of risk management infrastructure and internal control must be able to keep up with changes in the Bank's risk profile, external risk conditions and industry practice.	The risk management implementation process that includes identification, measurement, monitoring and risk control are continuously carried out. Risk management is carried out in all bank activity activities by referring to the provisions of management standards set by the regulator.
Principle 8 Risk Communication	Effective risk governance implementation requires accurate risk communication in the Bank environment both between organizations and through reporting to the Board of Commissioners and the Board of Directors.	The assessment of the Bank's risk profile is carried out and delivered at a quarterly Board of Directors Meeting with the Board of Commissioners.
Principle 9 Compliance	The Board of Commissioners is responsible for overseeing management related to the Bank's compliance risk. The Board of Commissioners must determine the compliance function and provide approval for policies and processes for identification, assessment, monitoring and reporting, and providing advice on compliance risks.	The implementation of the Board of Commissioners' oversight function on Bank Compliance risk is carried out by the Risk Management Oversight Committee in relation to the implementation of precaution principle to ensure that all business activities and policies have been carried out in compliance with all applicable laws and regulations. Review and evaluation of compliance functions is conducted every semester.

Corporate Governance Practices Based on Financial Services Authority Rules

Principles	Elaboration	Implementation
Principle 10 Internal Audit	The internal audit function must report independent assurance activities to the Board of Commissioners and must support the Board of Commissioners and the Board of Directors in encouraging the implementation of effective governance processes and long-term soundness of the Bank.	The Internal Audit Unit (IAU) in BRI is structured directly under the President Director and can communicate as well as coordinate with the Audit Committee with regards to supervision with the Board of Commissioners. The Internal Audit responsible for complementing independent and objective assurance and consultation, which designed to provide added value as well, improve operational activities.
Principle 11 Compensation	The Bank's remuneration structure must support the implementation of corporate governance and risk management.	The remuneration structure of Bank BRI refers to OJK Regulation No45/POJK.03/2015 on Governance Implementation in the Provision of Remuneration for Commercial Banks. Implementation of BRI's Remuneration Governance is delivered in the 2018 BRI Annual Report in the Remuneration Governance Policy Chapter.
Principle 12 Disclosure and Transparency	The implementation of governance from the Bank must be carried out transparently to Shareholders, Depositors, other relevant Stakeholders and Market Participants.	The disclosure and transparency of BRI to shareholders is conveyed through the company's website, www.bri.co.id on the latest information. BRI's information disclosure is also presented in the Annual Report, Sustainability Report and Public Expose.

GCG IMPROVEMENT PLANS 2020

The following are BRI GCG improvement plans in 2020:

1. Implementation of Corruption Prevention guidelines.
2. Updating the governance supporting policies, among others BRI Gratuity Guidelines, BRI Code of Conduct Policy, Conflict of Interest Management Guidelines, and Compliance Charter.
3. Enhancement on governance supporting applications, among others GCG online system, BRISmile, BRISStars, BRIOPRA.
4. Improving the Internalisation of 5 core values of Corporate Culture to all employees.
5. Improving governance in the process of procurement of goods and services.

GCG Monitoring

Monitoring of GCG Bank BRI is carried out by several company's organs, among others:

Compliance Function

Has the function to assist the Director in charge of Compliance Function on the identification, measurement, monitoring and control of Compliance Risk by referring to the prevailing rules and regulations.

Internal Audit Unit

The Internal Audit Unit has the function to evaluate and improve the effectiveness of risk management, internal control and governance process.

Audit Committee

The Committee under the Board of Commissioners has the duties and responsibilities to assist and facilitate the Board of Commissioners in its duties and oversight function. This includes matters related to the financial information, internal control system, audit effectiveness by the external and internal auditors, risk management as well as compliance with the prevailing laws and regulations.

Integrated Governance Committee

The Committee under the Board of Commissioners has the duties and responsibilities to assist and facilitate the Board of Commissioners in its duties and oversight function. This includes the oversight on each Financial Services Institution (LJK) in the Financial Conglomeration.



CORPORATE GOVERNANCE

GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders (GMS) as one of the main organs of the Bank has the authority that is not transferable to the Board of Commissioners and Board of Directors of BRI. Through the GMS, shareholders, in accordance with may exercise their right be involved in decision-making process with regards to company's strategic decision by referring to the limit of authority in accordance with the regulations and Articles of Association of BRI.

Legal Basis of GMS

The BRI GMS implementation refers and therefore in accordance with:

1. Law No. 40 Year 2007 regarding Limited Liability Companies.
2. Law No. 19 of 2003 Regarding the State-Owned Enterprises.
3. Regulation of the Financial Services Authority No. 32/POJK.04/2014 Regarding the Plan and Implementation of GMS of Public Company.
4. Indonesian Stock Exchange Regulation No. I-E on Obligation of Information Submission.
5. BRI's Articles of Association.

Shareholders

Shareholders are individual or legal entity as a legitimate owner of the company's shares. Shareholders do not intervene with the function, duties, and authorities of the Board of Commissioners and Board of Directors.

Information on Major and Controlling Shareholder

The Major and Controlling Shareholder of BRI is the Government of the Republic of Indonesia through an ownership of 56.75%, Series A Dwiwarna share.

Shareholders Rights

BRI shares are categorized into 2 (two) types, namely

1. Series A Dwiwarna shares
Series A Dwiwarna share is owned by the Republic of Indonesia and is non-transferable to any party.
2. Series B shares
Series B shares can be owned by the Republic of Indonesia and/or the public.

Holders of Series A Dwiwarna shares and Series B Shares have the same rights and every 1 (one) share gives 1 (one) voting right.

With the ownership of the Series A Dwiwarna share, the Government as the shareholder has the following privileges:

1. The right to approve in the GMS regarding the following matters:
 - a. Approval of amendment to the Articles of Association.
 - b. Approval of changes in capital.
 - c. Approval of dismissal and appointment of members of the Board of Directors and Board of Commissioners.
 - d. Agreement on merger, consolidation, expropriation, separation and dissolution.
 - e. Approval of remuneration of members of the Board of Directors and Board of Commissioners.
 - f. Approval of the transfer of assets based on this Articles of Association requires the approval of the GMS.
 - g. Approval regarding participation and reduction in the percentage of equity participation in other companies.
 - h. Approval of the use of profits.
 - i. Approval regarding investment and long-term financing that is not operational in nature based on this Articles of Association requires the approval of the GMS.
2. The right to nominate members of the Board of Directors and members of the Board of Commissioners.
3. The right to propose the agenda of the GMS.
4. The right to request access to company data and documents, with the mechanism of the use of said rights in accordance with the provisions in the Articles of Association and laws.

In addition to the privileges owned by Series A Dwiwarna Shareholders, The Series A Shareholders and Series B Shareholders shall have the following same rights otherwise specified differently by the Articles of Association:

1. Attend the GMS either directly or through proxy, provide opinion and/or take decision. Each shareholder is entitled to be treated equally and to make a sound according to the type, classification and number of shares owned.

General Meeting of Shareholders

2. Receive accurate and prompt information related to BRI with the principle of equality of information to all shareholders.
 3. Receive distribution of dividend and other forms of profit of BRI in proportion to total owned shares.
 4. To receive remaining returns from the bank liquidation in the event of bankruptcy.
 5. Request a General Meeting of Shareholders by one or more shareholders of either share or jointly representing 1/10 (one ten) or more of the total shares issued by the Company with valid voting rights, in good faith, on the basis of the interests of the Company and does not conflict with the laws and regulations of the Company.
 6. Obtain comprehensive and accurate information on the GMS procedures requirement.
 7. File a lawsuit against the Bank for any loss resulting from the Bank's acts that are considered unfair and irrational due to the resolutions of GMS, the Board of Directors and/or Board of Commissioners.
 8. Request for the Bank to purchase its shares with a fair price in the event that the shareholder disagree with the Company's action/ corporate actions that cause such loss to the Shareholders or the Company.
 9. Attain corporate information from the Board of Directors and/or Board of Commissioners at the GMS as far as the requested information is in line with the meeting agenda and does not contradict the Company's interests.
2. The controlling shareholders shall:
 - c. Take into account the interest of minority shareholders and stakeholders pursuant to the prevailing laws and regulations;
 - d. Disclose the ultimate shareholders of the Bank to the law enforcement agency, where suspicion of legal breach arises or requested by competent authority.
 - e. Exert the accountability and 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 Company's Articles of Association and prevailing laws and regulations.

Shareholders Relationship Policy

Relationship with Shareholders is regulated in the Company's Articles of Association within the clause of the General Meeting of Shareholders (GMS). All communication with Shareholders shall be the responsibility of spokesperson of the company. All Shareholders must obtain the same treatment and information (equitable treatment) in a timely manner as stated in the Circular of the Board of Directors No. S.08-DIR/06/2014 regarding the Information Services and Management Policy of PT Bank Rakyat Indonesia (Persero) Tbk.

Shareholders' Equal Treatment

BRI menjunjung tinggi kesetaraan perlakuan terhadap seluruh Pemegang Saham yang tercermin dari:

1. All shareholders shall:
 - b. Separate the ownership of company's assets and of personal assets.
 - c. Separate its 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 organ.
- a. The voting rights shall be calculated on the basis of total shares ownership, with the right to request the GMS for the shareholders at minimum 10%.
- b. a. Providing the same access to information through Investor Relations channel by means of direct interaction at Public Expose, Non-deal Roadshow, Press Conference or 1-on-1 Meeting, Conference Call and Email, as well as Documents availability on the Company's website, Investor Relations, and Indonesia Stock Exchange including the Annual Report, Audited Financial Statement, and Highlights of Company's Financial Performance.



CORPORATE GOVERNANCE

General Meeting of Shareholders

- c. The number of independent commissioners is above the minimum limit from Bank Indonesia, which is 5 Commissioners out of a total of 9 Commissioners.
- d. Equal treatment for all Shareholders to obtain information disclosure from the Bank, including information related with company performance, financial statements, and the implementation of the GMS.

GMS CONVENTION IN 2019

GMS Implementation Stages

The Annual GMS implementation in 2019 has complied with the stipulation of POJK.32/POJK.04/2014 as follows:

Stages	Activities
Notice to OJK	Submit the Notice on GMS plan to Financial Services Authority (OJK) at latest five (5) working days prior the GMS announcement.
GMS Announcement	The GMS Announcement shall be done at latest 14 days prior the GMS Invitation through one (1) Indonesian Newspaper with national coverage, Indonesian Stock Exchange Website and Company's website.
GMS Invitation	The GMS Invitation shall be conducted at latest 21 days prior the GMS through one (1) Indonesian Newspaper with national coverage, Indonesian Stock Exchange Website and Company's website.
Announcement on Minutes Summary of GMS	The Announcement on GMS minutes of meeting summary must be submitted to OJK at latest two (2) days after GMS through one (1) Indonesian Newspaper with national coverage, Indonesian Stock Exchange Website and Company's website.
Submission of GMS Minutes of Meeting	The minutes of GMS meeting must be submitted to OJK at latest 30 days after GMS.

Quorum Procedure

No	Agenda	Attendance	Decision
1	The transfer of Company's assets or making the assets as debt collateral from a total of 50 net assets of the Company into 1 (one) or more related or unrelated transaction.	Attended by Shareholders representing at least $\frac{3}{4}$ (three quarter) of total shares with legitimate voting.	Approved by more than $\frac{3}{4}$ (three quarter) of total shares with legitimate voting present at the GMS.
2	Approval of Transaction with conflict of interest of Shareholders having a conflict of interest shall be deemed to have rendered the same quorum with a decision approved by Independent Shareholders.	Attended by Independent Shareholders representing at least $\frac{1}{2}$ (one half) of all shares of Independent Shareholders with legitimate voting rights.	Approved by more than $\frac{3}{4}$ (three quarter) of total shares of Independent Shareholders with voting rights attending the GMS.
3	Changes related to the Board of Directors, Board of Commissioners, the Articles of Association which is not requiring the approval of the Ministry, The Issuance of Equity Securities and/or Increment of issued and paid-up capital.	Attended by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing $\frac{1}{2}$ (one half) of total shares with legitimate voting rights.	Approved by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing $\frac{3}{4}$ (three quarter) of total shares with voting rights attending the GMS.
4	Amendment of Article of Association that requires Ministry approval	Attended by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing $\frac{2}{3}$ (two third) of total shares with legitimate voting rights.	Approved by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing $\frac{2}{3}$ (two third) of total shares with voting rights attending the GMS.

General Meeting of Shareholders

No	Agenda	Attendance	Decision
5	Merger, Consolidation, Acquisition, Separation, submission of application so that the Company is declared bankrupt and the Company Dissolves.	Attended by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing $\frac{3}{4}$ (three quarter) of total shares with legitimate voting rights.	Approved by Shareholders Serie A Dwiwarna and other shareholders or their proxies representing $\frac{3}{4}$ (three quarter) of total shares with voting rights attending the GMS.
6	Excluded of the Agenda 1 to 5 above	Approved by Shareholders representing $\frac{1}{2}$ (one half) of total shares with voting rights attending the GMS.	Approved by Shareholders representing $\frac{1}{2}$ (one half) of total shares with voting rights attending the GMS.

GMS Procedures

The GMS procedures are as follows:

1. GMS rules are given to Shareholders who are present and being read before the GMS begin.
2. Opportunities are given to Shareholders or their proxies present to submit questions/responses and/or proposals to each agenda of the GMS.
3. The Chairman of the GMS or Director appointed by the GMS Chairman will answer or respond to questions/responses from shareholders.
4. Voting is conducted after all questions/responses have been answered. Voting can only be delivered by the Shareholders or their authorized proxies.
5. The calculation and/or validation of votes in the GMS is carried out by an Independent party namely a Notary assisted by the Share Registrar appointed by the Company.

Information Access to Shareholders

BRI provides the access that enables the shareholders to exercise their rights and responsibilities:

1. The GMS, as the media for the Company to communicate with shareholders, to present the corporate information and enable the shareholders to participate in decision making process that requires shareholders' approval;
2. Electronic media, such as corporate website, Stock Exchange website which is accessible in both Indonesian and English with the availability of various documents, reports and publications that are easily downloaded by the shareholders and the public;
3. Corporate email as a channel to disseminate and stay updated with the latest Company's information;
4. Other communications channels, including conference calls, investor/analyst meetings, non-deal roadshows, conferences, public exposé, and investor/analyst gatherings.

Efforts to Encourage Shareholders to Attend the GMS

BRI encourage all Shareholders to attend and exercise their rights and authorities in the GMS. The efforts are carried out through:

1. Prompt notification and invitation of the GMS which are disseminated through the Company and Stock Exchange website as well as in Indonesian Language newspaper with national circulation.
2. Disclose material of each meeting agenda as reference for Shareholder.
3. Open access for Shareholders to communicate with the Company regarding the implementation of GMS through the contacts available on the Company Website.



CORPORATE GOVERNANCE

General Meeting of Shareholders

GMS Voting Mechanisms

1. Every 1 (one) share extends its holder 1 (one) voting right.
2. Voting mechanisms in GMS:
 - a. Shareholders or their proxies that are abstain and against the proposed agenda are requested to raise their hands and 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 are abstain will be counted as the same votes with the majority of shareholders who cast their votes;
 - d. The Chairman of the GMS will announce the voting result.
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 under the terms that members of the Board of Directors, Board of Commissioners, secretary of the Board of Commissioners, and the Bank's employees can represent a shareholder in the GMS however 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 against, but fail to raise hands to express the abstain or disagreement during voting led by the GMS Chairperson, will be regarded as in favor of the item in discussion.

GMS Voting Involving Independent Parties

In conducting the GMS, BRI not only invites shareholders but also third parties especially in voting and vote counting. The third parties are: Notary Fathiah Helmi SH and PT Datindo Entrycom.

Notary

Notary is in charge of making the minutes of the BRI's GMS. In any GMS activity, the Notary directly witnesses and hears the GMS process and provides the opinion/suggestions/corrections required in relation to the GMS.

Share Registrar (independent party)

The Share Registrar has the duty to administer the registry of securities holder, and periodically updates to the company. In the process of GMS, the tasks of share registrar include:

- a. To issue written meeting confirmation (KTUR) for employees and shareholders of shares registered in the omnibus account. The written confirmation is distributed to the address of employees or shareholders.
- b. To register and validate shareholders attending the GMS.
- c. To perform electronic count of attendance quorum and votes for each agenda item.
- d. To provide printed materials relating to voting administration.

In addition to Notary and Share Registrar, the GMS is also attended by other independent parties in accordance with the agenda held in the GMS such as:

1. Public Accountant Firm
Public Accountant Firm acts as an independent party who audit the financial statements of BRI fairly and provides feedback and suggestions for improvement to the Management.
2. Independent Appraisal Services Consultant and Legal Consultant
Independent Appraisal Consultant and Legal Consultant are independent parties who are always involved in terms of corporate actions such as debt issues, mergers, acquisitions, acquisitions, and others. The Independent Appraiser Consultant Service is responsible for ensuring the fairness of the transaction value while the Legal Consultant ensures that the transaction will be in accordance with the processes and procedures based on the applicable rules and regulations.

General Meeting of Shareholders

CONVENTION OF ANNUAL GMS AND EXTRAORDINARY GMS IN 2019

BRI has convened the GMS in 2019 for three times, namely the first EGMS on 3 Januari 2019, AGMS on 15 May 2019 and second EGMS on 2 September 2019.

The AGMS 2019 held on 15 May 2019 has met the POJK No. 32/POJK.04/2014, with the following stages:

AGMS Stages 15 May 2019

Date	Activities	Remark	Status
26.03.2019	Notice of AGMS to OJK	AGMS notice to OJK in less than 5 (five) working days prior to the GMS announcement.	Comply
05.04.2019	AGMS Announcement	AGMS announcement is 14 days prior to AGMS invitation and has been published in print media (Investor Daily, and Kontan), www.idx.co.id and www.bri.co.id.	
23.04.2019	AGMS Invitation	The AGMS Invitation is 21 days prior to the AGMS and has been published in print media (Investor Daily, and Kontan), www.idx.co.id and www.bri.co.id.	
15.05.2019	AGMS	The AGMS 2019 was convened on 15 May 2019 at BRI I, 21st Fl., Jl. Jenderal Sudirman Kav. 44 - 46, Central Jakarta 10210.	
17.05.2019	Announcement of Summary of Minutes of AGMS	The Announcement of Summary of AGMS Minutes is submitted to OJK in 2 (two) days after the AGMS and has been published in print media (Bisnis Indonesia, Kontan, Tempo, Investor Daily), www.idx.co.id and www.bri.co.id.	
17.05.2019	Submission of Minutes of Meeting	The Minutes of AGMS is submitted to OJK in less than 30 working days after the AGMS.	

Agenda

First	Approval of the Company Annual Report and the ratification of the Company Consolidated Financial Statements, the Board of Commissioners Supervisory Actions Report and ratification of the Annual Report of Partnership and Community Development Program for the financial year of 2018 and Discharge (volledig acquit et decharge) to the Board of Directors and Board of Commissioners from the Management and Supervisory Actions carried out for the financial year 2018.
Second	Approval of the use of the Company Net Profit for the financial year of 2018.
Third	Approval of the Remuneration/Income of the Board of Directors and Board Commissioners for the Financial Year of 2019 and Tantiem of the Board of Directors and Board Commissioners for the Financial Year of 2018.
Fourth	The appointment of Public Accountant Firm to audit the Company's Financial Report and the Financial Report of the Partnership and Community Development Program for the Financial Year of 2019.
Fifth	Change of the Company's Management.



CORPORATE GOVERNANCE

General Meeting of Shareholders

Attendance of Shareholders, Board of Commissioners and Board of Directors

RUPS LB dihadiri oleh Pemegang Saham yang telah memenuhi persyaratan kuorum serta seluruh anggota Dewan Komisaris dan Direksi sebagai berikut:

Shareholders	The meeting was attended by shareholders and/ or their proxy/ representatives representing 105,143,889,577 shares or equal to 86.02% of total shares with valid voting rights that have been issued by the Company.	
Board of Commissioners**	<ol style="list-style-type: none"> 1. Andrinof A. Chaniago 2. – 3. Hadiyanto 4. Nicolaus Teguh Budi H 5. A. Fuad Rahmany 6. A. Sonny Keraf 7. Mahmud 8. Rofikoh Rokhim 	<ol style="list-style-type: none"> 1. President Commissioner/Independent 2. Vice President Commissioner/Commissioner 3. Commissioner 4. Commissioner 5. Independent Commissioner 6. Independent Commissioner 7. Independent Commissioner 8. Independent Commissioner
Board of Directors	<ol style="list-style-type: none"> 1. Suprajarto 2. Sunarso *** 3. Mohammad Irfan 4. R. Sophia Alizsa 5. Haru Koesmahargyo 6. Sis Apik Wijayanto 7. Supari 8. Indra Utoyo 9. Priyastomo 10. Osbal Saragi R. 11. Ahmad Solichin Lutfiyanto 12. Handayani 	<ol style="list-style-type: none"> 1. President Director 2. Vice President Director 3. Director 4. Director 5. Director 6. Director 7. Director 8. Director 9. Director 10. Director 11. Director 12. Director

Note: The AGMS was attended by all members of BRI Board of Directors and Board of Commissioners.

*) Gatot Trihargo has been appointed as member of the Board of Commissioners of PT Pertamina (Persero) since 29 April 2019.

***) Of eight members of the Board of Commissioners, one member was absent because of the appointment as member of the Board of Commissioners of PT Pertamina (Persero) since 29 April 2019.

****) Effective as of the approval of fit & proper test by the Financial Services Authority (OJK).

General Meeting of Shareholders

Opportunity to Raise Questions & Voting Result

The Shareholders were given opportunities to raise questions and/or to express opinions in each agenda. The decision-making mechanism at the meeting is based on consensus to reach an agreement. If an agreement cannot be reached then decision making is carried out by voting. Voting is done through an electronic mechanism and carried out by an independent party (Share Registrar). In the AGMS the number of questions and/or opinions conveyed by the Shareholders are as follows:

Agenda	Affirmative Votes	Non Affirmative Vote	Abstain	Opinions/ Question
First	104,700,714,747 shares (99.56%)	21,450,300 shares (0.02%)	421,724,530 shares (0.40%)	3 (three) persons
Second	104,842,666,312 shares (99.71%)	283,166,535 shares (0.27%)	18,056,730 shares (0.02%)	3 (three) persons
Third	96,832,038,745 shares (92.09%)	5,879,430,165 shares (5.59%)	2,432,420,667 shares (2.31%)	None
Fourth	98,917,841,212 shares (94.07%)	5,741,241,215 shares (5.46%)	484,807,150 shares (0.46%)	1 (one) person
Fifth	71,302,557,999 shares (67.81%)	29,918,688,037 shares (28.45%)	3,922,643,541 shares (3.73%)	1 (one) person

AGMS Deeds - Deed No. 40 dated 15 May 2019

Agenda	No.	Name	Total Share Ownership	Questions	Answers
First	1	Hendra Untung	25	BBRI has already implemented Big Data, what was the results? Usually analysis results from big data will open/provide surprising data and unexpected outcome. Not afraid to be cut by Fintech, collecting fund conventionally will be lost from the way Fintech do business. For example SAKUKU, can eat variety of foods cheaply, also GOJEK.	Specifically we have already developed Big Data, and a numbers of measures were taken such as developing credit scoring, also early warning system, to assessment that will benefit in the future which we will continue developing. We also handled fraud detection resulted from Big Data. Dear Shareholder, Mr. Haru has informed earlier that we have acquired BRI Ventures, which we will develop for platforms and applications related to Fintech including start ups. That's the plan and we have also entered into cooperation with several Fintech companies and this will be continually fostered. For BRI, Fintech is not a competitor that we have to worry about, however we shall embrace Fintech, because with our technology, our networks, market potentials and so forth will enable us to cooperate with Fintech.



CORPORATE GOVERNANCE

General Meeting of Shareholders

AGMS Deeds - Deed No. 40 dated 15 May 2019

Agenda	No.	Name	Total Share Ownership	Questions	Answers
	2	Rataoelam P. Sianturi	3,000	Proposed to start GMS on time. It was late for 40 minutes. We came 20 minutes prior to 2.00 pm. If on time according to tagline which is 'sincerely we serve you'. Propose to have direct questions instead of in writing. Loan to Deposit Ratio (LDR) Bank was 89,67%, but overall was 94,02%, please clarify.	For the proposal to start GMS on time we will amend it in the future. There are some issues that resulted in the lateness due to one or other conditions. On LDR Bank only at 89.34% and consolidated was at 90.4%. Further, this will be optimized not only by BRI but also by BRI Group, as we have BRISyariah, BRI Agro.
	3	Rendy Brayen Latuputty	600	Recently, it has been widely discussed that BRI and 2 other State-Owned Banks received loans of USD 3 billion (from China Development Bank-CDB), why the company financial statements has not been disclosed adequately in the 2018 fiscal year, specifically regarding the use of the loan and the repayment plan?	Regarding the China Development Bank (COB), we actually received this for a long time in 2015. So that were included in our previous years Annual Report, 2015 has been more or less 4 (four) years.
Kedua	1	Hadi Legowo	2.900	Profit of Rp32 trillion, what is the Earning Per Share (EPS) per share? What dividend per share?	Profit of Rp32 trillion (thirty two trillion Rupiah), Earning Per Share (EPS) was Rp263 per share and dividends per share was Rp131.14 per share.
	2	Ni Luh Mariani Tirtasari	600	How much is the dividend per share proposed? Is there a plan in the near future that the Company will release Treasury shares so that the amount of dividend distribution becomes larger (dividends per share becomes smaller)?	Minimum dividend per share of Rp131,14 per share maximum of Rp132.3 per share. The plan to release treasury stock depends on the execution of each Management Stock Option Program (MSOP) shareholder, so we have given MSOP, and of course the release of treasury stock depends on the final condition later when each MSOP holder executes his MSOP.
Keempat	1	Rendy Brayen Latuputty	600	For transparency, how much is the fee for audit services for the 2018 fiscal year? What parameters and indicators used by the audit committee in making recommendations to the Board of Commissioners regarding the appointment of KAP?	For 2018, the data was around Rp17 billion last year, the exact number is in the annual report. Of course, now the Board of Commissioners recommendations regarding competence and scope are also seen in accordance with what will be reported. In addition to the annual report, there is also an interim annual report, then we also see who are the members of the Public Accountant, so we look at competence and independence. We have been evaluating dependencies before procurement.

General Meeting of Shareholders

AGMS Deeds – Deed No. 40 dated 15 May 2019

Agenda	No.	Name	Total Share Ownership	Questions	Answers
Kelima	1	Rendy Brayen Latuputty	600	Will the proposed member of the Board of Commissioners hold multiple positions, bearing in mind that he is currently occupying certain positions? Is this not going to interfere with the performance of the Company, especially since there are currently members of the Board of Commissioners who hold concurrent positions as Secretary General at one of the Ministries.	Will be provided in writing.

AGMS Resolution 15 May 2019

FIRST AGENDA

Resolution	1.	<p>Approved the Annual Report including the Board of Commissioners Supervisory Actions Reports, and the Company's Consolidated Financial Statements for the financial year ended on December 31st, 2018 audited by the Public Accountant Firm Purwantono, Sungkoro dan Surja in accordance to Auditor Report Number 00035/2.1032/AU.1/07/1008-2/1/II/2019 dated January 30th, 2019 and accountability report for the use of proceeds from public offering of the Revolving Bond II phase IV for the year of 2018 and the public offering of the Subordinated Bond III for the year of 2018.</p> <p>Approved the Annual Report on the Partnership and Community Development Program of the financial year of 2018 as part of the Company's Annual Report for the Financial Year 2018 including the Financial Report of the Partnership and Community Development Program for the financial year ended 31 December 2018, which has been audited by the Purwantono, Sungkoro and Surja Public Accountants Office in accordance with Report No.00452/2.1032/AU.2/10/1008-2/1/III/2019 dated March 06th, 2019.</p>
	2.	<p>Granting full release and discharge (volledig acquit et de charge) to all members of the Board of Directors and Board of Commissioners from the management and supervisory actions carried out for the financial year ending December 31st 2018, including the management and supervision of the Partnership and Community Development Program, as long as such action is not a criminal offense, and reflected in the Company's Annual Report and Consolidated Financial Statement as well as the Annual Report of the Partnership and Community Development Program for the Book Year ending on 31 December 2018.</p>
Status	Has been completed	



CORPORATE GOVERNANCE

General Meeting of Shareholders

SECOND AGENDA

Resolution 1. Approved the distribution of the Net Profit of Rp 32,351,133,341,945 of The Company for the financial year of 2018, as follows:

50% of dividend payout ratio (Rp 16,175,566,670,973) allocated as cash dividend distributed to shareholders with the prevailing regulation as follows:

- For government dividends with the ownerships at least of 56,75% shares will distribute to states general cash account.
- Grant authority to the Board of Directors with the substitutions right to set the schedule and the procedure of dividend payment of the financial year of 2018 in accordance with prevailing laws and regulations.
- 50 % of the Net Profit or Rp 16.175.566.670.973) is allocated for retained earnings.

Status Has been completed

THIRD AGENDA

Resolution 1. Granting full rights to the Series A Dwiwarna Shareholders to determine tantiem for the 2018 Financial Year to all members of the Board of Commissioners, as well as the salary/honorarium, allowances, facilities and also other incentives for the members of the Board of Commissioners for the year of 2019.

2. Granting power and authority to the Company's Board of Commissioners with prior approval from Series A Dwiwarna Shareholders to determine tantiem for the 2018 Financial Year to all members of the Board of Directors, as well as the salary/honorarium, allowances, facilities and also other incentives for the members of the Board of Directors for the year of 2019.

Status Has been completed

FOURTH AGENDA

Resolution 1. The appointment of Purwantono, Sungkoro & Surja as 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 2019.

2. Granting full rights to the Board of Commissioners to appoint a Public Accountant Firm to audit The Company's 2019 Financial Report for the company purposes.

3. Granting the authority to the Board of Commissioners to appoint Public Accountant Firm and a substitute Public Accountant Office in the case that Purwantono, Sungkoro & Surja as the appointed Public Accountant Firm for any reason fails to complete the audit of the Company's financial report and the Financial Report of the Partnership and Community Development Program for the financial year 2019 as well as to determine the honorarium and other terms applicable to the appointed Public Accountant Firm and the substitute Public Accountant Firm.

Status Has been completed

General Meeting of Shareholders

FIFTH AGENDA

Resolution	1.	Honorably end services the following names from the Board of Commissioners: 1) Tuan Gatot Trihargo - as Vice President Commissioner/Commissioner 2) Tuan Mahmud - as Independent Commissioner Effective immediately at the closing of the Meeting, with gratuiton for the contribution and services given during the term as members of the Board of Commissioners.
	2.	Appointing the following names to the Board of Commissioners: 1) Tuan Wahyu Kuncoro as Vice President Commissioner/Commissioner 2) Tuan Hendrikus Ivo as Independent Commissioner
	3.	The end of the term of office of the aforementioned appointed members of the Board of Commissioners shall be until the closing of the 5th Annual General Meeting of Shareholders of the Company since their appointment, and comply with the capital market regulation without diminishing the right of General Meeting of Shareholders to dismiss those members at any time.
	4.	The full composition of the Board of Commissioners and Board of Directors shall be as follows: Board of Commissioners: 1. President Commissioner/ Independent Commissioner, Andrinof A. Chaniago 2. Vice President Commissioner/Commissioner, Wahyu Kuncoro 3. Commissioner, Nicolaus Teguh Budi Harjanto 4. Commissioner, Hadiyanto 5. Independent Commissioner, Rofikoh Rokhim 6. Independent Commissioner, Hendrikus Ivo 7. Independent Commissioner, A. Sony Keraf 8. Independent Commissioner, A. Fuad Rahmany
	5.	The aforementioned appointed members of the Board of Commissioners which hold other position which prohibited by prevailing laws and regulation to served concurrently with other state owned enterprises board of commissioners, should propose for resignation or dismissed from previous position.
	6.	Granting power and authority to the Board of Director with the right of substitution to perform all necessary actions related with this decision in accordance with the prevailing laws and regulations, including to state in a notarial deed and to notify the changes of composition of the Board of Commissioners and Directors as required by the regulators for the implementation of Meeting resolution.
Status	Has been completed	

EXTRAORDINARY GMS CONVENTION IN 2019

BRI has convened the EGMS for 2 (two) times in 2019, as follows:

First EGMS, 3 January 2019

The first EGMS 2019 was convened on 3 January 2019, and has met the POJK No. 32/POJK.04/2014, with the following stages:



CORPORATE GOVERNANCE

General Meeting of Shareholders

First EGMS Stages, 3 January 2019

Date	Activities	Remark	Status
19.11.2018	Notice of EGMS to OJK	EGMS notice to OJK in less than 5 (five) working days prior to the GMS announcement.	Comply
27.11.2018	EGMS Announcement	EGMS announcement is 14 days prior to EGMS invitation and has been published in print media (Kompas, Kontan & Jakarta Post), www.idx.co.id and www.bri.co.id.	
12.12.2018	EGMS Invitation	The EGMS Invitation is 21 days prior to the EGMS and has been published in print media (Bisnis Indonesia, & Jakarta Post), www.idx.co.id and www.bri.co.id.	
03.01.2019	EGMS	EGMS 2019 was convened on 3 January 2019 at BRI I, 21st Fl., Jl. Jenderal Sudirman Kav. 44 - 46, Central Jakarta 10210.	
05.01.2019	Announcement of Summary of Minutes of EGMS	The Announcement of Summary of EGMS Minutes is submitted to OJK in 2 (two) days after the EGMS and has been published in print media (Bisnis Indonesia, & Jakarta Post), www.idx.co.id and www.bri.co.id.	
07.01.2019	Submission of Minutes of Meeting	The Minutes of EGMS is submitted to OJK in less than 30 working days after the EGMS.	

Agenda

First Evaluation of the Company Financial Performance for Quarter III of 2018.

Second Change in the Company's Management Composition.

Attendance of Shareholders, Board of Commissioners and Board of Directors

The EGMS was attended by shareholders that are eligible for quorum as well as members of the Board of Commissioners and Board of Directors, as follows:

Shareholders	The meeting was attended by shareholders and/ or their proxy/ representatives 104.054.098.314 shares or equal to 85,1247% of total shares with valid voting rights that have been issued by the company.	
Board of Commissioners**	<ol style="list-style-type: none"> Andrinof A. Chaniago Gatot Trihargo Hadiyanto Nicolaus T.B. Harjanto A. Fuad Rahmany A. Sonny Keraf Mahmud Rofikoh Rokhim 	<ol style="list-style-type: none"> President Commissioner/Independent Vice President Commissioner Commissioner Commissioner Independent Commissioner Independent Commissioner Independent Commissioner Independent Commissioner

General Meeting of Shareholders

Board of Directors		
	1. Suprajarto	1. President Director
	2. Haru Koesmahargyo	2. Director
	3. Indra Utoyo	3. Director
	4. Priyastomo	4. Director
	5. Supari	5. Director
	6. Kuswiyoto	6. Director
	7. Handayani	7. Director
	8. Mohammad Irfan	8. Director
	9. Osbal Saragi R.	9. Director
	10. Sis Apik Wijayanto	10. Director
	11. R. Sophia Alizsa	11. Director
	12. A. Solichin Lutfiyanto	12. Director

Note: The EGMS was attended by all members of BRI Board of Directors and Board of Commissioners.
 *) Effective as of the approval of fit & proper test by the Financial Services Authority (OJK).

Opportunity to Raise Questions & Voting Result

The Shareholders were given opportunities to raise questions and/or to express opinions in each agenda. The decision-making mechanism at the meeting is based on consensus to reach an agreement. If an agreement cannot be reached then decision making is carried out by voting. Voting is done through an electronic mechanism and carried out by an independent party (Share Registrar). In the AGMS the number of questions and/or opinions conveyed by the Shareholders are as follows:

Agenda	Affirmative Votes	Non Affirmative Votes	Abstain	Opinions/ Question
First	Reporting Agenda, therefore there is no opportunity to raise questions.			
Second	97,334,914,783 shares (93.54%)	4,955,816,500 shares (4.76%)	1,763,367,031 shares (1.69%)	None

EGMS Resolution 3 January 2019

FIRST AGENDA

Resolution	1.	Reporting Agenda, therefore it does not require resolution.
Status	Has been completed	

SECOND AGENDA

Resolution	1.	Honourably end services for Jefry J. Wurangian as Commissioner as of September 20 2018. The company thanked Jefry J. Wurangian for his contribution and services given during the term as a member of the Board of Commissioners.
	2.	Honourably end services for Kuswiyoto as Director of Corporate Banking. The company thanked Kuswiyoto for his contribution and services given during the term as a member of the Board of Directors.



CORPORATE GOVERNANCE

General Meeting of Shareholders

SECOND AGENDA

3. Added the nomenclature of the Directors with the new position for Vice President Director. Main responsibilities of the Vice President Director are empowerment of the people's economy and digitalization, which under supervision of the Directorates: a) Directorate of Micro and Small Loans, b) Directorate of Networks and Services, c) Directorate of Information Technology and Operation, and d) Directorate of Institutional Relations.
4. Appointed Sunarso as Vice President Director.
5. The end of the term of office of the aforementioned appointed members of Vice President Director in point 5 in accordance to the Articles of Association, and comply with the capital market regulation without diminishing the right of General Meeting of Shareholders to dismiss those members at any time.
6. With the dismissal of the member of the Board of Commissioners and the appointment of Vice President Director in points 1 and points 4, the full composition of the Board of Commissioners and Board of Directors shall be as follows:

Members of the Board of Commissioners

President Commissioner/Independent Commissioner, Andrinof A. Chaniago
 Vice President Commissioner, Gatot Trihargo
 Commissioner, Hadiyanto
 Commissioner, Nicolaus T.B. Harjanto
 Independent Commissioner, A. Fuad Rahmany
 Independent Commissioner, A. Sonny Keraf
 Independent Commissioner, Mahmud
 Independent Commissioner, Rofikoh Rokhim

Members of the Board of Directors

President Director, Suprajarto
 Vice President Director, Sunarso
 Director, Mohammad Irfan
 Director, R. Sophia Alizsa
 Director, Haru Koesmahargyo
 Director, Sis Apik Wijayanto
 Director, Supari
 Director, Indra Utoyo
 Director, Priyastomo
 Director, Osbal Saragi R.
 Director, A. Solichin Lutfiyanto
 Director, Handayani

7. Granted power and authority to the Board of Directors with the right of substitution to perform all necessary actions related with this decision in accordance with the prevailing laws and regulations, including to state in a notarial deed and to notify the changes of composition of the Board of Commissioners and Directors to the Ministry of Law and Human Rights of the Republic Indonesia and to ask OJK to undergo a Fit and Proper Test to the Board candidates according to prevailing regulations.

Status	Has been completed
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General Meeting of Shareholders

Second EGMS, 2 September 2019

The EGMS was held on 2 September 2019, has complied with the POJK No. 32/POJK.04/2014, with the following details:

Second EGMS Stages, 2 September 2019

Date	Activities	Remark	Status
17.07.2019	Notice of EGMS to OJK	EGMS notice to OJK in less than 5 (five) working days prior to the GMS announcement	Comply
25.07.2019	EGMS Announcement	EGMS announcement is 14 days prior to EGMS invitation and has been published in print media (Kompas, Kontan & Jakarta Post), www.idx.co.id and www.bri.co.id.	
09.08.2019	EGMS Invitation	EGMS Invitation is 21 days prior to the EGMS and has been published in print media (Kompas, Kontan & Jakarta Post), www.idx.co.id and www.bri.co.id.	
02.09.2019	EGMS	EGMS 2019 was convened on 2 September 2019 at BRI I, 21st Fl., Jl. Jenderal Sudirman Kav. 44 - 46, Central Jakarta 10210.	
04.09.2019	Announcement of Summary of Minutes of EGMS	The Announcement of Summary of EGMS Minutes is submitted to OJK in 2 (two) days after the EGMS and has been published in print media (Bisnis Indonesia, & Jakarta Post), www.idx.co.id and www.bri.co.id.	
10.09.2019	Submission of Minutes of Meeting	The Minutes of EGMS is submitted to OJK in less than 30 working days after the EGMS.	

Agenda

First	Evaluation of the 1st Semester 2019 Company Financial Performance.
Second	Approval of the Company's Recovery Plan.
Third	Change of the Company's Management Composition.



CORPORATE GOVERNANCE

General Meeting of Shareholders

Attendance of Shareholders, Board of Commissioners and Board of Directors

The EGMS was attended by shareholders that are eligible for quorum as well as members of the Board of Commissioners and Board of Directors, as follows:

Shareholders	The meeting was attended by shareholders and/or their proxy/representative representing 106.163.182.674 shares or equal to 86,74% of total shares with valid voting rights that have been issued by the Company.	
Board of Commissioners**	<ol style="list-style-type: none"> 1. Andrinof A. Chaniago 2. Wahyu Kuncoro 3. Nicolaus Teguh Budi Harjanto 4. Hadiyanto 5. Rofikoh Rokhim 6. Hendrikus Ivo 7. A. Sony Keraf 8. A. Fuad Rahmany 	<ol style="list-style-type: none"> 1. President Commissioner/Independent 2. Vice President Commissioner 3. Commissioner 4. Commissioner 5. Independent Commissioner 6. Independent Commissioner 7. Independent Commissioner 8. Independent Commissioner
Board of Directors	<ol style="list-style-type: none"> 1. Sunarso* 2. Mohammad Irfan 3. R. Sophia Alizsa 4. Haru Koesmahargyo 5. Sis Apik Wijayanto 6. Supari 7. Indra Utoyo 8. Priyastomo 9. Osbal Saragi R. 10. Ahmad Solichin Lutfiyanto 11. Handayani 	<ol style="list-style-type: none"> 1. Acting President Director 2. Director 3. Director 4. Director 5. Director 6. Director 7. Director 8. Director 9. Director 10. Director 11. Director

Note: The EGMS was attended by all members of BRI Board of Directors and Board of Commissioners.

*) Effective as of the approval of fit & proper test by the Financial Services Authority (OJK).

Opportunity to Raise Questions & Voting Result

The Shareholders were given opportunities to raise questions and/or to express opinions in each agenda. The decision-making mechanism at the meeting is based on consensus to reach an agreement. If an agreement cannot be reached then decision making is carried out by voting. Voting is done through an electronic mechanism and carried out by an independent party (Share Registrar). In the AGMS the number of questions and/or opinions conveyed by the Shareholders are as follows:

Agenda	Affirmative Votes	Non Affirmative Votes	Abstain	Opinions/ Question
First	–	–	–	–
Agenda	105,889,904,910 shares (99.74%)	5,066,900 shares (0.005%)	268,210,864 shares (0.25%)	None
Third	73,165,621,579 shares (68.92%)	29,053,425,378 shares (27.37%)	3,944,135,717 shares (3.72%)	2 (two) persons

General Meeting of Shareholders

EGMS Deeds - Deed No. 1 dated 2 September 2019

Agenda	No.	Name	Total Shares Ownership	Question	Answer
Ketiga	1	M. Saman proxy for Andry Ansjori	4.000	a. Meeting Convention: <ol style="list-style-type: none"> 1. The code of conduct should also include sanctions to the Company for delay in meetings that are more than 2 (two) hours as well as sanctions for Shareholders if they come late. Please explain the reason for the delay honestly. 2. If the delay in the Meeting exceeds more than 2 (two) hours, if you yourself as a public shareholder, how would you feel, whether you feel upset or not at all? b. <ol style="list-style-type: none"> 1. What are the reasons for dismissal that should be recorded so as not to cause excessive prejudice. 2. Does the party who will hold a certain position (Director/ oard of Commissioners) at the SOE public company has received confirmation from the Ministry of SOE/ authorities prior to the Meeting? 	Will be provided in writing.
	2	Laurensia Irianti proxy for Rahadi Santoso	8.189.500	Whether the dismissal/transfer of positions is also pointed back to the OJK mechanism in terms of performance assessment or absolute (without OJK involvement) is decided by the Majority Shareholders?	



CORPORATE GOVERNANCE

General Meeting of Shareholders

EGMS Resolution 2 September 2019

FIRST AGENDA

Resolution 1. There is no decision making since it was only a reporting agenda.

Status Has been completed

SECOND AGENDA

Resolution 1. Approval of the Company's Recovery Plan.

Status Has been completed

THIRD AGENDA

- Resolution 1. Approved the changes on the composition of the Board of Commissioners:
- Changes of the Board of Commissioners:
1. Appointing Mrs. Loeke Larasati Agoestina as Commissioner
 2. The term of office of the appointed member of Commissioners as set out on first paragraph shall follow the provision in the articles of association of the company, and comply with the capital market regulation without diminishing the right of General Shareholders Meeting to dismiss those member at any time.
 3. The full composition of the Board of Commissioners and Board of Directors shall be as follows:
 - a. President Commissioner/Independent Commissioner, Andrinof A. Chaniago
 - b. Vice President Commissioner, Wahyu Kuncoro
 - c. Commissioner, Nicolaus Teguh Budi Harjanto
 - d. Commissioner, Hadiyanto
 - e. Commissioner, RR. Loeke Larasati A
 - f. Independent Commissioner, Rofikoh Rokhim
 - g. Independent Commissioner, A. Sonny Keraf
 - h. Independent Commissioner, A. Fuad Rahmany
 - i. Independent Commissioner, Hendrikus Ivo
 4. The aforementioned appointed members of the Board of Commissioners as referred to paragraph 1 perform their action after the approval from The Financial Service Authority.
 5. The appointed members of the Board of Commissioner as referred to paragraph 1 who is still hold other position that is prohibited by legislation to be concurrent with the position of the Member of the Board of Commissioners of State-Owned Enterprises, then the person shall resign or be dismissed from the position.
 6. Granted power of attorney with the right of substitution to the Board of Directors of the Company to state the resolutions in the Meeting in the form of a Notary deed and appear before a Notary or authorized official, and makes necessary adjustments or corrections if required by the competent authorities for the purpose of carrying out the meeting's resolutions.

General Meeting of Shareholders

THIRD AGENDA

2. Change on the Composition of the Board of Directors:
 1. Honorably end services of Mr. Suprajarto as President Director since August 29th 2019 with gratuiton for the contribution and services given during the term as President Director.
 2. Honorably end services the following names from the Board of Directors:
 - a. Sis Apik Wijayanto, as Director of Institutional Relations
 - b. Osbal Saragi Rumahorbo, as Director of Network and Services
 - c. Mohammad Irfan, as Director of Risk Management
 - d. R. Sophia Alizsa, as Director of Human Capital
 3. Changing the following nomenclature of the Board of Directors of the Company:
 - a. From Director of Micro and Small, to Director of Micro Business
 - b. From Director of Retail and Medium, to Director of Small, Retail, and Medium Business
 - c. From Director of Institutional Relations, to Director of Institutional Relations and SOE
 - d. From Director of Information Technology and Operation, to Director of Digital, Information Technology and Operation
 4. Transfer the assignment of the following members of the Board of Directors:
 - a. Sunarso, from Vice President Director to President Director
 - b. Priyastomo, from Director of Micro and Small to Director of Small, Retail, and Medium Business
 - c. Supari, from Director of Retail and Medium to Director of Micro Business
 - d. Indra Utoyo, from Director of Information Technology and Operation to Director of Digital, Information Technology and Operation
 - e. Ahmad Solichin Lutfiyanto, from Director of Compliance to Director of Network and Services
 Each of whom is appointed based on the resolutions of the Extraordinary General Meeting of Shareholders of the financial year of 2019, Annual General Meeting of Shareholders of the financial year of 2016, 2017, and 2018, with the term of office following the remaining term of office, following the appointment resolution of the Meeting.
 5. Appointing the following names as the Board of Directors of the Company:
 - a. Catur Budi Harto, Vice President Director
 - b. Herdy Rosadi Harman, Director of Human Capital
 - c. Agus Noorsanto, Director of Institutional Relations and SOE
 - d. Agus Sudiarto, Director of Risk Management
 - e. Azizatun Azhimah, Director of Compliance
 6. The term of office of the appointed member of the Board of Directors as referred to paragraph 5 shall follow the provision in the Articles of Association of the Company, and comply with the capital market regulation without diminishing the right of General Shareholders Meeting to dismiss those member at any time.



CORPORATE GOVERNANCE

General Meeting of Shareholders

THIRD AGENDA

With the dismissal, changes of the nomenclature, transfer of the assignment and appointment of the member of the Board of Directors as set out in paragraph 1 to 5 above, the composition of the Board of Directors of the company shall be as follows:

- a. President Director, Sunarso
 - b. Vice President Director, Catur Budi Harto
 - c. Director of Finance, Haru Koesmahargyo
 - d. Director of Institutional Relations & SOE, Agus Noorsanto
 - e. Director of Small, Retail, and Medium Business, Priyastomo
 - f. Director of Digital, Information Technology and Operation, Indra Utoyo
 - g. Director of Micro Business, Supari
 - h. Director of Network and Services, Ahmad Solichin Lutfiyanto
 - i. Director of Compliance, Azizatul Azhimah
 - j. Director of Risk Management, Agus Sudiarto
 - k. Director of Consumer, Handayani
 - l. Director of Human Capital, Herdy Rosadi Harman
8. The aforementioned appointed members of the Board of Directors as referred to paragraph 5, perform their action after the approval from The Financial Service Authority.
 9. The aforementioned appointed members of the Board of Directors as referred to paragraph 5, which hold other position which prohibited by prevailing laws and regulation to served concurrently with other state owned enterprises Board of Directors, should propose for resignation or dismissed from previous position.
 10. Granted power of attorney with the right of substitution to the Board of Directors of the Company to state the resolutions in the Meeting in the form of a Notary deed and appear before a Notary or authorized official, and makes necessary adjustments or corrections if required by the competent authorities for the purpose of carrying out the meeting's resolutions.

Status	Has been completed
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GMS REALIZATION

Previous Annual GMS (AGMS 2016)

There was 1 (one) of 6 (six) agenda at the AGMS 2016 namely: Fifth Agenda, The disbursement of ESOP of first period has been provided at the second quarter of 2019 (May).

GMS FISCAL YEAR 2018

All resolutions of the Annual GMS 2018 have been fully realized (100%) thereby no resolution of Annual GMS 2018 that requires further realization.

BOARD OF COMMISSIONERS

The Board of Commissioners is collectively responsible to perform oversight function on the management policy, general management of the Company and business by the Board of Directors, and provide advisory to the Board of Directors including to monitor the Company's Corporate Plan, Work and Budget Plan, as well as the provision of the Articles of Association and the Resolution of the General Meeting of Shareholders, including the prevailing laws and regulations, for the interest of the Company and with due observance to the Company's purpose and objectives.

Legal Basis

- a. Law No. 40 Year 2007 regarding the Limited Liabilities Company.
- b. Law No. 19 Year 2003 regarding the Board of Commissioners of State-Owned Enterprises.
- c. Government Regulation No. 45 year 2005 regarding the Establishment, Management, Supervision, and Dissolution of State Owned Enterprises.
- d. Regulation of the Financial Services Authority No.33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.
- e. Regulation of the Financial Services Authority No 27/POJK.03/2016 regarding the Fit and Proper Test for Main Parties of Financial Services Institution.
- f. Circular of Financial Services Authority No.39/SEOJK.03/2016 regarding the Fit and Proper Test for Candidate of Controlling Shareholders, Members of the Board of Directors and the Board of Commissioners of Bank.
- g. Regulation of the Financial Services Authority No. 55/POJK.03/2016 dated 07 December 2016 regarding Corporate Governance Implementation for Commercial Banks.
- h. Regulation of the Financial Services Authority No: 1/POJK.03/2019 dated 28 January 2019 on the Implementation of Internal Audit Function for Commercial Banks.
- i. Regulation of SOE Minister No. PER-02/MBU/02/2015 on Requirements and Procedures of the Appointment & Termination of member of the Board of Commissioners and Supervisory Board of SOE.

BOC CHARTER

In carrying out its duties, authorities, obligations and responsibilities, the Board of Commissioners has guidelines in the form of BOC Charter which have been updated and approved through the Decree of the Board of Commissioners Nokep: 09-KOM/11/2018 dated 1 November 2018 with the following details:

DUTIES AND RESPONSIBILITIES

The Board of Commissioners is collectively performing oversight to the management function of the Company. The roles of the Board of Commissioners include to provide advisory and directives to the Board of Directors on the implementation of the Company's policies in conducting business activities based of strategy and objectives of BRI.

Duties

The Board of Commissioners has the duty to supervise the management policy, the general management of the Company and the Company's business carried out by the Board of Directors including to provide advisory to the Board of Directors based on prevailing laws and regulations, for the benefit of the Company.

President Commissioner

1. Lead the Board of Commissioners meetings and the meetings with the Board of Directors.
2. Lead the General Meeting of Shareholders (GMS).
3. Coordinate and monitor the implementation of the work program of the Board of Commissioners.
4. Coordinate the activities of the Board of Commissioners to supervise the implementation of the duties and responsibilities of the Board of Directors.

Responsibilities

Each member of the Board of Commissioners is collectively liable on the Company's loss should one of them is guilty or negligent in performing his/her duties, unless the relevant member of the Board of Commissioners can prove:



CORPORATE GOVERNANCE

Board of Commissioners

1. The loss was not caused by his/her error or negligence;
2. Has performed supervision with good faith and prudence, in compliance with the Company's objectives;
3. Does not have any conflict of interest, directly or indirectly, for any of the Board of Directors' management that has caused the loss; and
4. Have taken actions to prevent the loss and its reoccurrence.
11. Attending Board of Directors' meetings and providing views on matters discussed;
12. Approved the appointment and dismissal of the Corporate Secretary and/or Head of the International Supervisory Unit.
13. Provide written approval for the actions of the Board of Directors in accordance with the Company's Articles of Association and applicable regulations;
14. Carry out other oversight authorities insofar as they do not conflict with statutory regulations, Articles of Association and/or GMS decisions.

Authority

1. Verify books, letters, and other documents, review cash for verification purpose and other securities, and check the Company's assets;
2. Enter the yard, building and office used by the Company;
3. Request an explanation from the Board of Directors and/or other officials regarding all matters relating to the management of the Company;
4. To know all policies and actions that have been and will be carried out by the Board of Directors;
5. Requests the Board of Directors and/or other officials under the Board of Directors with the knowledge of the Board of Directors to attend Board of Commissioners meetings;
6. Appoint and dismiss a Secretary of the Board of Commissioners, upon the suggestion of the Series A Dwiwarna Shareholder;
7. Establish an Audit Committee and other committees, if deemed necessary by taking into account the Company's capabilities;
8. Use experts for certain matters and within a certain period of time at the Company's expense, if deemed necessary;
9. Temporarily dismiss member of the Board of Directors by stating the reason if the respective member of the Board of Directors breach the Article of Association of the Company or any indication of taking action that jeopardize the Company or neglecting his/her obligations or occurrence of urgent reasons for the Company.
10. Perform management actions of the Company in certain circumstances for a certain period of time in accordance with the provisions of the Company's Article of Association;

Obligation

1. To advise the Board of Directors in conducting the management of the Company;
2. Provide an opinion and approval of the Company's work plan consisting of:
 - a. Corporate Plan of the Company (RJPP);
 - b. Business Plan Bank (RBB);
 - c. Work Plan and Budget of Company (RKAP), and
 - d. Other work plans prepared by the Board of Directors in accordance with the laws and regulations shall obtain the approval of the Board of Commissioners;
3. Following the development of the Company's activities, providing opinions and suggestions to the General Meeting of Shareholders on any issues deemed important to the management of the Company;
4. Notify the regulator no later than 7 (seven) days after its post finding of the following events:
 - a. Violation of legislation in the field of finance and banking; and
 - b. Circumstances or predictions of circumstances that may compromise the viability of the Company's business; which has not been or has not been reported by the Company and/or by the Director in charge of the Compliance Function to the regulator.
5. Submit report to the Dwiwarna A-Series Shareholder in case of any declining performance of the Company;
6. To propose to the General Meeting of Shareholders the appointment of a Public Accountant who will conduct examination of the Company's books;

Board of Commissioners

7. To examine and review the periodic reports and Annual Report prepared by the Board of Directors and to sign the Annual Report;
8. Provide explanations, opinions, and suggestions to the Annual General Meeting of Shareholders on the Annual Report if requested;
9. Prepare a report on the supervisory duties exercised by the Board of Commissioners during the preceding fiscal year that is an integral part of the annual report prepared by the Board of Directors.
10. Convene a Meeting of the Board of Commissioners and keeping a copy of it;
11. Reporting to the Company regarding its ownership of its shares and/or its family to the Company and other companies;
12. Provide reports on supervisory duties that have been carried out during the past financial year to the General Meeting of Shareholders;
13. Provide an explanation of all matters asked or requested by the shareholders of Series A Dwiwarna by taking into account the prevailing laws and regulations prevailing in the Capital Market;
14. Ensure the implementation of Good Corporate Governance in all business activities of the Company at all levels or levels of the organization;
15. Monitoring the implementation of Integrated Governance;
16. Direct, monitor, and evaluate the implementation of the Bank's strategic policy;
17. Prepare a work program of the Board of Commissioners which is an integral part of the Company's Annual Work Plan and Budget prepared by the Board of Directors;
18. Conduct Active Supervision of Compliance Function, through:
 - a. Evaluation of the implementation of Bank Compliance Function at least two (2) times in one year;
 - b. Provide suggestions in order to improve the quality of the Bank's Compliance Function.
19. Conduct active oversight of risk management includes the following matters:
 - a. Approve and evaluate the General Policy of Risk Management in accordance with applicable provisions;
 - b. Evaluate the responsibility of the Board of Directors on the implementation of risk management policies in accordance with applicable regulations.
 - c. Evaluate and take decisions on the proposal from the Board of Directors related to transactions that require the approval of the Board of Commissioners.
20. Ensure the application of Integrated Risk Management in accordance with the characteristics and complexity of the business of Financial Conglomeration and ensure the implementation of Risk Management in each LJK in Financial Conglomerate;
21. To approve the policy on the implementation of Anti Money Laundering and Counter-Terrorism Prevention (AML & CTF) programs and to supervise the implementation of the Board of Directors' responsibilities for the implementation of AML & CTF programs;
22. Direct the growth of culture and awareness of Risk Management, Compliance and Anti Fraud at all levels of Bank organization;
23. Monitor the Bank Soundness, and take necessary steps to maintain and/or improve the Bank Soundness by applying prudential principles and risk management in conducting business activities;
24. Direct, monitor and evaluate the Information Technology Strategic Plan and Company policy regarding the use of Information Technology and evaluate the Board of Directors accountability for the application of risk management in the use of Information Technology;
25. Ensure the Board of Directors has followed up on audit findings and recommendations from the Company's Internal Audit Unit, external auditors, the results of supervision by the Financial Services Authority, Bank Indonesia, the Supreme Audit Board, and or other authorities oversight results;



CORPORATE GOVERNANCE

Board of Commissioners

26. Submit report on the results of supervision on the implementation of the Company's Business Plan every semester to the Financial Services Authority in accordance with applicable laws and regulations;
27. To supervise the management of the Financial Institution Pension Fund (DPLK) by the Management; submit annual report in writing of the results of its supervision; and appoint a public accountant to audit the financial statements of the Pension Fund of the Financial Institution (DPLK);
28. Submit report on the results of the Company's performance evaluation quarterly to the Dwiwarna A Series Shareholders;
29. Ensure that the established committees perform their duties effectively; and
30. Carry out other obligations in the context of supervisory and advising duties, as long as they do not conflict with laws and regulations, Articles of Association and/or the resolution of the General Meeting of Shareholders.

Scope of Board of Commissioners

The Board of Commissioners carries out the supervisory function in accordance with its responsibilities and authorities which includes:

1. Passive supervision, namely through review of reports submitted by Management, letters received from OJK, Bank Indonesia and other institutions as well as other information obtained from other third parties.
2. Active supervision, namely through board meetings with the Board of Directors, Board of Commissioners Meetings with Directors and related officials, meetings with external auditors and other third parties, and through work visits to Work Units.

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	<p>The Board of Commissioners performs the role to ensure the implementation of GCG 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 GCG, the Board of Commissioners is responsible among others to:</p> <ul style="list-style-type: none"> • 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, and provide explanations, opinions and suggestions to the GMS 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 the regulators of violation to legislation arising in 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.

Board of Commissioners

Terms of Office

The term of office of the Commissioner for one period is 5 (five) years and can be extended again for one period without prejudice to the Rights of the General Meeting of Shareholders to at any time dismiss the Board of Commissioners through a GMS decision.

Ethics

1. Comply with the Article of Association and regulations as well as the principle of professionalism, efficiency of transparency, independence, accountability, accountability, and fairness;
2. Have good faith, prudent, and responsible in carrying out supervisory duties and giving advice to the Board of Directors for the interest of the Company and in accordance with the purpose and objectives of the Company;
3. In the event of conflict of interest, then each Member of the Board of Commissioners is personally, either directly or indirectly. Having interests in a transaction, contract or proposed contract in which the Company is one of the parties, it must be stated the nature of its interests in a Board of Commissioners Meeting and has no right to participate in voting decision on matters related to the transaction or contract; and
4. Provide exemplary example by encouraging ethical behavior and upholding the Company's code of ethics.

Working Time

The working time of the Board of Commissioners is when but not limited to the Board of Commissioners' Meetings and the working visit of the Board of Commissioners.

CRITERIA, APPOINTMENT, TERMINATION AND RESIGNATION OF MEMBER OF THE BOARD OF COMMISSIONERS

The criteria, appointment and termination procedures of BRI Board of Commissioners is prepared based on POJK No. 34/POJK.04/2015 on the Nomination and Remuneration Committee, POJK No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks, POJK No. 27/03.POJK/2016 on the Fit and Proper Test for Main Entity of Financial Services Institution, as well as internal rules of BRI Board of Commissioners through the Decree of Board of Commissioners Nokep: 07-KOM/BRI/07/2015 on the Nomination Policy of Member of the Board of Commissioners and Board of Directors.

Criteria

The BRI Board of Commissioners criteria is developed based on POJK No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks, POJK No. 27/03.POJK/2016 on the Fit and Proper Test for Main Entity of Financial Services Institution, as well as internal rules of BRI Board of Commissioners through the Decree of Board of Commissioners Nokep: 07-KOM/BRI/07/2015 on the Nomination Policy of Member of the Board of Commissioners and Board of Directors, among others:



CORPORATE GOVERNANCE

Board of Commissioners

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| General Qualifications | <ol style="list-style-type: none"> 1. Any individuals that are legally competent, except within five (5) years prior to the appointment: <ol style="list-style-type: none"> a. Has been declared as bankrupt. b. Has been a member of the Board of Directors or Commissioners that is proven guilty for causing the bankruptcy of a company; or c. Has been punished for a criminal act that inflicts loss in the state's finance and/or SOEs and/or those related to the financial sector. 2. Has integrity, dedication, and understanding about the company management issues that is related to one of the functions of management, has adequate knowledge in banking, and able to provide adequate time to carry out their duties. 3. Does not hold concurrent position as: <ol style="list-style-type: none"> a. Members of the Board of Directors at other SOEs, regional-owned enterprises, private companies, and other positions that may pose any conflicts of interests; and/or b. Other positions, in accordance with the prevailing laws and legislations. 4. Members of the Board of Commissioners are only allowed to hold concurrent position as: <ol style="list-style-type: none"> a. Member of the Board of Commissioners, Directors, or Executives in one (1) non-financial institution/company, or b. Member of the Board of Commissioners, Directors, or Executives that has a supervisory function in 1 (one) nonbank subsidiary company that are controlled by the Bank. 5. Not considered as concurrent position, in the event where: <ol style="list-style-type: none"> a. Non-independent members of the Board of Commissioners conduct its functional duties of the Bank's shareholder in the form of legal entities in its business group; and/or b. Members of the Board of Commissioners hold his/her position in a non-pro fit organization or institution, as long as he/she does not neglect his/her duties and responsibilities as members of the Bank's Board of Commissioners. 6. Do not have any family ties with members of the Bank's Board of Directors and/or Board of Commissioners up to the third degree, either vertically or horizontally, including family ties resulted from marriage. |
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The above general qualifications may be proven by among others a written statement of the relevant Candidate.

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| Integrity Requirements | <p>To fulfill integrity requirements, candidate member of the Board of Commissioners shall have:</p> <ol style="list-style-type: none"> 1. Good character and morals. 2. Commitment to comply with prevailing laws and regulations. 3. High commitment towards sound bank operations development. 4. Not included in the failed list of fit and proper test. |
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| Fulfillment of POJK No.27/03.POJK/2016 on Fit and Proper Test for Main Entity of Financial Services Institution | <p>The Board of Commissioners as the Bank Management shall attain fit and proper test result conducted by the Financial Services Authority (formerly Bank Indonesia). The Bank Management shall fulfill the integrity requirements, competencies, and financial reputation.</p> |
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Board of Commissioners

<p>Fulfillment of Financial Services Authority Circular No. 39/SEOJK.03/2016 on Fit and Proper Test for the Candidate Controlling Shareholders, Candidate Member of the Board of Directors and Candidate Member of the Board of Commissioners of the Bank</p>	<p>Member of the Board of Commissioners shall have:</p> <ol style="list-style-type: none"> 1. Adequate knowledge in banking field and relevant with the positions. 2. Experiences and skills in banking and/or financial fields. 3. Capabilities to carry out strategic management for the bank soundness development.
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Internally, all members of the Board of Commissioners have signed the Integrity Statements documented by BRI.

Nomination System and Procedures

The nomination system and procedures of members of the Board of Commissioners refer to POJK No. 55 /POJK.03/2016 on the Governance Implementation of Commercial Banks, among others:

1. The Nomination and Remuneration Committee searches the Prospective Candidate member of the Board of Commissioners that are meeting the set qualifications.
2. The qualified Prospective Candidate member of the Board of Commissioners is further proposed by the Nomination and Remuneration Committee to the Board of Commissioners to take Evaluation process.
3. The evaluation process is carried out by the Nomination and Remuneration Committee to search for comprehensive information regarding the qualification and competency of Prospective Candidate, among others through reviewing the milestones/resume of the candidates.
4. The search results of Prospective Candidate member of the Board of Commissioners is discussed in the Nomination and Remuneration Committee meeting to stipulate the chosen Prospective Candidate member of the Board of Commissioners.
5. The discussion results of the Nomination and Remuneration Committee as stated in point 4 (four) is submitted to the Board of Commissioners through Official Memo by the Nomination and Remuneration Committee. The Official Memo serves as recommendations document of the Nomination and Remuneration Committee on the said Prospective Candidate member of the Board of Commissioners.
6. The selected member of the Board of Commissioners is stipulated in the Board of Commissioners Meeting that at the same time serve as recommendation basis of the Board of Commissioners to the GMS through Shareholders Series A.

Pursuant to POJK No. 27/POJK.03/2016 on the Fit and Proper Test for Financial Services Institution Main Entity, the Candidate of Main Entity (Controlling Shareholders, members of the Board of Directors and Board of Commissioners) shall obtain the approval from OJK prior to carry out act, duty and function as the Main Entity. In providing the approval, OJK conducts fit and proper test to the candidate of the Board of Commissioners covering: integrity, financial reputation and competency as well as shares ownership and Bank management as stated in the prevailing laws and regulations.

Furthermore, referring to the Circular Letter of Financial Services Authority No. 39/SEOJK.03/2016 on the Fit and Proper Test for Candidate of Controlling Shareholders, Candidate Member of the Board of Directors, and Candidate



CORPORATE GOVERNANCE

Board of Commissioners

Member of the Board of Commissioners of the Bank. For candidate member of the Board of Commissioners that has not yet received the approval from OJK, the candidate is prohibited to perform any duty as member of the Board of Commissioners in the Bank activity and or other activities that has significant impact on the Bank policies and financial conditions, albeit has attained the approval and has been appointed by the GMS.

Appointment Procedures

Appointment of member of the Company's Board of Commissioners is stipulated in the General Meeting of Shareholders (GMS). In the event that the appointed member of the Board of Commissioners has not been approved by the Financial Services Authority (OJK), then the appointment is not effective before approval is given to the respective party by OJK.

To obtain approval for member of its Board of Commissioners, the Company submits an application to OJK for a fit and proper test. Approval or rejection of such application shall be provided by OJK no later than 30 (thirty) days after receipt of the complete application.

The fit and proper test conducted by OJK includes administrative and interview research. In the event that the candidate being requested for approval and has been appointed in the GMS is not approved by OJK, then the Company through the GMS shall be obliged to dismiss the person concerned.

For a candidate member of the Company's Board of Commissioners that has not received OJK approval, the respective candidate is prohibited from performing duties as a member of the Board of Commissioners in the activities of the Bank and or other activities that have a significant influence on the Bank's financial conditions and policies, even though it has been approved and appointed by the GMS.

Termination Procedures

The terms of office of the Board of Commissioners shall ended if:

1. Passed away
2. End of tenure
3. Dismissed pursuant to the GMS

4. Declared bankrupt by Commercial Court decision with permanent legal force or put under remission based on court decision
5. No longer qualified as member of the Board of Commissioners based on the Company's Articles of Associations and other laws and regulations (including but not limited on prohibited concurrent position)

Pursuant to the Articles of Association, member of Board of Commissioners has the right to resign from his position by written notification to BRI and BRI must convene the GMS to decide the proposed resignation of respective Board of Commissioners member at the latest ninety (90) days after the acceptance of resignation letter.

Members of the Board of Commissioners may also be dismissed by the General Meeting of Shareholders based on rational as deemed appropriate by the General Meeting of Shareholders for the purpose and benefit of the Company.

Resignation of the Board of Commissioners upon Financial Crimes Acts

In accordance with the Articles of Association of the Company, a member of the Board of Commissioners has the right to resign from his position by notifying in writing of his intentions to BRI and BRI having to hold a General Meeting of Shareholders to decide on the resignation of 60 (sixty) days after receipt of the resignation letter.

Fit and Proper Test of the Board of Commissioners

Based on the POJK No. 27/POJK.03/2016 on the Fit and Proper Test for Main Entity of Financial Services Institutions, the candidates of Controlling Shareholders, members of the Board of Directors and members of the Board of Commissioners shall obtain OJK approval prior to carrying out their actions, duties and functions as Main Entities. The Company's Board of Commissioners is required to meet the requirements of integrity, financial reputation, and competence.

Board of Commissioners

Members of the Board of Commissioners who have passed fit and proper test without notes and have received the approval from the Financial Services Authority, indicate that each member of the Board of Commissioners has adequate integrity, competence and financial reputation, can be seen through the table below:

No	Commissioners	Position	Effective Date of Fit & Proper Test OJK	Fit and Proper Test Implementer	Result
1	Andrinof A. Chaniago	President Commissioner/ Independent	19 July 2017	OJK	Passed
2	Gatot Trihargo*	Vice President Commissioner	10 June 2015	OJK	Passed
3	A. Fuad Rahmany	Independent Commissioner	26 May 2017	OJK	Passed
4	A. Sonny Keraf	Independent Commissioner	10 June 2015	OJK	Passed
5	Mahmud**	Independent Commissioner	28 February 2017	OJK	Passed
6	Rofikoh Rokhim	Independent Commissioner	31 January 2018	OJK	Passed
8	Hadiyanto	Commissioner	21 September 2018	OJK	Passed
9	Nicolaus Teguh Budi Harjanto	Commissioner	19 July 2017	OJK	Passed
10	Wahyu Kuncoro***	Vice President Commissioner	29 August 2019	OJK	Passed
11	Hendrikus Ivo****	Independent Commissioner	29 August 2019	OJK	Passed

Note :

* Effective until 29 April 2019

** Effective until 15 May 2019

*** Appointed at the AGMS 15 May 2019, effective until 18 November 2019

**** Appointed at the AGMS 15 May 2019

PROHIBITION OF THE BOARD OF COMMISSIONERS

In accordance with the Board Charter, the Board of Commissioners is prohibited from taking the following actions:

- Engage in decision-making of operational activities of the Company, except for the provision of funds to related parties and other matters specified in the Company's Articles of Association or prevailing laws and regulations.
- Takes concurrent positions as:
 - Members of the Board of Directors in BUMN, BUMD, private owned enterprises;
 - The management of a political party and/or a candidate/member of the legislature and/ or the candidate for regional head/deputy head of the region, other positions that may cause conflict of interest and/or other positions in accordance with regulations and legislation;
- Utilizing the Company for personal, family, and/or other interests that may harm or reduce the Company's profits;



CORPORATE GOVERNANCE

Board of Commissioners

4. Conducting transactions that have a conflict of interest and/or taking personal advantage either directly or indirectly from the activities of the Company other than a valid income as a member of the Board of Commissioners;
5. Affected by others in carrying out duties and decision making which lead to misuse of authority and/ or inaccurate decision-making.
6. Give or offer to the customer or an official of the Government and/ or other parties to influence or accept either directly or indirectly anything of value in exchange for what he or she has done and other actions in accordance with applicable laws and regulations.
7. Engage in the sale or purchase of securities in which the insider has insider trading information.

Members of the Board of Commissioners shall not involve in any financial crimes. In the event that a member of the Board of Commissioners is involved in the financial crime such as being convicted by the authority, then such member of the Board of Commissioners shall resign. The financial crimes include manipulation and embezzlements in financial services activities as well as Criminal Acts in Money Laundering as stated in the Law No. 8 of 2010 on the Prevention and Elimination of Money Laundering Criminal Acts.

BOARD OF COMMISSIONERS ASSESSMENT CRITERIA

The performance criteria of the Board of Commissioners are measured by the target achievement of work plans and budgets (RKA) with the KPI parameters that have been set out by the Board of Commissioners in the annual RKA, covering the aspect of Learning and Growth Perspective, internal Procces Perspective, Compliance Perspective and Financial perspective.

BOARD OF COMMISSIONERS DIVERSITY POLICY

In accordance with the recommendation of the Financial Services Authority as set forth in Attachment to Circular Letter of Financial Services Authority No. 32/SEOJK.04/2015 concerning the Guidelines of Corporate Governance of Public Company, the composition of the Board of Commissioners shall put into account on diversity of the composition of the Board of Commissioners.

The diversity of the composition of the Board of Commissioners is a combination of characteristics both as a Company's organ and as individual, in accordance with the needs of the Public Company. Such characteristics may be reflected in the determination of the skills, knowledge, and experience required for the implementation of supervisory and advisory tasks by the Board of Commissioners of the Public Company.

Diversity in the composition of the Board of Commissioners can help the efficiency of the implementation of the duties of the Board of Commissioners, especially in relation to decision making in the context of implementing the supervisory function carried out by considering various broader aspects.

The composition of members of the Board of Commissioners of the Company comes from various educational backgrounds, knowledge, skills, gender, age and experience as set forth in the profile of each member of the Board of Commissioners, i.e from banking practitioners, scholars/ academics, bureaucracy and those who have a career decision makers/ policies in the field of regulation and corporations who are experienced in their respective fields.

BOARD OF COMMISSIONERS COMPOSITION AND CHANGES IN 2019

The structure of members of the Board of Commissioners is in accordance with prevailing laws and regulations, which are at least 2 (two) persons based on the provisions of the Financial Services Authority Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.

Board of Commissioners

In addition, the size of Board of Commissioners also consider the conditions of the public company among others, the characteristic, capacity, and size, as well as the achievement of objective and the fulfillment of different business need among the public Company. The excessive number of Board of Commissioners members can potentially disrupt the effectiveness of the implementation of the Board of Commissioners functions.

The structure and composition of the Board of Commissioners of BRI during 2019 is as follows:

Board of Commissioners Composition 1 January 2019 to 29 April 2019

No	Commissioners	Position	Age	Basis of Appointment
1	Andrinof A. Chaniago	President Commissioner/Independent	57	AGMS 15 March 2017
2	Gatot Trihargo	Vice President Commissioner	59	AGMS 19 March 2015
3	A. Fuad Rahmany	Independent Commissioner	65	AGMS 19 March 2015
4	A. Sonny Keraf	Independent Commissioner	61	AGMS 19 March 2015
5	Mahmud	Independent Commissioner	61	AGMS 15 March 2016
6	Rofikoh Rokhim	Independent Commissioner	48	EGMS 18 October 2017
7	Nicolaus Teguh Budi Harjanto	Commissioner	47	AGMS 15 March 2017
8	Hadiyanto	Commissioner	57	AGMS 23 March 2018

Board of Commissioners Composition 29 April 2019 to 15 May 2019

Based on the appointment of Gatot Trihargo as Commissioner of Pertamina, he no longer served as BRI Vice President Commissioner, thereby the composition of BRI Board of Commissioners for the period of 29 April 2019 to 15 May 2019 is as follows:

No	Commissioners	Position	Age	Basis of Appointment
1	Andrinof A. Chaniago	President Commissioner/Independent	57	AGMS 15 March 2017
2	A. Fuad Rahmany	Independent Commissioner	65	AGMS 19 March 2015
3	A. Sonny Keraf	Independent Commissioner	61	AGMS 19 March 2015
4	Mahmud	Independent Commissioner	61	AGMS 15 March 2016
5	Rofikoh Rokhim	Independent Commissioner	48	RUPSLB 18 October 2017
6	Nicolaus Teguh Budi Harjanto	Commissioner	47	AGMS 15 March 2017
7	Hadiyanto	Commissioner	57	AGMS 23 March 2018

Board of Commissioners Composition 15 May 2019 to 2 September 2019

Based on the resolution of EGMS dated 15 May 2019, the Meeting approved the end of services of Gatot Trihargo and Mahmud, and appointed Wahyu Kuncoro as Vice President Commissioner and Hendrikus Ivo as Independent Commissioner, thereby the composition of BRI Board of Commissioners for the period of 15 May 2019 to 2 September 2019 is as follows:



CORPORATE GOVERNANCE

Board of Commissioners

No	Commissioners	Position	Age	Basis of Appointment
1	Andrinof A. Chaniago	President Commissioner/Independent	57	AGMS 15 March 2017
2	Wahyu Kuncoro	Vice President Commissioner	50	EGMS 2 September 2019
3	A. Fuad Rahmany	Independent Commissioner	65	AGMS 19 March 2015
4	A. Sonny Keraf	Independent Commissioner	61	AGMS 19 March 2015
5	Rofikoh Rokhim	Independent Commissioner	48	EGMS 18 October 2017
6	Hendrikus Ivo	Independent Commissioner	61	EGMS 2 September 2019
7	Nicolaus Teguh Budi Harjanto	Commissioner	47	AGMS 15 March 2017
8	Hadiyanto	Commissioner	57	AGMS 23 March 2018

Board of Commissioners Composition 2 September 2019 to 18 November 2019

Pursuant to the EGMS resolution dated 2 September 2019, the Meeting appointed Loeke Larasati Agoestina as Commissioner, thereby BRI Board of Commissioners composition for the period of 15 May 2019 to 2 September 2019 is as follows:

No	Commissioners	Position	Age	Basis of Appointment
1	Andrinof A. Chaniago	President Commissioner/Independent	57	AGMS 15 March 2017
2	Wahyu Kuncoro	Vice President Commissioner	50	EGMS 2 September 2019
3	A. Fuad Rahmany	Independent Commissioner	65	AGMS 19 March 2015
4	A. Sonny Keraf	Independent Commissioner	61	AGMS 19 March 2015
5	Rofikoh Rokhim	Independent Commissioner	48	EGMS 18 October 2017
6	Hendrikus Ivo	Independent Commissioner	61	EGMS 2 September 2019
7	Nicolaus Teguh Budi Harjanto	Commissioner	47	AGMS 15 March 2017
8	Hadiyanto	Commissioner	57	AGMS 23 March 2018
9	Loeke Larasati Agoestina	Commissioner	60	EGMS 2 September 2019

Board of Commissioners Composition 18 November 2019 to 31 December 2019

Referred to the appointment of Wahyu Kuncoro as Vice President Director of PT Pegadaian (Persero) dated 18 November 2019, BRI Board of Commissioners composition for the period of 2 September 2019 to 31 December 2019 is as follows:

No	Commissioners	Position	Age	Basis of Appointment
1	Andrinof A. Chaniago	President Commissioner/Independent	57	AGMS 15 March 2017
2	A. Fuad Rahmany	Independent Commissioner	65	AGMS 19 March 2015
3	A. Sonny Keraf	Independent Commissioner	61	AGMS 19 March 2015
4	Rofikoh Rokhim	Independent Commissioner	48	EGMS 18 October 2017
5	Hendrikus Ivo	Independent Commissioner	61	EGMS 2 September 2019
6	Nicolaus Teguh Budi Harjanto	Commissioner	47	AGMS 15 March 2017

Board of Commissioners

No	Commissioners	Position	Age	Basis of Appointment
7	Hadiyanto	Commissioner	57	AGMS 23 March 2018
8	Loeke Larasati Agoestina*	Commissioner	60	EGMS 2 September 2019

SEGREGATION OF DUTIES

For effective implementation of the duties of each member of the Board of Commissioners, the Board of Commissioners stipulates the division of duties of each member during 2019 as follows:

	Nomination & Remuneration Committee	Risk Management Oversight Committee	Integrated Governance Committee	Audit Committee
Chairman	Andrinof A. Chaniago	Rofikoh Rokhim	Rofikoh Rokhim	A. Fuad Rahmany
Members	A. Fuad Rahmany	Andrinof A. Chaniago	Andrinof A. Chaniago	A. Sonny Keraf
	A. Sonny Keraf	A. Fuad Rahmany	Hendrikus Ivo	Rofikoh Rokhim
	Rofikoh Rokhim	Hendrikus Ivo	Hadiyanto	Hendrikus Ivo
	Hendrikus Ivo	Nicolaus Teguh Budi Harjanto		
	Nicolaus Teguh Budi Harjanto	Loeke Larasati Agoestina*		
	Hadiyanto			
	Loeke Larasati Agoestina*			

*Effective after passing the fit & proper test by OJK

BOARD OF COMMISSIONERS INDEPENDENCY

Based on the provisions of POJK No: 55/POJK.03/2016 on Governance Implementation in Commercial Banks, the Board of Commissioners must consist of Independent Commissioners and Non-Independent Commissioners where the Independent Commissioner shall at least 50% (fifty percent) of the total members of the Board of Commissioners, the Independent Commissioner must submit a Statement of Independency of Independent Commissioner in the governance implementation report.

The working relationship of the Board of Commissioners and Board of Directors is a check and balances relationship with the principle that the two organs of the Company have a duty to maintain the long-term Bank's business continuity and have the ultimate goal for the Bank's progresses and soundness.

The Board of Commissioners and Directors do not hold concurrent positions as Commissioners, Directors or Executive Officers at other Banks/Institutions, and have no family relationship with other Directors and or Commissioners up to the second degree. Under such conditions, members of the Board of Commissioners and Directors are always acting independently, without conflict of interest, which may impair their ability to perform their duties independently.

AFFILIATED RELATIONS

1. Financial Relations

No financial relations between members of the Board of Commissioners with other fellow members or with members of the Board of Directors of the Company and Controlling Shareholders of the Company.



CORPORATE GOVERNANCE

Board of Commissioners

2. Family Relations

No family relations between members of the Board of Commissioners with other fellow members or with members of the Board of Directors of the Company and Controlling Shareholders of the Company.

The following are affiliated relations of the Board of Commissioners during 2019:

Relations of Directors with Commissioners and Controlling Shareholder

Name	Position	Financial Relations with						Family Relations with					
		BOC		BOD		Controlling Shareholder		BOC		BOD		Controlling Shareholder	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Board of Commissioners													
Andrinof A. Chaniago	President Commissioner/ Independent	√		√		√		√		√		√	
Gatot Trihargo*	Vice President Commissioner	√		√		√		√		√		√	
A. Fuad Rahmany	Independent Commissioner	√		√		√		√		√		√	
A. Sonny Keraf	Independent Commissioner	√		√		√		√		√		√	
Mahmud**	Independent Commissioner	√		√		√		√		√		√	
Rofikoh Rokhim	Independent Commissioner	√		√		√		√		√		√	
Nicolaus teguh Budi Harjanto	Commissioner	√		√		√		√		√		√	
Hadiyanto	Commissioner	√		√		√		√		√		√	
Wahyu Kuncoro***	Vice President Commissioner	√		√		√		√		√		√	
Hendrikus Ivo****	Independent Commissioner	√		√		√		√		√		√	
Loeke Larasati Agoestina*****	Commissioner	√		√		√		√		√		√	

Notes :

* Effective until 29 April 2019

** Effective until 15 May 2019

*** Appointed in the AGMS 15 May 2019, effective until 18 November 2019

**** Appointed in the AGMS 15 May 2019

***** Appointed in the EGMS 2 September 2019

CONCURRENT POSITION POLICY AND IMPLEMENTATION

The concurrent position of BRI Board of Commissioners refers and has in compliance with POJK No. 55/POJK-03/2016 on the Board of Directors and Board of Commissioners of Issuers or Public Companies, which does not hold concurrent position as member of the Board of Directors, members of the Board of Commissioners or Executives at:

1. Financial institution or financial company, whether bank or non bank;

Board of Commissioners

2. More than 1 (one) non-financial institution or non-financial company, both domiciled within and outside the country.

No	Name	Position	Period	Other Concurrent Positions	Companies/Institutions
1	Andrinof A. Chaniago	President Commissioner/ Independent	2006 - present	Lecturer in the Department of Political Science, Faculty of Social and Political Sciences	Universitas Indonesia
2	Gatot Trihargo*	Vice President Commissioner	2015 - 2019	Deputy of Financial Services, Survey and Consultants Services	SOE Ministry
			2018 - present	Advisory Board Member	Indonesian Accounting Association (IAI)
			2010 - present	President Association	Certified Fraud Examiner (CFE) - Indonesia Chapter
			2010 - present	Honorary Board Member	Indonesian Audit Committee Association (IKAI)
			2009 - present	Member of the Board of Examiners	Center for Sustainability Reporting (NCSR)
			2016 - present	Chairman	Indonesian Institute of Management Accountants (IAM)
3	A. Fuad Rahmany	Independent Commissioner	No concurrent position		
4	A. Sonny Keraf	Independent Commissioner	1998 - present	Lecturer in Business Ethics & Ethics in Accounting Professional	Universitas Atma Jaya Jakarta
			2014 - July 2019	Member	National energy Council
			2016 - present	Independent Commissioner	PT Gorontalo Sejahtera Mining
5	Mahmud**	Independent Commissioner	No concurrent position		
6	Rofikoh Rokhim	Independent Commissioner	2006 - present	Lecturer and Researcher, Faculty of Economics and Business.	Univesitas Indonesia
7	Nicolaus Teguh Budi Harjanto	Commissioner	2015 - present	Special Staff of the Minister of State Secretary for Political Communication and Institutional Relations	Ministry of State Secretariat
8	Hadiyanto	Commissioner	2015 - present	Secretary General	Finance Ministry of the Republic of Indonesia
			2016 - present	Chairman of Supervisory Board	RS Dr. Cipto Mangunkusumo
			2015 - present	Supervisory Board	Educational Fund Management Institution
9	Wahyu Kuncoro***	Vice President Commissioner	2016-2019	Deputy of Agro and Pharmaceutical Business	SOE Ministry
10	Hendrikus Ivo****	Independent Commissioner	No concurrent position		
11	Loeke Larasati Agoestina*****	Commissioner	No concurrent position		

Notes :

* Effective until 29 April 2019

** Effective until 15 May 2019

*** Appointed in the AGMS 15 May 2019, effective until 18 November 2019

**** Appointed in the AGMS 15 May 2019

***** Appointed in the EGMS 2 September 2019



CORPORATE GOVERNANCE

SHARES OWNERSHIP & CHANGES IN 2019

Members of BRI Board of Commissioners have submitted the transparency of bonds' buy and sell transactions through a Statement Letter being submitted to the Company. The Independent Commissioners are directly or indirectly not permitted to own the Company's shares as stipulated in the BOC Charter.

In line with the independency of Board of Commissioners members, as of 31 December 2019, none of the Board of Commissioners members has 5% or more shares ownership either in the Company or other companies or other banks or other nonbanking financial institution.

Board of Commissioners Share Ownership

No.	Name	Position	Total Shares	Ownership %
BOARD OF COMMISSIONERS				
1	Andrinof A. Chaniago	President Commissioner/Independent	0	0.000000
2	Nicolaus Teguh Budi Harjanto	Commissioner	386,700	0.0003135
3	Hadiyanto	Commissioner	201,200	0.0001631
4	Loeke Larasati Agoestina	Commissioner	0	0.000000
5	Rofikoh Rokhim	Independent Commissioner	0	0.000000
6	A. Sonny Keraf	Independent Commissioner	0	0.000000
7	A. Fuad Rahmany	Independent Commissioner	0	0.000000
8	Hendrikus Ivo	Independent Commissioner	0	0.000000

CONFLICT OF INTEREST MANAGEMENT

Each member of the Company's Board of Commissioners that have conflict of interest in the Company's transaction and/or corporate action must declare such conflict of interest and therefore he/she is not included in the decision making process of such transaction and/or corporate action.

Any transaction with a conflict of interest shall first obtain the approval of the independent shareholders prior to its execution.

In 2019 there are no BRI corporate transactions or actions containing conflict of interest.

INDEPENDENT COMMISSIONERS

Independent Commissioner is a Board of Commissioners' member without relationship on financial, management, share ownership and/or family up to the second degree with other members of the Board of Commissioners, Board of Directors and/or controlling shareholders or other relationships that can affect their ability to act independently. The existence of an Independent Commissioner is to encourage the creation of a climate and work environment that is more objective and places fairness and equality among various interests including the interests of minority shareholders and other stakeholders.

The Independent Commissioner must free itself from conflicts of interest and act independently, in the sense that it does not have a conflict of interest that can interfere with its ability to carry out its duties independently and critically, both in relations to one another and to the Board of Directors.

Criteria of Independent Commissioner

BRI has fulfilled the applicable rules on Independent Commissioner, among others:

1. As of 31 December 2019, the Company's Independent Commissioner consists of 5 members of the total eight Board of Commissioners. The number has exceeded total minimum of 50% members of Independent Commissioner as stipulated in POJK No. 55/POJK.03/2016.
2. To fulfill the following criteria of Independent Commissioner:
 - a. Independent Commissioner is a Board of Commissioners' member without relationship on financial, management, share ownership and/or family up to the second degree with other members of the Board of Commissioners, Board of Directors and/or controlling shareholders or other relationships that can affect their ability to act independently.
 - b. Does not hold concurrent positions as a member of the Board of Commissioners, Board of Directors, or Executive Officer of more than 1 (one) non-financial institution/ Company, SOE, ROE, or Private-Owned Enterprise.
 - c. Not a person working or having the authority and responsibility to plan, lead, control or oversee the Company's activities within the last six months, except for re-appointment as an Independent Commissioner of the Company in the following period;
 - d. Not holding any shares directly or indirectly in the Company;
 - e. Has no direct or indirect business relationship related to the Company's business activities;
3. Has passed the Fit and Proper Test in accordance with Financial Services Authority regulations on Fit and Proper Test.
4. Proposed by the Shareholders and appointed by the GMS.
5. Within 5 (five) years prior to the appointment:
 - a. Never declared bankrupt.
 - b. Never become a member of the Board of Directors or a member of the BOC or a member of the Supervisory Board who is found guilty of causing a company to be declared bankrupt.
 - c. Never be convicted for committing a crime that is detrimental to the finances of the State and/or SOE and/or related to the financial sector.



CORPORATE GOVERNANCE

Board of Commissioners

Independency Statements

All members of BRI Independent Commissioners has collectively stated their independence as Independent Commissioner.



PT BANK RAKYAT INDONESIA (PERSERO) Tbk
DEWAN KOMISARIS

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Facsimile : 2510896, Telefax: 05293, 05301, 05456, 05461 Kawali - KUNPLUGRI
Telepon : 05293, 05301, 05456, 05459, 05461
Website : www.bri.co.id

Mudat 14

SURAT PERNYATAAN INDEPENDEN KOMISARIS INDEPENDEN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk

Yang bertanda tangan di bawah ini,

1. **Andrinof A. Chanlago, Komisaris Utama / Komisaris Independen**
2. **A. Fuad Rahmany, Komisaris Independen**
3. **A. Sonny Keraf, Komisaris Independen**
4. **Rofkoh Rokhim, Komisaris Independen**
5. **Hendrikus Ivo, Komisaris Independen**

dengan ini menyatakan bahwa saya :

1. Merupakan pihak yang independen terhadap pemilik bank atau Pemegang Saham Pengendali (PSP).
2. Tidak memiliki hubungan keuangan, hubungan kepengurusan, kepemilikan saham dan/atau hubungan keluarga dengan anggota Dewan Komisaris lainnya, anggota Direksi dan/atau Pemegang Saham Pengendali atau hubungan lain yang dapat mempengaruhi kemampuan saya untuk bertindak independen sebagaimana diatur dalam ketentuan Pelaksanaan Good Corporate Governance bagi Bank Umum
3. Apabila dikemudian hari, saya ditemukan memiliki hubungan-hubungan sebagaimana dimaksud pada butir 1 diatas, maka saya bersedia melepaskan jabatan Komisaris Independen saya dan bersedia untuk diganti.

Demikian pernyataan independensi ini dibuat dengan sebenar-benarnya.

Jakarta, 17 Desember 2019
Komisaris Independen
PT Bank Rakyat Indonesia (Persero) Tbk


Andrinof A. Chanlago
 Komisaris Utama / Komisaris Independen


A. Fuad Rahmany
 Komisaris Independen


A. Sonny Keraf
 Komisaris Independen


Rofkoh Rokhim
 Komisaris Independen


Hendrikus Ivo
 Komisaris Independen

integrity, Professionalism, Trust, Innovation, Customers Centric

Board of Commissioners

BOARD OF COMMISSIONERS ORIENTATION, TRAINING AND DEVELOPMENT PROGRAMS

BRI has an orientation and education program policy for the Board of Directors and the Board of Commissioners as stated in the Decree of the Board of Directors of BRI: S.43-DIR/SKP/01/2018 dated January 17, 2018, with the following education and orientation programs:

1. The Orientation Program is conducted specifically for newly appointed members of the Board of Commissioners through BRI GMS or at the request of the Board of Commissioners if requested;
2. The Orientation Program is held specifically for newly appointed Directors through the BRI GMS or at the request of the Board of Directors when requested;
3. Educational programs are implemented by Members of the Board of Directors and Members of the Board of Commissioners at least once a year and/or as required.
4. The Orientation Program held for the new Board of Commissioners and Directors includes:
 - a. Knowledge of the company, including Vision & Mission, Strategy, Medium Term & Long Term Plans, performance and finance.
 - b. Understanding of duties and responsibilities as Members of the Board of Directors and Board of Commissioners, authority, working hours, Board of Commissioners meetings, and relevant rules.
 - c. Company provisions related to GCG, Code of Ethics, Corporate Culture, and other GCG provisions as supporting the duties of the Board of Commissioners/Directors.
 - d. Company policies that is relevant and appropriate to the orientation program requirements.
 - e. Introduction of Bank BRI's business processes and consolidated business structure.

Board of Commissioners Orientation Programs

The Orientation Program is held for each new member of the Company's Board of Commissioners. The Orientation Program is a corporate recognition program organized by the Corporate Secretary to new members of the Board of Commissioners. Implementation of this program in the form of presentations, meetings, visits to the company's work unit and the assessment of documents or other programs. The objectives of the Board of Commissioners' orientation programs are as follows:

1. Supporting the achievement of the Bank's objectives through continuous improvement of performance.
2. Adding knowledge to and new Commissioners on Vision, Mission, Profile and objectives of BRI Bank;
3. Provide an overview of responsibilities, authorities and prohibitions as a Commissioner of BRI;
4. Provide guidance, description of duties and responsibilities of the commissioners in carrying out their duties;
5. To increase the Board of Commissioners' understanding of work and operational system at Bank BRI;
6. Adding to the understanding of work and operational systems at Bank BRI; understanding of value creation for stakeholders, risk management, understanding of the banking industry or the subsidiary business of Bank BRI;
7. Increase the knowledge and knowledge of the Board of Commissioners in accordance with its field and business development of BRI;
8. Support the implementation of duties and responsibilities supported by knowledge of educational outcomes.



CORPORATE GOVERNANCE

Board of Commissioners

Board of Commissioners Orientation Programs in 2019

Participant	Venue and Date	Provider	Orientation Subject
Wahyu Kuncoro	Board of Commissioners Meeting Room, Gedung BRI I, 16 Floor	Risk Management Division Corporate Secretariat Division, Corporate Development & Strategy Division, Board of Commissioners Secretariat, Compliance Division	<ul style="list-style-type: none"> Briefing on Risk Management for the BRI Board of Commissioners. Knowledge of the company, including Vision and Mission, Strategy and Medium and long-term Plan, performance and finance. Understanding of duties and responsibilities as Board of Commissioners members, authority, working hours, BOC meeting, relations with the Board of Directors, relevant rules. Company stipulations on GCG, Code of Ethic, Corporate Culture and other GCG related provision as supporting areas of the Board of Commissioners duties. Relevant company policies and requirements for orientation programs. Introduction of BRI's business processes and consolidated business structure. Rights and Obligations of the Board of Commissioners.
Hendrikus Ivo	Board of Commissioners Meeting Room, Gedung BRI I, 16 Floor	Risk Management Division Corporate Secretariat Division, Corporate Development & Strategy Division, Board of Commissioners Secretariat, Compliance Division	<ul style="list-style-type: none"> Briefing on Risk Management for the BRI Board of Commissioners. Knowledge of the company, including Vision and Mission, Strategy and Medium and long-term Plan, performance and finance. Understanding of duties and responsibilities as Board of Commissioners members, authority, working hours, BOC meeting, relations with the Board of Directors, relevant rules. Company stipulations on GCG, Code of Ethic, Corporate Culture and other GCG related provision as supporting areas of the Board of Commissioners duties. Relevant company policies and requirements for orientation programs. Introduction of BRI's business processes and consolidated business structure. Rights and Obligations of the Board of Commissioners.
Loeke Larasati Agoestina	Board of Commissioners Meeting Room, Gedung BRI I, 16 Floor	Risk Management Division Corporate Secretariat Division, Corporate Development & Strategy Division, Board of Commissioners Secretariat, Compliance Division	<ul style="list-style-type: none"> Briefing on Risk Management for the BRI Board of Commissioners. Knowledge of the company, including Vision and Mission, Strategy and Medium and long-term Plan, performance and finance. Understanding of duties and responsibilities as Board of Commissioners members, authority, working hours, BOC meeting, relations with the Board of Directors, relevant rules. Company stipulations on GCG, Code of Ethic, Corporate Culture and other GCG related provision as supporting areas of the Board of Commissioners duties. Relevant company policies and requirements for orientation programs. Introduction of BRI's business processes and consolidated business structure. Rights and Obligations of the Board of Commissioners.

BOARD OF COMMISSIONERS TRAINING AND COMPETENCY DEVELOPMENT

BRI has the policy on competency development of the Board of Commissioners members with the objective to increase the competency as well as skill of each member in performing duties.

The competency development aims to:

1. Expand the insight and knowledge of the Board of Commissioners in accordance with their fields and business development;
2. Add network and relationship with stakeholders;
3. Foster the implementation of duties and responsibilities supported by knowledge of educational results;
4. Develop professional knowledge, competence and leadership capabilities of the Commissioners and Directors in line with the latest development in the industry and good corporate governance.
5. Increase awareness on educational programs, orientation and development for the Commissioners as important part of the learning process and developing the company in addition to strengthening the structure and corporate governance.

The Board of Commissioners competency development programs are stated in the Company Profile Chapter.

Risk Management Certification

In order to support the implementation of Risk Management for the Bank's business activities, the Board of Commissioners shall have competency and expertise in the field of Risk Management in accordance with the minimum standard requirements based on Bank Indonesia Regulation No. 11/19/PBI/2009 dated June 4, 2009 on Risk Management Certification for the Management and Officials of Commercial Banks in lieu of Bank Indonesia Regulation No. 12/7/PBI/2010 dated April 19, 2010.

Taking into account in the context of developing competencies and fulfilling requirements as the Board of Commissioners in addition to participating in various training and conferences, the Board of Commissioners is equipped with risk management certification that support their duties as the Company's Supervisor. The certification participated by the Commissioners is stated in the Company Profile Chapter.

BOARD OF COMMISSIONERS OVERSIGHTS IN 2019

1. Development of Succession Policies in the Nomination Process of the Company's Management and Subsidiaries

The Company's Articles of Association stipulates that the proposals for the replacement and appointment of members of the Board of Directors (BOD) and/or Board of Commissioners (BOC) shall be submitted by the Dwiwarna Series A Shareholders to the General Meeting of Shareholders, as well as the replacement and appointment of the Directors and/or Commissioners approved by the Board of Commissioners following the approval of the Dwiwarna Series A Shareholders.

The Board of Commissioners through the Nomination and Remuneration Committee has reviewed the succession policy in the Nomination process of the Company's management, its Subsidiaries and Affiliated Parties as follows:

Subject	Realization	Output
Review the succession policy in the Nomination process of the Company's management and subsidiaries.	3 April 2019	The Board of Commissioners Decree No. SK.03-KIOM/BRI/04/2019 on the Nomination of BRI's subsidiaries' management



CORPORATE GOVERNANCE

Board of Commissioners

2. Board of Directors Nomination Process

The Company's Articles of Association stipulates that proposals for the replacement and appointment of members of the Board of Directors and/or Board of Commissioners shall be submitted by the Dwiwarna Series A Shareholders to the GMS. The Board of Commissioners has made a nomination process by sending proposals to Dwiwarna A Series Shareholders on the prospective members of the Board of Directors for the resolution at the 2019 BRI GMS as follows:

Subject	Output	Realisation
	8 May 2019	Board of Commissioners Decree No. SR.14-KOM/05/2019 on Top talent PT BRI
Board of Directors Nomination Proposal	31 July 2019	Board of Commissioners Decree No. SR.24-KOM/07/2019 on the Data submission of top talent PT BRI
	2 September 2019	Board of Commissioners Decree No. SR.26-KOM/09/2019 on the Talent assessment of BRI prospective directors

3. Nomination of Candidate Commissioners and Directors of Subsidiaries or the Company Representatives that will be assigned in the Subsidiaries or Related Parties

Based on BRI Articles of Association, one of the actions of the Board of Directors that requires the approval of the Board of Commissioners and Series A Dwiwarna Shareholders is to propose a Representative of the Company to become a candidate Member of the Board of Directors or Board of Commissioners of a subsidiary that makes a significant contribution and/or strategic value to the company. Considering this, during 2019 the Nomination and Remuneration Committee of the Board of Commissioners carried out the Nomination process for the company's representative candidates proposed by the Directors to be placed on the subsidiaries and related parties, among others, as follows:

No	Subject	Realization	Output
1	Nomination of candidate members of commissioners and directors PT Bank Agroniaga Tbk	23 January 2019	BOC Decree No SR.02-KOM/01/2019 on the approval of prospective candidate members of commissioners and directors PT Bank Agroniaga Tbk
2	Nomination of candidate members of commissioners and directors PT Bank Agroniaga Tbk	31 January 2019	BOC Decree No. SR.03-KOM/01/2019 on the approval of prospective candidate members of commissioners and directors PT Bank Agroniaga Tbk
3	Nomination of candidate of President Commissioner and President Director Ventura Investama	19 February 2019	BOC Decree No. SR.06-KOM/02/2019 on the approval of prospective candidate members of commissioners and directors PT BRI Ventura Investama
4	Nomination of candidate members of commissioners PT Asuransi Jiwa Bringin Jiwa Sejahtera	12 February 2019	BOC Decree No. SR.05-KOM/02/2019 on the approval of prospective candidate members of commissioners PT Asuransi jiwa bringin jiwa sejahtera
5	Nomination of candidate of President Commissioner and President Director PT BRI Ventura Investama	9 April 2019	BOC Approval Letter No. SR.08-KOM/04/2019 on the approval of prospective president commissioner and president director PT BRI Ventura Investama
6	Nomination of candidate members of commissioners and directors PT BRIsyariah	29 April 2019	BOC Decree No. SR.11-KOM/04/2019 on the approval of prospective commissioners and directors PT BRIsyariah
7	Nomination of candidate management PT BRI Agroniaga Tbk	28 May 2019	BOC Approval Letter No. SR.17-KOM/05/2019 on the approval of prospective management PT BRI Agroniaga Tbk
8	Changed of nomenklatur and transfer of assignment of directors BRI Mulifinance Indonesia	4 July 2019	BOC Decree No. SR.21-KOM/07/2019 on the approval of changed of nomenklatur and transfer of assignment of the Board of Directors BRI Mulifinance Indonesia
9	Nomination of candidate management PT Danareksa Sekuritas	17 September 2019	BOC Decree No. SR.27-KOM/09/2019 on the approval of prospective management PT Danareksa Sekuritas
10	Nomination of management PT Danareksa Sekuritas	28 October 2019	BOC Decree No. SR.30-KOM/10/2019 on the approval of the president director termination PT Danareksa Sekuritas

Board of Commissioners

4. Remuneration Review and Proposal for Directors and Commissioners

The remuneration review and proposal is carried out by the Board of Commissioners to be proposed at the Annual General Meeting of Shareholders in 2019. The review and proposal is carried out by the Board of Commissioners with due observance to the GCG principles, applicable Ministerial Regulations, financial performance and fulfillment of allowance, fairness with peer groups, consideration of the Company's long-term objectives and strategies, as well as reliable survey and study results from external parties. The review and proposals for the remuneration of the Directors and Commissioners of 2019 are as follows:

Subject	Output	Realisation
Remuneration Proposal of BOD and BOC	22 April 2019	BOD Letter No. SR.10-KOM/04/2019 on the BOC and BOD remuneration proposal year 2019 and performance <i>tantien</i> /incentive year 2018

5. Board of Directors Performance Assessment

Pursuant to the Minister of SOE Regulation No. PER-03/MBU/02/2015 on the Requirements, Procedures for Appointment and Termination of BOC Members of State-Owned Enterprises and the Articles of Association of PT Bank Rakyat Indonesia (Persero) Tbk, the Nomination and Remuneration Committee shall conduct performance assessment of the Directors based on the BOD KPI. The objectives are to assess the performance achievements and to review the competencies of the Directors.

The implementation of the Company's Board of Directors performance assessment is as follows:

Subject	Realization	Output
BOD performance evaluation as per field	6 May 2019	BOC written letter through BOC Letter SR.13-KOM/05/2019 on the Performance Assessment of PT BRI (Persero) Tbk Board of Directors

6. Review on Employee Remuneration and Employment Policy

Review to ensure BRI affirmation in setting fair remuneration and employment policy to motivate all employees. The remuneration determinatin shall conform to the Company's capabilities and performance.

Review was carried out by evaluating the implementation of HR Architecture, HR Policy and BOD Report as well as BOD and/or HR Division presentation. Review on Employee Remuneration and Employment Policy in 2019 is as follows:

Subject	Output	Realisation
Remuneration policy formulation based on POJK 45POJK.013/2015	20 June 2019	SK bersama Direksi dan Dewan Komisaris PT Bank Rakyat Indonesia (Persero) Tbk. No. 08-KOM/BRI/06/2019 tentang Penetapan penanguhan remunerasi yang bersifat variabel bagi pekerja yang ditetapkan sebagai material risk taker (MRT) tmt 1 Januari 2017
Evaluation of Employee Remuneration and Employment Policy	15 October 2019	BOC Letter No. R.77-KOM/10/2019 on the Evaluatio of BRI employment policy and employee remuneration

7. Review of Financial Statements

The Board of Commissioners reviews the financial statements to be published by the Company including quarterly and annual financial reports. The review results can be in the form of a response to the Directors for improvement or revision of the report prior to publication. The review of the 2019 financial statements is as follows:



CORPORATE GOVERNANCE

Board of Commissioners

Subject	Realisation	Output
Financial Statements of year ended 2018	30 Januari 2019	BOC Meeting Minutes No. 05-KOM/01/2019 on Financial Performance & Realization of Bank Business Plan Semester II year 2018
Financial Statements quarter I of 2019	23 April 2019	BOC Meeting Minutes No. 13-KOM/04/2019 on Financial Performance & Realization of Bank Business Plan Quarter I year 2019
Financial Statements quarter II of 2019	6 Agustus 2019	BOC Meeting Minutes No. 27-KOM/08/2019 on Financial Performance & Realization of Bank Business Plan Quarter II year 2019
Financial Statements quarter III of 2019	22 Oktober 2019	BOC Meeting Minutes No. 59-KOM/10/2019 on Financial Performance & Realization of Bank Business Plan Quarter III year 2019

8. Internal Control Adequacy Evaluation

The Board of Commissioners through the Audit Committee evaluates the planning and implementation of the audit and monitors the follow-up of audit results (internal and external) in order to assess the adequacy of internal control and monitoring the follow-up of findings by management.

This activity is an implementation of the Board of Commissioners' function in order to monitor the follow-up on audit findings. The purpose of this monitoring is to ensure the Board of Directors has made improvements in accordance with the commitments and suggestions submitted by the Public Accounting Firm, BI, BPK and IAU. Monitoring is carried out through regular meetings with the Internal Audit Unit and if deemed necessary will invite the relevant Directors/Divisions or related work units. Monitoring of the follow-up to the 2019 audit results is as follows:

Subject	Realisation	Output
Internal Audit Result Report Semester II Year 2018	27 February 2019	BOC written recommendation to BOD No. R.08-KOM/02/2019 on the Evaluation of audit results main points report until Q4 year 2018
Internal Audit Result Report Quarter I Year 2019	21 May 2019	BOC written recommendation to BOD No. R.18-KOM/05/2019 on the Evaluation of audit results main points report until Q1 year 2019
Internal Audit and Integrated Result Report Semester I Year 2019	2 August 2019	BOC written recommendation to BOD No. R.48-KOM/08/2019 on the Evaluation of audit results main points report until Q2 year 2019
Internal Audit Result Report Quarter III Year 2019	25 November 2019	BOC written recommendation to BOD No. R.93-KOM/11/2019 on the Evaluation of audit results main points report until Q3 year 2019

9. Evaluation of BRI DPLK general audit on Financial Statements and Investment Performance and BRI DPLK Performance Evaluation

The Board of Commissioners as BRI DPLK Supervisor carried out oversight on the BRI DPLK general audit of the Financial Statements and investment performance and BRI DPLK performance evaluation.

The Review of oversight in 2019 is as follows:

Subject	Realisation	Output
Evaluasi pelaksanaan audit umum Laporan Keuangan dan Kinerja Investasi DPLK BRI tahun buku 2018	26 Juni 2019	BOC evaluation result letter B.175-KOM/06/2019 on PT BRI (Persero) Tbk Audit Committee evaluation result report on the audit services for BRI financial institution pension fund (DPLK) financial statements fiscal year 2018
Evaluasi Kinerja Investasi DPLK BRI Semester II 2018	15 Maret 2019	BOC evaluation result letter No.B.70-KOM/03/2019 on BRI DPLK financial statements and investment year 2019

Board of Commissioners

10. Evaluation and Approval for Risk Management Policy, Credit Strategic Policy, IT Policy and Changes/Refinement of Compliance Function Guidelines

Review and approval of the policies in 2019 is as follows:

Subject	Realisation	Output
Changes/Refinement of Risk Management General Policy (KUMR)	5 November 2019	BOC Letter No. B.311-KOM/11/2019 on the Evaluation of Risk Management General Policy
Changes/Refinement of the Bank Credit Policy	2 July 2019	BOC Approval Letter No. B.178-KOM/07/2019 on the Approval of replacement chairman of BRI credit committee

11. Evaluation on Policy and Governance Guidelines Implementation of DPLK

Pursuant to POJK No. 16/POJK.05/ 2016, on the Pension Fund Governance Guidelines, the Supervisory Board conducted the evaluation on policy and developed written evaluation results on the Pension Fund Governance Guidelines implementation for relevant year at the latest 6 months following the end of relevant fiscal year. Review and evaluation of DPLK Governance performance and implementation in 2019 are as follows:

Subject	Realisation	Output
DPLK Governance Guidelines Implementation Report Year 2019	29 April 2019	BOC Letter No. B.128-KOM/04/2019 on the Evaluation of BRI DPLK Governance Implementation

12. Review and Evaluation of Risk Profile

Review and evaluation of risk profile is carried out on the Company's risk management implementation quality, which includes 4 (four) aspect, namely risk governance, risk management framework, risk management process, adequacy of human resources, and adequacy of risk management information system as well as adequacy of risk control system that covers all risk types, namely credit risk, operational risk, market risk, liquidity risk, legal risk, compliance risk, reputation risk, and strategic risk. The risk profile review and evaluation is more focused on risks with the rating of 3 (moderate) until 5 (high) and risk that are with the tendency to deteriorate. The risk profile review and evaluation during 2019 are as follows:

Subject	Realisation	Output
Risk Profile Report Quarter IV Year 2018	31 January 2019	BOC Letter No. B.27-KOM/01/2019 on Risk Profile Report Quarter IV Year 2018
Risk Profile Report Quarter I Year 2019	28 May 2019	BOC Letter No. B.153-KOM/05/2019 on Risk Profile Report Quarter I Year 2019
Risk Profile Report Quarter II Year 2019	16 August 2019	BOC Letter No. R.52-KOM/08/2019 on Risk Profile Report Quarter II Year 2019

13. Review and Evaluation of Compliance Function Implementation

In line with the Company's business development, it needs to be supported by the application of prudential principle to ensure all business activities and policies have been carried out in compliance with applicable laws and regulations, both those stipulated by Bank Indonesia, the Financial Services Authority and other regulators.

The review and evaluation are carried out primarily on the fulfillment of applicable regulations concerning the implementation of prudential principle, including the Capital Adequacy Ratio (CAR), LLL, Net Open Position (NOP), Derivative Transactions, Statutory Reserves Rupiah and Foreign Exchange, and Non Performing Loans (NPL) level.



CORPORATE GOVERNANCE

Board of Commissioners

If the results of the Board of Commissioners monthly review are found to be non-compliance with applicable regulations, the Board of Commissioners will provide suggestions and opinions no later than ten working days after the report is received.

The review and evaluation of the Compliance Function implementation will be conducted periodically every semester (6 months) by taking into account the Compliance Director's Monthly Report submitted to the Board of Commissioners.

In addition, the Board of Commissioners through the RMOC will also conduct a review and evaluation of the Compliance Director's Implementation Semester Report as stipulated in PBI No. 1/6/PBI/1999 dated 20 September 1999 concerning the Assignment of Compliance Director and Standards Implementation of Commercial Banks Internal Audit Functions, which was subsequently amended by POJK No. 46/POJK.03/2017 dated 12 July 2017 on the Compliance Function Implementation of Commercial Banks.

The review and evaluation of the Compliance Function in 2019 are as follows:

Subject	Realisation	Output
Compliance Function Report Semester II Year 2018	10 April 2019	BOC Letter No. B.100-KOM/04/2019 on the Bank Ratings, Risk Management, Compliance Function Implementation, AML CTF Program, Antri Fraud Strategy Implementation for Semester II year 2018
Compliance Function Report Semester I Year 2019	28 August 2019	BOC Letter No. B.223-KOM/08/2019 on the Bank Ratings, Risk Management, Compliance Function Implementation, AML CTF Program, Antri Fraud Strategy Implementation for Semester I year 2019

14. Review and Evaluation of Anti Fraud Strategies Implementation Report

In accordance with Circular Letter No. 13/28/DPNP dated 9 December 2011 on the Anti-Fraud Strategies Implementation for Commercial Banks that the banks are required to develop 4 (four) pillars of fraud control strategies that interrelated with each other, namely: (a) prevention; (b) detection; (c) investigation, reporting and sanctions; and (d) monitoring, evaluation and follow-up. In order to control the risk of fraud, BRI is required to implement risk management where active supervision from the Board of Commissioners is an important aspect of risk management. The Board of Commissioners will periodically evaluate the implementation of four pillars of fraud control strategies at BRI.

Review and Evaluation of Anti Fraud Strategies Implementation in 2019 are as follows:

Subject	Realisation	Output
Anti Fraud Strategies Implementation Report Semester II 2018	10 April 2019	BOC Letter No. B.100-KOM/04/2019 on the Bank Ratings, Risk Management, Compliance Function Implementation, AML CTF Program, Antri Fraud Strategy Implementation for Semester II year 2018
Anti Fraud Strategies Implementation Report Semester I 2019	28 August 2019	BOC Letter No. B.223-KOM/08/2019 on the Bank Ratings, Risk Management, Compliance Function Implementation, AML CTF Program, Antri Fraud Strategy Implementation for Semester I year 2019

14. Review and Evaluation of AML CTF Program Implementation Report

Pursuant to clause 4 of the Financial Services Authority Regulation No. 12/POJK.01/2017 dated March 16, 2017 on the implementation of anti-money laundering and prevention of terrorism financing program for commercial banks that the Bank are required to implement the AML CTF program. Paragraph (1) clause 5 states that the AML CTF program is part of the Bank's risk management implementation. Furthermore, paragraph (2) clause 5 states that the AML CTF program implementation includes active supervision by the Board of Commissioners.

Board of Commissioners

Periodical review on the AML CTF Program implementation in 2019 is as follows:

Subject	Realisation	Output
AML CTF Program Implementation Report Semester II Year 2018	10 April 2019	BOC Letter No. B.100-KOM/04/2019 on the Bank Ratings, Risk Management, Compliance Function Implementation, AML CTF Program, Antri Fraud Strategy Implementation for Semester II year 2018
AML CTF Program Implementation Report Semester I Year 2019	28 August 2019	BOC Letter No. B.223-KOM/08/2019 on the Bank Ratings, Risk Management, Compliance Function Implementation, AML CTF Program, Antri Fraud Strategy Implementation for Semester I year 2019

16. Review and Evaluation of the Bank Rating Assessment Report

Pursuant to PBI No.13/1/PBI/2011 dated 5 January 2011 on the Commercial Banks Rating Assessment in lieu of POJK No. 4/POJK.03/2016 dated 26 January 2016, the Board of Commissioners is responsible to maintaining and monitoring the Soundness of the Bank and taking necessary measures to maintain and/or improve the Bank's Soundness. The results of the Bank's soundness assessment every semester that has been approved by the Directors must be submitted to the Board of Commissioners

The Board of Commissioners conducted evaluation on Rating Assessment Report that include the assessment on risk profile, Good Corporate Governance (GCG), earnings, and capital.

Evaluation of the Bank Rating Assessment in 2019 is as follows:

Subject	Realisation	Output
Rating Assessment Report July - December 2018	10 April 2019	BOC Letter No. B.100-KOM/04/2019 on the Bank Ratings, Risk Management, Compliance Function Implementation, AML CTF Program, Antri Fraud Strategy Implementation for Semester II year 2018
Rating Assessment Report January – June 2019	28 August 2019	BOC Letter No. B.223-KOM/08/2019 on the Bank Ratings, Risk Management, Compliance Function Implementation, AML CTF Program, Antri Fraud Strategy Implementation for Semester I year 2019

17. Review and Evaluation of Earnings Assets Portfolio

For the evaluation and monitoring of the optimization of BRI Earnings Assets, the Board of Commissioners reviewed the loans and other earnings assets portfolio.

The review target and evaluation of Earnings Assets Portfolio are as follows:

Subject	Realisation	Output
Earnings Assets Portfolio Review and Guideline Portfolio	18 June 2019 20 August 2019	BOC Minutes No. 28-KOM/08/2019 on the Earnings Assets Portfolio Review and No. 18-KOM/06/2019 on Loan Portfolio Guideline & Political Exposed Person (PEP)

18. Consultation of Loans from Directors to the Board of Commissioners

Every loan that meets the criteria as set out in the Company's Articles of Association and or Circular of the Company's Board of Directors, shall be consulted by the Directors to the Board of Commissioners. The loan consultation can be carried out prior to or after a decision on credit disbursement by the Directors.



CORPORATE GOVERNANCE

Board of Commissioners

If for one reason or another the loans consultation meeting forum is not carried out, loans consultation can be carried out with other methods without the loans consultation meeting forum.

Loans consultation during 2019 is as follows:

Subject	Realisation	Output
Loans Consultation	16 April 2019	BOC Letter No. B.106-KOM/04/2019 on Loans Consultation
	06 August 2019	BOC Letter No. R.51-KOM/08/2019 on Loans Consultation
	06 September 2019	BOC Letter No. R.65-KOM/09/2019 on Loans Consultation
	8 November 2019	BOC Letter No. R.86-KOM/11/2019 on Loans Consultation
	26 November 2019	BOC Letter No. R.94-KOM/11/2019 on Loans Consultation

19. Approval on Funding Facilities to Related Parties

The Board of Commissioners reviews and provides approval on funding facilities to Subsidiaries or other Related Parties with the Company as stipulated in the Company's Articles of Association and or the Company's Directors Circulars.

The approval of funding facilities to subsidiaries or other related parties during 2019 is as follows:

Subject	Realisation	Output
Funding facilities to subsidiaries or other related parties Proposal	9 July 2019	BOC Letter No. R.34-KOM/07/2019 on the Funding facility approval to related party Jenny Rachman
	26 July 2019	BOC Letter No. R.34-KOM/07/2019 on the Funding facility approval of uncommitted credit line to related party PT Asuransi BRI Life
	30 August 2019	BOC Letter No. R.06-KPMR/08/2019 on the Funding facility approval to related party PT Danareksa Sekuritas
	30 August 2019	BOC Letter No. R.63-KOM/08/2019 on the Funding facility approval to related party on Joint borrower PT Bahana Artha Ventura and PT Bahana Pembinaan Usaha Indonesia (Persero)
	28 October 2019	BOC Letter No. R.91-KOM/11/2019 on the Funding facility approval to related party Bank BRIsyariah

20. Review and Evaluation of Recovery Plan

Pursuant to POJK No. 14/POJK.03/2017 dated 4 April 2017, the Systemic Banks are required to regularly update the Recovery Plan and/or after evaluation and stress testing based on certain conditions that will have a significant effect on the Bank.

The evaluation of recovery plan and its refinement recommendations in 2019 are as follows:

Subject	Realisation	Output
Changes/Refinement of Recovery Plan	30 January 2019	BOC Letter No.B.26-KOM/01/2019 on the Approval of revision of BRI recovery action plan
	28 November 2019	BOC Letter No.R.97-KOM/11/2019 on the Approval of revision of BRI recovery action plan Year 2019-2020

Board of Commissioners

21. Corporate Action of Subsidiaries

Every corporate action which includes but limited to additional capital in subsidiaries, the investment/acquisition of other companies, divestment of subsidiaries and other strategic plans shall obtain the approval of the Board of Commissioners as stipulated in the Company's Articles of Association.

The approval of corporate action in subsidiaries during 2019 is as follows:

Subject	Realisation	Output
Corporate action proposal in Subsidiaries	20 June 2019	BOC Letter No. R.24-KOM/06/2019 on the Approval of Changes in the Shareholders Structure of BRI Agro Regarding the Limited Shares IX Public Offering Plan BRI Agro year 2019
	12 July 2019	BOC Letter No. R.36-KOM/07/2019 on the Approval of capital injection to PT BRI Ventura Investama (BRI Ventures)
	27 August 2019	BOC Letter No. R.55-KOM/08/2019 on the Approval of Equity Investment in PT Asuransi Bringin Sejahtera Arthamakmur (BRINS)

22. Board of Commissioners Annual Report

As one of the Company's organ, the Board of Commissioners shall prepare oversight activities report during 2019 and to state in the Company's Annual Report. The Annual Report then will be submitted to the GMS 2019 for approval.

The target of completion timeline for the Board of Commissioners Annual Report 2019 is as follows:

Subject	Realisation	Output
BOC Oversight Report	Week IV January 2019	The Board of Commissioners Annual Report stated in the Company's Annual Report
BOC Message	Week II January 2019	
GCG Implementation Report	Week IV January 2019	

23. Review of Audit conducted by Public Accounting Firm

The Board of Commissioners through the Audit Committee reviews the audit implementation on BRI Financial Statements and Management Letter conducted by the Public Accounting Firm.

The target of completion timeline for the audit implemented by Public Accounting Firm is as follows:

Subject	Realisation	Output
BRI Financial Statements Fiscal Year 2018	26 June 2019	BOC Letter No. R.28-KOM/06/2019 on Audit Committee evaluation report for the audit services regarding the historical financial information fiscal year 2018 by KAP PSS (EY)
PKBL Financial Statements Fiscal Year 2018	26 June 2019	BOC Letter No. R.28-KOM/06/2019 on Audit Committee evaluation report for the audit services regarding the historical financial information fiscal year 2018 by KAP PSS (EY)
Management Letter Fiscal Year 2018	Week IV June 2019	BOC Letter No. R.93-KOM/11/2019 on the Evaluation of audit results main points of Quarter II year 2019 and Management Letter year 2018



CORPORATE GOVERNANCE

Board of Commissioners

24. Audit Findings Follow Up Monitoring

This activity is an implementation of the Board of Commissioners' function in order to monitor the audit findings follow-up. The purpose is to ensure the Board of Directors has made improvements in accordance with the commitments and recommendations submitted by the Public Accounting Firm, BI, BPK and Internal Audit. Monitoring is carried in regular meetings with the Internal Audit Unit and if deemed necessary will invite the relevant Directors/Divisions or work units.

The target of monitoring timeline for audit findings follow up is as follows:

Subject	Realisation	Output
Audit Findings Results Follow Up Report Q4 2018	27 February 2019	BOC Letter No. R.08-KOM/02/2019 on the Evaluation of Audit Results Main Points Report until Quarter 4 year 2018
Audit Findings Results Follow Up Report Q1 2019	21 May 2019	BOC Letter No. R.18-KOM/05/2019 on the Evaluation of Audit Results Main Points Report Quarter I year 2019
Audit Findings Results Follow Up Report Q2 2019	2 August 2019	BOC Letter No. R.19-KA/08/2019 on the Evaluation of Audit Results Main Points Report Quarter II and semester I year 2019
Audit Findings Results Follow Up Report Q3 2019	25 November 2019	BOC Letter No. R.93-KOM/11/2019 on the Evaluation of Audit Results Main Points Report Quarter III year 2019 and Management Letter year 2018

25. Public Accounting Firm (KAP) Proposal for the Audit of BRI Financial Statements

Through the Audit Committee, the Board of Commissioners conducts a selection process for the Public Accounting Firm that will audit BRI's financial statements and BRI PKBL Reports. The Board of Commissioners, based on the recommendations of the Audit Committee, subsequently submits the KAP proposals that will provide audit services on annual historical financial information for the decision at the Annual GMS.

Evaluation results and proposal of appointment or re-appointment of independent auditor are as follows:

Subject	Realisation	Output
Comprehensive Evaluation on Audit by Independent Auditor/KAP for fiscal year 2018	26 June 2019	BOC Letter No. R.28-KOM/06/2019 on BRI Audit Committee evaluation report for the audit services on annual historical financial information fiscal year 2018 by KAP PSS (EY)
Proposal of appointment or re-appointment of independent auditor, including Audit Fee to the GMS	7 May 2019	BOC Letter No. R.15-KOM/05/2019 on the Proposal for KAP to implement general audit of consolidated financial statements and BRI PKBL Report fiscal year 2019

26. Review Results of Integrated Risk Profile

Pursuant to POJK No. 17/POJK.03/2014 on Integrated Risk Management Implementation for Financial Conglomerates, as stated in paragraph 1 clause 11 that the Board of Directors and Board of Commissioners of Main Entity shall have the authority and responsibility to ensure the implementation of Integrated Risk Management in accordance with the characteristics and complexity of the Financial Conglomerate Business.

The Board of Commissioners reviews and evaluates the risk profile assessment by taking into account the inherent risks in the Company's business activities that has the potential to influence the Company's financial position.

Board of Commissioners

The review and evaluation of risk profile assessment are as follows:

Subject	Realisation	Output
Integrated Risk Profile Report Semester II Year 2018	14 May 2019	Minutes of Integrated Governance Committee Meeting on the Integrated Governance Practices, Integrated Risk Profile, Integrated Audit Semester II year 2018
Integrated Risk Profile Report Semester I Year 2019	10 October 2019	BOC Letter No. R.01-KTKT/10/2019 on the Integrated Internal Audit Duty Implementation Report Semester I year 2019

27. Integrated Internal Control Adequacy Review Results

Review and evaluation on Integrated Internal Control Function Implementation per semester by taking into account the Semester Report of BRI Compliance Director and BRI LJK conglomerate members submitted to the Board of Commissioners as well as explanation through presentation from members of LJK Board of Commissioners that serve as member of the Integrated Governance Committee.

The review and evaluation of integrated control adequacy is as follows:

Subject	Realisation	Output
Integrated Audit Implementation Report Semester II Year 2018	14 May 2019	Minutes of Integrated Governance Committee Meeting on the Integrated Governance Practices, Integrated Risk Profile, Integrated Audit Semester II year 2018
Integrated Audit Implementation Report Semester I Year 2019	10 October 2019	BOC Letter No. R.01-KTKT/10/2019 on Integrated Internal Audit Duty Implementation Report Semester I year 2019

28. Evaluation of an Integrated Compliance Function Adequacy Assessment

Review and evaluation of an Integrated Compliance Function Adequacy Assessment will be carried out by semester by taking into account the Semester Reports of BRI Compliance Director and BRI LJK conglomerate members submitted to the Board of Commissioners as well as explanation through presentation from members of LJK Board of Commissioners that serve as member of the Integrated Governance Committee.

The review and evaluation of an Integrated Compliance Function Adequacy is as follows:

Subject	Realisation	Output
Integrated Compliance Report Semester II Year 2018	14 May 2019	Minutes of Integrated Governance Committee Meeting on the Integrated Governance Practices, Integrated Risk Profile, Integrated Audit Semester II year 2018
Integrated Compliance Report Semester I Year 2019	11 October 2019	BOC Letter No. B.281-KOM/10/2019 on the Integrated Compliance duties and responsibilities implementation report semester I 2019

29. Approval and Supervisory of the Company Work Plans

The Board of Commissioners will evaluate and approve the Company's Work Plans which serve as guidelines for all levels of the Company in conducting its business activities during 2019. In addition, the Board of Commissioners conducts oversight on the Bank's Business Plan realization which will be submitted to Bank Indonesia no later than two months after the report period.



CORPORATE GOVERNANCE

Board of Commissioners

Evaluation and approval of the Board of Commissioners on work plans and oversight report are as follows:

Subject	Realisation	Output
Revision of Bank Business Plan 2019-2020 and revision of Budget & Work Plan 2019	25 June 2019	BOC Letter No. R.25-KOM/06/2019 on the Approval of Bank Business Plan 2019-2020 (revision) and revision of Budget & Work Plan 2019
Bank Business Plan 2020-2022		
Budget & Work Plan 2020	28 November 2019	BOC Letter No. R.95-KOM/11/2019 on the Approval of Bank Business Plan 2020-2022 and Budget & Work Plan 2020
Partnership Program and Community Development Program Work Plan 2020		
Supervisory on Bank Business Plan Realization Semester II Year 2018	27 February 2019	BOC Letter No. R.09-KOM/02/2019 on the BOC supervisory report for the implementation of Bank Business Plan Semester II year 2018
Supervisory on Bank Business Plan Realization Semester I Year 2019	Week IV August 2019	BOC Letter No. R.54-KOM/08/2019 on the BOC supervisory report for the implementation of Bank Business Plan Semester I year 2019

30. Review of Audit Implementation by Public Accounting Firm

Pursuant to POJK No.13/POJK.03/2017 dated 27 March 2017 on the use of Public Accountant Services and Public Accountant Firms in the Financial services activities. Bank Rakyat Indonesia as a Party that Implements Financial Service Activities is required to submit an Audit Committee Evaluation Report on the Implementation of Audit Services Provided for Annual Historical Financial Information by the Public Accountant and/or the Public Accountant Firm to the Financial Services Authority, Audit has to be done at the latest six months after the ended of fiscal year.

The scope of evaluation toward Public Accountant Firm among others include:

- Apropriateness of audit by Public Accountant and/or Public Accountant Firm with applicable audit standard;
- Sufficient time for field works;
- Assessment of the range of services and adequacy of stringed tests;
- Recommendations for improvement.

Audit Evaluation Activities by the Public Accountant Firm carried out in 2018 include evaluating the Audit Services Implementation of 2018 historical financial information by Purwanto Sungkoro Surja Public Accountant Office (KAP PSS EY) and Evaluating the implementation of Audit Services for the Historical Financial Information of BRI DPLK Fiscal Year 2018 by KAP Mirawati Sensi Idris (KAP MSI), the details are as follows:

Board of Commissioners

Public Accountant Firm Evaluation	Evaluation Scope			
	Apropriateness of audit by Public Accountant and/or Public Accountant Firm with applicable audit standard	Sufficient time for field works	Assessment of the range of services and adequacy of stringed tests	Recommendations for improvements
Evaluation of the Audit Services Implementation of 2018 historical financial information by Purwanto Sungkoro Surja Public Accountant Office (KAP PSS EY)	The audit by KAP PSS EY is conducted in accordance with applicable auditing standards. The audit standards used as a reference, among others, the Audit Standards established by the Indonesian Institute of Certified Public Accountants and Financial Services Authority Regulations (POJK).	KAP PSS has an audit plan including audit timetable to carry out its work in accordance with the audit scope. The timetable, at the beginning of the audit process, is discussed with the Audit Committee. In its implementation, KAP PSS has completed the entire work agenda in accordance with the deadline set in the audit timetable. In conducting the audit, based on the Audit Time Table, KAP PSS has resolved accounting issues found in the field, including significant estimates and judgments that occur. The availability of data from BRI work units required by KAP PSS in a timely manner has supported the implementation of the audit in accordance with the agreed audit timetable.	Based on the discussions with KAP PSS, the Audit Committee believes that Audit risk (Identification of inherent risk, and control risk and minimizing detection risk) can be minimized through planning and implementing audit procedures that are identified as being sufficient to detect material miss statements in the Company's consolidated financial statements. As such, the Audit Committee believes that the PSS KAP has carried out adequate testing of transactions with a sufficient number of String Tests.	Recommendations were submitted in the BOC Letter No: R.28 -KOM/06/2019 dated 26 June 2019
Evaluation of the implementation of Audit Services for the BRI DPLK Historical Financial Information for the 2018 fiscal year by KAP Mirawati Sensi Idris (KAP MSI).	The audit by the MSI KAP is carried out in accordance with applicable auditing standards. The audit standards used as a reference, among others, the Audit Standards established by the Indonesian Institute of Certified Public Accountants and Financial Services Authority Regulations (POJK)	Availability of data in a timely manner required by MSI KAP according to audit planning including agreed audit timetable.	The Audit Committee ensures that the scope of services provided to the MSI KAP has been in accordance with applicable auditing standards, there are no joint assurance and non-assurance assignments at the same time.	Recommendations were submitted in the BOC Letter No: B.175 -KOM/06/2019 dated 25 June 2019

31. Consultation of Loans from Directors to the Board of Commissioners

The Board of Commissioners has provided an opinion on any loan disbursement that meets the credit criteria that must be consulted by the Directors to the Board of Commissioners as stipulated in the Company's Circulars. The loans consultation can be carried out prior to or after a credit decision is made by the Directors.



CORPORATE GOVERNANCE

Board of Commissioners

Loans Consultation was carried out during 2019 with the following details:

Subject	Realisation	Output
Loans Consultation	16 April 2019	BOC Letter No: B.106-KOM/04/2019 dated 16 April 2019 on Loans Consultation
	6 September 2019	BOC Letter No: R.65-KOM/09/2019 tanggal 6 September 2019 on Loans Consultation
	8 November 2019	BOC Letter No: R.86-KOM/11/2019 tanggal 8 November 2019 on Loans Consultation
	26 November 2019	BOC Letter No: R.94-KOM/11/2019 tanggal 26 November 2019 on Loans Consultation

32. Working Visits

The Board of Commissioners work visits is aimed to obtain an understanding on the operational activities and implementation of the Company's policies in the work units. The evaluation of work unit operational activities principally cover all activities or operational activities, such as credit, funding, services, human resources, information technology and other aspects. The results of work visit can be used as material for the Board of Commissioners in formulating recommendations for improvement and/or effort to improve the Company's performance.

The following are work visits during 2019:

No.	Work Units	Commissioners	Date	Remark
1	Jayapura Regional Office	A Sonny Keraf	10 -13 January 2019	Work Visit
2	Surabaya Regional Office	Rofikoh Rokhim	17 - 19 January 2019	Work Visit
3	Padang Regional Office	Andrinof A Chaniago	15-17 January 2019	Work Visit
4	Makassar Regional Office	Rofikoh Rokhim	26-27 January 2019	Work Visit
5	Manado Regional Office	Rofikoh Rokhim	13-14 February 2019	Rakerwil & Work Visit
6	Banjarmasin Regional Office	A Sonny Keraf	13-17 February 2019	Work Visit
7	Lampung Regional Office	Andrinof A Chaniago	20-21 February 2019	Rakerwil & Work Visit
8	Malang Regional Office	A Fuad Rahmany	20 February 2019	Speaker at IHT AIW
9	Surabaya Regional Office	Rofikoh Rokhim	13-15 March 2019	Work Visit
10	Semarang Regional Office	Gatot Tri Hargo	24 March 2019	Work Visit
11	Denpasar Regional Office	A Sonny Keraf	27-29 March 2019	Speaker at IHT AIW
12	Jayapura Regional Office	Mahmud	27-29 March 2019	Speaker at IHT AIW
13	Medan Regional Office	A Fuad Rahmany	9-10 April 2019	Work Visit
14	Lampung Regional Office	Rofikoh Rokhim	12 April 2019	Speaker at IHT AIW
15	Lampung Regional Office	Andrinof A Chaniago	8-9 April 2019	SIPK
16	Semarang Regional Office	Mahmud	23-24 April 2019	Speaker at IHT AIW
17	Palembang Regional Office	Nicolaus TB Harjanto	11-12 April 2019	SIPK
18	Pekanbaru Regional Office	Andrinof A Chaniago	10-14 April 2019	SIPK
19	Semarang Regional Office	Mahmud	24-25 April 2019	Speaker at IHT AIW
20	Makassar Regional Office	Andrinof A Chaniago	23-24 April 2019	Speaker at IHT AIW
21	Aceh Regional Office	A Fuad Rahmany	24-27 April 2019	Speaker at IHT AIW
22	Pekanbaru Regional Office	Rofikoh Rokhim	26-27 April 2019	Speaker at IHT AIW
23	Palembang Regional Office	Rofikoh Rokhim	24-25 April 2019	Work Visit
24	Palembang Regional Office	Mahmud	2-3 May 2019	Speaker at IHT AIW

Board of Commissioners

No.	Work Units	Commissioners	Date	Remark
25	Bandung Regional Office	Rofikoh Rokhim	30 June - 1 July 2019	FGD
26	Lampung Regional Office	Nicolaus TB Harjanto	21-22 June 2019	Exit meeting
27	Yogyakarta Regional Office	Rofikoh Rokhim	12-14 July 2019	Speaker at IHT AIW
28	Semarang Regional Office	Hadiyanto	10-11 July 2019	Work Visit
29	Denpasar Regional Office	Nicolaus TB Harjanto	8-9 August 2019	Work Visit
30	Malang Regional Office	Rofikoh Rokhim	8 - 9 August 2019	Work Visit
31	Denpasar Regional Office	Andrinof A Chaniago	22-23 August 2019	Work Visit
32	Aceh Regional Office	A Fuad Rahmany	19-20 September 2019	Work Visit
33	Denpasar Regional Office	A Sonny Keraf	22-30 September 2019	Work Visit
34	Medan Regional Office	Hendrikus Ivo	24-26 September 2019	Speaker at IHT AIW & Work Visit
35	Denpasar Regional Office	Hadiyanto	15-18 October 2019	Work Visit

BOARD OF COMMISSIONERS RECOMMENDATIONS IN 2019

Other than carrying out the oversight and monitoring functions on the Board of Directors' policy implementation, the Board of Commissioners also provides various recommendations and input to the management based on regular management reports to the Board of Commissioners and based on events or policies made by the management. During 2019, the Board of Commissioners has provided recommendations on the following matters:

Date	Letter No.	Subject
07 January 2019	B.02-KOM/01/2019	BRI DPLK performance report of October 2018 and November 2018
31 January 2019	B.27-KOM/01/2019	Risk profile report quarter IV year 2018
13 February 2019	B.40-KOM/02/2019	Recommendation for integrated internal audit charter draft of BRI financial conglomerate version 1.0
27 February 2019	R.08-KOM/02/2019	Audit results main points report evaluation until Q4 Semester II year 2018
15 March 2019	B.70-KOM/03/2019	Evaluation on BRI DPLK financial performance and investment 2019
10 April 2019	B.100-KOM/04/2019	Bank rating, risk management, compliance function implementation, AML CTF program, anti fraud strategy implementation of semester II year 2018
12 April 2019	B.101-KOM/04/2019	Loans write-off and recovery plan of written-off loans quarter IV year 2018
16 April 2019	B.106-KOM/04/2019	Loan consultation PT lion mentari CS
24 April 2019	B.126-KOM/04/2019	Commissioner work visit Mr. Gatot Semarang
29 April 2019	B.127-KOM/04/2019	Reports of risk level assessment results and risk management implementation of BRI DPLK
29 April 2019	B.128-KOM/04/2019	Evaluation of BRI DPLK governance implementation
07 May 2019	R.15-KOM/05/2019	Recommendation of KAP that carry out general audit of consolidated financial statements and PKBL report fiscal year 2019
21 May 2019	R.18-KOM/05/2019	Audit results main points report evaluation quarter I year 2019



CORPORATE GOVERNANCE

Board of Commissioners

Date	Letter No.	Subject
25 June 2019	R.26-KOM/06/2019	Verifying of debtors related to political exposed persons
26 June 2019	B.175-KOM/06/2019	Report on the evaluation results of the audit committee of PT BRI (Persero) Tbk on the audit services implementation of the financial statements of DPLK BRI for the fiscal year 2018
26 June 2019	R.28-KOM/06/2019	BRI Audit Committee evaluation report on audit services implementation of historical financial information for fiscal year 2018 by KAP PSS (EY)
02 August 2019	R.48-KOM/08/2019	Audit results main points report evaluation quarter II semester I year 2019
06 August 2019	R.51-KOM/08/2019	Loans Consultation
16 August 2019	R.52-KOM/08/2019	Risk profile quarter II 2019
28 August 2019	B.223-KOM/08/2019	Bank rating, risk management, compliance function implementation, AML CTF program, anti fraud strategy implementation of semester I year 2019
30 August 2019	B.225-KOM/08/2019	Follow up progress on the findings of BPK RI semester II year 2019
06 September 2019	R.65-KOM/09/2019	Loans Consultation
11 September 2019	B.235-KOM/09/2019	Follow up on the resolution of BRI EGMS
19 September 2019	R.69-KOM/09/2019	Implementation of PSAK 71, PSAK 72, and PSAK 73
10 October 2019	R.76-KOM/10/2019	Integrated Internal Audit Duty Implementation Report Semester I 2019
11 October 2019	B.281-KOM/10/2019	Integrated Compliance duties and responsibilities Report semester I 2019
15 October 2019	R.77-KOM/10/2019	Evaluation of BRI's employment and remuneration policies
05 November 2019	R.84-KOM/11/2019	Stress testing of credit risk
07 November 2019	R.85-KOM/11/2019	Verifying of debtors related to the collectibility of at least 2 TPF
08 November 2019	R.86-KOM/11/2019	Loans Consultation
25 November 2019	R.93-KOM/11/2019	Audit results main points report evaluation quarter III 2019
26 November 2019	R.94-KOM/11/2019	Loans Consultation

Decisions that requires the Approval of the Board of Commissioners in 2019

The Board of Commissioners carries out the oversight and monitoring functions to the Board of Directors' policy implementation. During 2019, the Board of Commissioners has approved the following matters:

Date	Letter No.	Subject
02 January 2019	R.01-KOM/01/2019	Approval of annual audit plan of IAU Year 2019
23 January 2019	SR.02-KOM/01/2019	Approval of prospective candidate members of commissioners and directors of PT Bank Agroniaga Tbk
30 January 2019	B.26-KOM/01/2019	Approval of recovery plan revision 2018
31 January 2019	SR.03-KOM/01/2019	Approval of candidate directors of PT Bank BRIsyariah Tbk

Board of Commissioners

Date	Letter No.	Subject
11 February 2019	B.36-KOM/02/2019	Limits on Directors' actions that require written approval from the Board of Commissioners and series A Dwiwarna shareholders and the GMS
12 February 2019	SR.05-KOM/02/2019	Approval of candidate member of the Board of Commissioners PT Asuransi jiwa bringin jiwa sejahtera
13 February 2019	B.49-KOM/02/2019	Internal audit charter update
19 February 2019	SR.06-KOM/02/2019	Approval of candidate member of the Board of Commissioners and Directors PT BRI Ventura Investama
13 March 2019	B.69-KOM/03/2019	Approval of of organizational changes
02 April 2019	R.13-KOM/04/2019	Approval of OE for Public Accountant Firm Procurement 2019
02 April 2019	SR.07-KOM/04/2019	Approval of termination of BRI Head of IAU
09 April 2019	SR.08-KOM/04/2019	Approval of president commissioner and president director nomination of PT BRI Ventura Investama
29 April 2019	SR.11-KOM/04/2019	Approval of the directors and commissioners nomination of BRIsyariah
28 Mei 2019	B.152-KOM/05/2019	Approval of investment by the founder regarding the regulatory changes on BRI pension fund
28 Mei 2019	SR.17-KOM/05/2019	Approval of management nomination of PT BRI Agroniaga Tbk
20 June 2019	B.173-KOM/06/2019	Approval of internal audit charter 2019
20 June 2019	R.24-KOM/06/2019	Approval of changes of shareholding structure of BRI Agro related to Rights Issue IX Shares BRI Agro Year 2019
25 June 2019	R.25-KOM/06/2019	Approval of Bank Business Plan 2019-2020 (revision) and Budget & Work Plan revision 2019
26 June 2019	SR.19-KOM/06/2019	Approval of management employee ownership program (MESOP)
28 June 2019	B.177-KOM/06/2019	Submission of the documents on the approval of integrated internal audit charter of BRI financial conglomerate
02 July 2019	B.178-KOM/07/2019	Approval of replacement of head of BRI credit committee
02 July 2019	R.33-KOM/06/2019	Approval of the appointment of Head of IAU
04 July 2019	SR.21-KOM/07/2019	Approval of the changes of nomenklatur and transfer of assignment of the Board of Directors BRI Multifinance Indonesia
09 July 2019	R.34-KOM/07/2019	Approval of funding to related parties
12 July 2019	R.36-KOM/07/2019	Approval of capital injection to PT BRI Ventura Investama (BRI Ventures)
26 July 2019	R.46-KOM/07/2019	Approval of uncommitted credit line funding facility to related party PT Asuransi BRI Life
23 August 2019	B.221-KOM/08/2019	Procurement of KAP audit services for financial statements and DPLK BRI investment report 2019
27 August 2019	R.55-KOM/08/2019	Approval of equity investment in PT Asuransi Bringin Sejahtera Arthamakmur
30 August 2019	R.61-KOM/08/2019	Approval of funding to related party PT Danareksa Sekuritas
30 August 2019	R.62-KOM/08/2019	Rights Issue IX Shares BRI Agro Year 2019



CORPORATE GOVERNANCE

Board of Commissioners

Date	Letter No.	Subject
30 August 2019	R.63-KOM/08/2019	Approval of funding to related party on Joint borrower PT Bahana Artha Ventura and PT Bahana Pembinaan Usaha Indonesia (Persero)
30 August 2019	R.64-KOM/08/2019	Proposal of BRI Nomenklatur
17 September 2019	SR.27-KOM/09/2019	Approval of management nomination PT Danareksa Sekuritas
19 September 2019	R.70-KOM/09/2019	Approval of organizational adjustment PT BRI (Persero) Tbk
02 October 2019	R.72-KOM/10/2019	Approval of OE Proposal for the Procurement of KAP audit services for Limited Review of Financial Statements August 2019
02 October 2019	R.73-KOM/10/2019	Approval of OE Proposal for the Procurement of KAP audit services for the DPLK BRI Financial Statements and Investment Report 2019
02 October 2019	R.74-KOM/10/2019	Decision on Addendum of Procurement Work Agreement for Public Accounting Firm
28 October 2019	SR.30-KOM/10/2019	Approval of termination of president director PT Danareksa Sekuritas
19 November 2019	R.91-KOM/11/2019	Funding to related party Bank BRIsyariah
28 November 2019	R.95-KOM/11/2019	Approval of Bank Business Plan 2020-2022 and Budget & Work Plan 2020
28 November 2019	R.96-KOM/11/2019	Approval of sustainable finance action plan 2020
28 November 2019	R.97-KOM/11/2019	Approval of Recovery plan BRI 2019-2020

BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT

Board of Commissioners Internal Assessment

- Penilaian Kinerja Board of Commissioners Performance Assessment**

The Board of Commissioners prepares a work plans at the beginning of each year and conducts self-assessments based on the achievement of the work of the Board of Commissioners and the determined Key Performance Indicator (KPI). In conducting its own assessment, the Board of Commissioners also reviews the implementation of the duties of the committees and secretariat under the Board of Commissioners in accordance with the targets set out in the Work Plan and Budget.

Based on the results of the review and self-assessment the performance of the Board of Commissioners and the Committee stated that all work plans set at the beginning of 2019 can be implemented 100% according to the targets set.

- Assessment Criteria**

Indicators or performance criteria of the Board of Commissioners are measured by the achievement of work programs/work plans and budgets (RKA) that have been prepared at the beginning of each year. The Board of Commissioners work program is prepared by taking into account the key success factors (Key Success Factors) the implementation of the duties of the Board of Commissioners includes the Learning & Growth perspective, Internal process, compliance and financial.

Board of Commissioners

In 2019, the Board of Commissioners has determined the aspects of main performance indicators, as follows:

No	Assessment Perspectives	Assessment Aspect	Indicators	Parameters	Weight (%)	
1	Learning & Growth Perspective	Board of Commissioners Organization	a	Organization of the Board of Commissioners in accordance with the rules	Organization of the Board of Commissioners in accordance with the rules	2.00
			b	Organization of the Board of Commissioners' Organs in accordance with the rules	Organization of the Board of Commissioners' Organs in accordance with the rules	2.00
		Board of Commissioners Competency Development	a	Orientation program for new Commissioner	All new members of the Board of Commissioners has participated in orientation program	2.00
			b	Members of the Board of Commissioners have competencies in accordance with applicable regulations	All members of the Board of Commissioners are declared to have passed the OJK fit and proper test and fulfilled the obligations of MR Certification in accordance with the rules	2.00
			c	Education/training/seminar programs to improve competencies	Every Commissioner participates for at least one time	2.00
Sub Total					10,00	
2	Internal Process	Planning	a	Ratification of the Board of Commissioners' Work Plan and Budget	The Board of Commissioners' Work Plan and Budget is ratified prior to the implementation of the current year Work Plan and Budget is valid (December 31 at the latest)	2.50
			b	Ratification of Bank Business Plan and/or timely revision of Bank Business Plan	Bank Business Plan is validated before November 30 and its Revision is authorized by the Board of Commissioners prior to June 30 each year	5.00
		Implementation	a	Approval of corporate actions or actions of the Board of Directors that require Board of Commissioners approval in accordance with the rules	Requests for approval from the Board of Commissioners regarding the Board of Directors' proposals are given no later than 15 working days after being received by the Board of Commissioners	5.00
			b	Board of Commissioners' meetings are carried out in accordance with the rules and targets	Board of Commissioners meetings are held at least once a month and the Board of Commissioners and Directors Meetings are held at least 4 months.	10.00
			c	Develop Nomination policies and Implementation of the Nomination Process for the Company management candidates policies including subsidiaries that are the authority of the Board of Commissioners	Letter of Recommendation for Company Management Candidates submitted to Dwi Warna Series A Shareholders Company Nomination Policy	2.50



CORPORATE GOVERNANCE

Board of Commissioners

No	Assessment Perspectives	Assessment Aspect	Indicators	Parameters	Weight (%)
			d Develop remuneration policies and remuneration structure for Board of Directors and Board of Commissioners	Remuneration Policy of the Board of Directors and Board of Commissioners. Recommendation of the remuneration structure for the Board of Commissioners and Board of Directors is conveyed to the Dwi Warna Series A Shareholders.	2.50
			e Appointment of Public Accountant Firm on the Company's Financial Statements	Recommendations of Public Accountant Firm that will carry out an audit of the company's financial statements are given prior to the Company's AGMS	5.00
		Supervision	a Implementation of the Board of Commissioners' Working Visit	All Regional Offices are visited at least once by Members of the Board of Commissioners	7.50
			Internal control review	Review of IAU Annual Audit Planning and evaluation of internal audit implementation	2.50
			b Review of Internal Audit Examination Report and follow up on internal audit results	Review of Internal Audit Examination Results Report and follow-up of findings found in accordance with the provisions and on time as targeted	2.50
		Supervision	c Review of Internal Audit Examination Report and follow-up on the results of the external audit	Review of external Audit Examination Results Report and follow-up of findings found in accordance with the rules and on time as targeted	2.50
			d Financial Statements Review	Review of financial statements in accordance with the rules and on time according to the target	2.50
Sub Total					50.00
3	Compliance Perspectives	Implementation of corporate activities in accordance with Good Corporate Governance	a GCG Self Assessment	GCG Self Assessment is carried out every semester in accordance with the rules and on time according to the target	2.50
			b Integrated Governance Self Assessment	GCG Self Assessment is carried out every semester in accordance with the rules and on time according to the target	2.50
			c Public Accountant opinion of the Company's Financial Statements	Public Accountant Opinion was Unqualified	5.00
			d CGPI score is better than the previous year	CGPI rating scores met the target	2.50

Board of Commissioners

No	Assessment Perspectives	Assessment Aspect	Indicators	Parameters	Weight (%)
		Oversight function on Risk Management	a Review on Risk Profile Report	The review of the Risk Profile Report every 3 months in accordance with the rules and on time as targeted	10.00
			b Compliance function implementation	Self assessment score Implementation of compliance function is implemented every Semester	2.50
			c Review of Risk Profile Report and Compliance Function as well as bank ratings.	Review of Risk Profile Report and Compliance Function as well as bank ratings is implemented every semester according to rules and on time as targeted	2.50
			d Review of the Adequacy of Integrated Internal Control, Integrated Risk Profile, Integrated Governance Implementation, and Integrated Governance Annual Report.	Review of the Adequacy of Integrated Internal Control, Integrated Risk Profile, Integrated Governance Implementation, and Integrated Governance Annual Report is implemented every semester according to rules and on time as targeted	2.50
Sub Total					30.00
4	Financial Perspectives	Earnings and capital aspect assessment	a Net Profit	Achieving net profit target in accordance with Company Budget Work Plan	2.50
			b Assets	Achieving assets target in accordance with Company Budget Work Plan	2.50
			c NPL	Achieving NPL target in accordance with Company Budget Work Plan	2.50
			d CAR	Achieving CAR target in accordance with Company Budget Work Plan	2.50
Sub Total					10.00
TOTAL					100.00

Achievement of the above performance indicators is calculated based on the weighted average with the following assessment criteria:

Score 80 - 100	= Very Good
Score 70 - < 80	= Good
Score 55 - < 70	= Fair
Score < 55	= Poor

- Assessment Process Mechanisms**

The Board of Commissioners conducts self-assessment of the achievement of the Board of Commissioners' Main Performance Indicators. The Board of Commissioners in the Board of Commissioners Internal Meetings carries out assessment and the results are taken as the basis for taking the measures to improve the performance of members of the Board of Commissioners and Committees under the Board of Commissioners.



CORPORATE GOVERNANCE

Board of Commissioners

• Review/Results of Assessment and Disclosure

Based on the Board of Commissioners 'self assessment results in accordance with the targets and indicators set, the achievement of the Board of Commissioners' Main Performance Indicators (KPI) in 2019 scores 99.91 with the criteria of "Very Good" with the achievement of each indicator as follows:

No	Assessment Perspective	Assessment Aspect	Indicators	Parameter	Target	Achievements	Weight (%)	Score	Final Score		
1	Learning & Growth Perspectives	Organization of the Board of Commissioners	a	Organization of the Board of Commissioners according to rules	The Board of Commissioners' organization complies with applicable regulations	The Board of Commissioners' organization in accordance with POJK, KBUMN and Regulator rules	Pursuant to the Board of Commissioners Decree Nokep:09-KOM/11/2018 dated 1 November 2018 the Board of Commissioners' organization is in accordance with the rules	2.00	1.00	2.00	
			b	Organizations of the Board of Commissioners' Organs according to rules	Organizations under the Board of Commissioners' Organs in accordance with applicable regulations	The Board of Commissioners' Organs organization in accordance with POJK, KBUMN dan Regulator rules		2.00	1.00	2.00	
		Board of Commissioners Competency Development	a	New Board of Commissioners orientation program	All new members of the Board of Commissioners have taken part in the orientation program	New appointed member of the Board of Commissioners receives the orientation program for BOC	During 2019 two new BOC Members Mr. Wahyu Kuncoro and Ms. Loeke Larasati A have participated in the BOC orientation programs	2.00	1.00	2.00	
			b	Members of the Board of Commissioners have competencies in accordance with applicable regulations	All members of the Board of Commissioners are declared to have passed the OJK fit and proper test and fulfilled the obligations of the MR Certification in accordance with the rules	8 (Eight) Commissioners are declared to have passed the OJK fit and proper test OJK and fulfilled the obligations of MR Certification in accordance with the rules	8 (Eight) Commissioners are declared to have passed the OJK fit and proper test OJK and fulfilled the obligations of MR Certification in accordance with the rules	2.00	1.00	2.00	
			c	Educational programs/ training/ seminars to improve competence	Each member of the Board of Commissioners participates at least once	All members of the Board of Commissioners at least participates in a training or seminar within one year	All members of the Board of Commissioners have participated in the training at least once a year	2.00	1.00	2.00	
		Sub Total							10.00		10.00
		2	Internal Process	Planning	a	Ratification of the Board of Commissioners' Work Plan and Budget	The Budget & Work Plan of the Board of Commissioners is ratified prior to the implementation of the current year Budget & Work Plan is valid (December 31 at the latest)	The Budget & Work Plan of the Board of Commissioners is ratified prior to the implementation of the current year Budget & Work Plan is valid (December 31 at the latest)	The 2019 Budget & Work Plan of the Board of Commissioners is ratified on 28 December 2018	2.50	1.00
b	Ratification of Bank Business Plan and/or its timely revision				The Bank Business Plan is validated before November 30 and its Revision is authorized by the Board of Commissioners prior to June 30 each year	The Board of Commissioners provides approval and respond on Bank Business Plan Proposal to the Directors at the latest on 30 November 2018	The Board of Commissioners has provided the approval on Bank Business Plan 2020-2022 and Budget & Work Plan 2019 through BOC Letter No: R.95-KOM/11/2019 dated 28 November 2019	5.00	1.00	5.00	

Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicators	Parameter	Target	Achievements	Weight (%)	Score	Final Score
		Implementation	a Approval of corporate actions or actions of the Board of Directors that require Board of Commissioners approval in accordance with the provisions	Requests for approval from the Board of Commissioners regarding the Board of Directors' proposals are given no later than 15 working days after being received by the Board of Commissioners	The Board of Commissioners provides respond on the approval of corporate action proposals of the Directors that requires the approval of the Board of Commissioners according to the rules	During 2019, 42 approval on corporate actions, funding to related parties and actions of Directors that require the approval of the Board of Commissioners, respond and approval submitted to the Board of Commissioners on all requests from the Directors	5.00	1.00	5.00
			b Board of Commissioners' meetings are carried out in accordance with the rules and targets	Board of Commissioners meetings are held at least once a month and the Board of Commissioners and Directors Meetings are held at least 4 months.	Board of Commissioners meetings are held at least once a month and the Board of Commissioners and Directors Meetings are held at least 4 months.	During 2019 there were 6 BOD and BOC Meetings, 31 BOC Meetings with Field Directors, 6 BOC Meetings with Subsidiaries, 5 Internal BOC Meetings, 16 Audit Committee Meetings, 25 NRC Meetings, 12 RMOC Meetings and 4 Integrated Governance Committee Meetings.	10.00	1.15	11.50
			c Develop Nomination and Implementation of Nomination Process policies Prospective management of the Company including subsidiaries which are the authority of the Board of Commissioners	a. Letter of Recommendation for Company Management Candidates submitted to Dwi Warna Series A Shareholder b. Company Nomination Policy	a. The Board of Commissioners submits the letter of Management Nomination prior to the convention of BRI AGMS and EGMS Year 2019. b. Company Nomination Policy is available according to the rules	a. Change of Management Proposal of PT BRI (Persero) Tbk was submitted through NRC Official Memo R.01-KNR/01/2019 dated 2 January 2019. b. Proposal and assessment of directors candidate of BRI was submitted through letter SR.26-KOM/09/2019 dated 02 September 2019. c. Request for approval of prospective candidate of President Director was submitted through BOC letter No. SR.28-KOM/09/2019 dated 18 September 2019 The Board of Commissioners has Decreed the Nomination Policy of the Subsidiary Management No.: 03-KIOM/BRI/04/2019 dated 30 April 2019 d. The Board of Commissioners has Decreed the Nomination Policy of BOC and BOD members with the Decree NOKEP:07-KOM/BRI/07/2015, dated 28 July 2015	2.50	1.00	2.50



CORPORATE GOVERNANCE

Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicators	Parameter	Target	Achievements	Weight (%)	Score	Final Score
			d. Develop remuneration policies and remuneration structure for Directors and Board of Commissioners	a. Remuneration Policy of the Board of Directors and Board of Commissioners b. Recommendation of the remuneration structure for the Board of Commissioners and Directors is conveyed to the Dwi Warna Series A Shareholders	a. Availability of stipulation of the Board of Commissioners on Remuneration Policy of BOD and BOC. b. Recommendation of the remuneration structure for the Board of Commissioners and Directors to the Dwi Warna Series A Shareholders shall be submitted a the latest on Week I June 2018	a. Remuneration Policy of BOC and BOD are based on the following: 1. BOC Decree No.01-KOM/01/2015 dated 20 January 2015 2. BOC Decree No: 09-KOM/09/2015 dated 08 September 2015 3. BOC Decree No: 09-KOM/09/2017 dated 30 November 2017 on the Remuneration Governance Policy 4. BOC Decree No: 09-KOM/11/2017 dated 30 November 2017 on the Remuneration Governance Policy 5. BOC Decree No: 04-KOM/09/2018 ated 12 September 2018 on Suspended Remuneration b. Written proposal of the Board of Commissioners to the Series A Dwiwarna Shareholders through BOC Letter SR.10-KOM/04/2019 on the Proposal of Directors and Board of Commissioners Income 2019 and Tantiem/Performance Incentive 2018 dated 22 April 2019.	2.50	1.00	2.50
		Pengawasan	e. Appointment of Public Accountant Firm for the Company's Financial Statements	Recommendations from the KAP that will carry out an audit of the company's financial statements are given before the Company's Annual GMS	Recommendations from the KAP that will carry out an audit of the company's financial statements are given before the Company's Annual GMS dated 15 May 2019	The proposal of KAP that carry out general audit of the consolidated financial statements and PKBL financial report fiscal year 2019 has been submitted through BOC Letter No: R.15-KOM/05/2019 dated 07 May 2019	2.50	1.00	2.50
			Evaluation on KAP that carry out the audit of Financial Statements of PKBL Report	Report of evaluation on KAP that carry out the audit of Financial Statements of PKBL Report	The report shall be submitted at the latest 30 June 2019 (according to OJK rules)	The evaluation result report of the Audit Committee of PT BRI (Persero) Tbk on the audit services of the BRI DPLK financial statements fiscal year 2018 was submitted through letter B.175-KOM/06/2019 dated 26 June 2019	2.50	1.00	2.50
			Implementation of the Board of Commissioners' Working Visit	All Regional Offices are visited at least once by Members of the Board of Commissioners	The Board of Commissioners carried out a working visit to 19 Regional Offices	During 2019 the Board of Commissioners carried out work visits 35 times to 19 Regional Offices	7.50	1.15	8.63
			Implementation of internal control review	Review on IAU Annual Audit Planning and evaluation of internal audit implementation	Review on IAU Annual Audit Planning and evaluation of the implementation of internal audits was carried out according to the set time target.	Review of SKAI Annual Audit Planning (PAT) and evaluation of the implementation of internal audits was delivered through BOC Letter on the Approval of IAU annual audit plan Year 2019 No. R.01-KOM/01/2019 dated 02 January 2019	2.50	1.00	2.50

Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicators	Parameter	Target	Achievements	Weight (%)	Score	Final Score
			b Review of Internal Audit Examination Report and follow up of internal audit results	Review of Internal Audit Examination Results Report and follow-up of findings found in accordance with the rules and on time as targeted	The Board of Commissioners' recommendations for internal audit results and follow-up of findings are carried out in accordance with the rules and on time as targeted 4 times	Written recommendations on the results of internal audit checks in the form of opinions and suggestions from the Board of Commissioners to the Directors: a. BOC Letter R.08-KOM/02/2019 on Audit Results Report Q4-2018 dated 27 February 2019 b. BOC Letter No. R.18-KOM/05/2019 on Audit Results Main points Report Quarter I-2019 dated 21 May 2019 c. BOC Letter No: R.48-KOM/08/2019 on the Audit results report Quarter II - 2019 dated 02 August 2019 d. BOC Letter No: R.93-KOM/11/2019 on the Audit results report Quarter III - 2019 dated 25 November 2019	2.50	1.00	2.50
			c Review of Internal Audit Examination Report and follow-up of external audit results	Review of external Audit Examination Results Report and follow-up of findings found in accordance with the rules and on time as targeted	Board of Commissioners' recommendations on external audit results and follow-up of findings are carried out in accordance with the rules and on time as targeted	Follow up recommendation and Management Letter on general audit of Financial Statements 2018 was submitted through Official Memo KA No: B.20-KA/04/2019	2.50	1.00	2.50
			d Review of Financial Statements	Review of financial statements was carried out in accordance with the rules and on time as targeted	The financial statements are carried out in accordance with the rules and on time as targeted	Review of financial statements carried out quarterly and based on the review and discussion of the Internal Audit Unit and the Audit Committee found no indication of the need for material modification due to inconsistency in the presentation of posts in the Draft of Financial Statements of PT BRI (Persero) Tbk	2.50	1.00	2.50
Sub Total							50.00		52.63



CORPORATE GOVERNANCE

Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicators	Parameter	Target	Achievements	Weight (%)	Score	Final Score	
3	Compliance Perspectives	Corporate activities in accordance with Good Corporate Governance	a	GCG Self Assessment	GCG Self Assessment is conducted every Semester in accordance with the rules and on time as targeted	GCG Self Assessment is carried out twice a year	The Board of Commissioners has carried out GCG self assessment and provided written recommendations by providing opinions and suggestions to the Board of Directors through BOC Letter No: R.03-KOM/01/2019 GCG Self Assessment Semester II 2018 and BOC Letter No: R.35-KOM/07/2019 on GCG Self assessment Semester I 2019	2.50	1.00	2.50
			b	Integrated Governance Self Assessment	Integrated GCG Self Assessment is carried out every Semester in accordance with the rules and on time as targeted	Integrated GCG Self Assessment is carried out every Semester	Integrated GCG Self Assessment is carried out twice a year	2.50	1.00	2.50
			c	Public Accountant's opinion on the Company's Financial Statements	Opinion of Public Accountants: Unqualified	Opinion of Public Accountants: Unqualified	Opinion of Public Accountants: Unqualified	5.00	1.00	5.00
			d	Corporate Governance Perception Index (CGPI) scores	CGPI score is in accordance with the target	The score target of the CGPI is higher than the previous year 89.06	CGPI score: 90.75	2.50	1.02	2.55
		Oversight function on Risk Management	a	Review of Risk Profile Report.	Review of Risk Profile Report every 3 month according to the rules and on time as targeted	There is a written recommendation in the form of opinions and suggestions from the Board of Commissioners on the Review of Risk Profile Report every 3 months during 2018	Written recommendations of opinions and suggestions from the Board of Commissioners to the Directors through: <ul style="list-style-type: none"> a. BOC Letter No: B.27-KOM/01/2019 on Risk Profile Report Quarter IV Year 2018 b. BOC Letter No: B.153-KOM/05/2019 on Risk Profile Report Quarter I - 2019 c. BOC Letter No:R.52-KOM/08/2019 on Risk Profile Report Semester I - 2019 d. BOC Letter No B.267/KOM/12/2019 on Risk Profile Report Quarter III - 2019 	10.00	1.00	10.00

Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicators	Parameter	Target	Achievements	Weight (%)	Score	Final Score
			b. Compliance Function Implementation	a. Review of BRI compliance function is carried out every Semester b. Self Assessment scores on the review of compliance function carried out every Semester	Compliance risk rating remains under good limits namely rating 2 (Low to Moderate) per OJK assessment	Compliance risk remains under good limits namely rating 2 (Low to Moderate)	2.50	1.00	2.50
			c. Review of Risk Profile Report and Compliance Function as well as bank rating.	Review of Compliance Function and bank rating carried out every semester in accordance with the rules and on time as targeted	Availability of written recommendation of the Board of Commissioners on the review of compliance function and bank rating implemented every semester during 2018	Written recommendation of opinions and advices of the Board of Commissioners to the Directors on compliance function and bank rating through: a. BOC Letter No: B.27-KOM/01/2019 on Risk Profile Report Quarter IV - 2018 Compliance Function Implementation Report b. BOC Letter No:R.52-KOM/08/2019 Risk Profile Report Quarter II - 2019 Compliance Function Implementation Report	2.50	1.00	2.50



CORPORATE GOVERNANCE

Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicators	Parameter	Target	Achievements	Weight (%)	Score	Final Score
			d Review of the Adequacy of Integrated Internal Control, Integrated Risk Profile, Implementation of Integrated Governance, and Annual Report of Integrated Governance	Review of the Adequacy of Integrated Internal Control, Integrated Risk Profile, Implementation of Integrated Governance, and Integrated Corporate Governance Annual Report carried out every Semester in accordance with the rules and on time as targeted	Written recommendation available from the Board of Commissioners on the adequacy of Integrated Internal Control, Integrated Risk Profile, Implementation of Integrated Governance, and the Annual Report of Integrated Governance carried out every Semester	Written recommendations of opinions and suggestions from the Board of Commissioners to the Directors regarding the adequacy of Integrated Internal Control, Integrated Risk Profiles, Implementation of Integrated Governance, and Integrated Corporate Governance Annual Report are carried out every semester through: a. BOC Letter No: B.37-KOM/02/2019 on integrated governance assessment semester II - 2018 b. BOC Letter No: B.40-KOM/02/2019 on recommendation of integrated internal audit charter draft of BRI financial conglomerate version 1.0 c. BOC Letter No: B.177-KOM/06/2019 on the approval of integrated internal audit charter of BRI financial conglomerate d. BOC Letter No B.187-KOM/07/2019 on integrated governance assessment semester I - 2019 e. BOC Letter No: B.281-KOM/10/2019 on integrated compliance duties and responsibilities report semester I 2019 f. BOC Letter No: R.76-KOM/10/2019 on Integrated Internal Audit Duties Implementation Report Semester I 2019.	2.50	1.00	2.50
Sub Total							30.00		30.05
4	Financial Perspectives	Earnings and Capital aspect assessment	a Profit	Achieving net profit target according to Budget & Work Plan	36,115	34,029	2.50	0.94	2.36
			b Assets	Achieving Assets target according to Budget & Work Plan	1,350,666	1,343,078	2.50	0.99	2.49
			c NPL	Achieving NPL target according to Budget & Work Plan	2.16%	2.62%	2.50	0.82	2.06
			d CAR	Achieving CAR target according to Budget & Work Plan	21.33%	22.55%	2.50	1.06	2.64
Sub Total							10.00		9.54
TOTAL							100.00		102.22

Board of Commissioners

Board of Commissioners External Assessment

1. Performance Assessment of the Board of Commissioners by the GMS
 The Board of Commissioners performance assessment procedure is carried out by the Shareholders at the Annual GMS during the submission of the Board of Commissioners' supervisory report to the GMS in the Company's annual report, where based on the report the AGM states and fully releases (acquit et de charge) the Board of Commissioners on oversight actions conducted in the fiscal year ending at the end of the year.
 - Criteria of Performance Assessment of the Board of Commissioners by the GMS
 The performance of the Board of Commissioners during 2019 is reflected in the achievement of the 2019 Work Programs/Annual Work Plan of the Board of Commissioners which was all achieved on time and in accordance with applicable regulations.
 - Assessors
 The Board of Commissioners performance assessment is carried out by the Shareholders in the General Meeting of Shareholders.
 - Results of Performance Assessment of the Board of Commissioners by the GMS
 The performance of the Board of Commissioners during 2019 is reflected in the achievement of the 2019 Work Programs/Annual Work Plan of the Board of Commissioners which was all achieved, whereby pursuant to the SOE Minister Regulation No. PER-09/MBU/2012 dated 6 July 2012 in lieu of SOE Minister Regulation No. PER-01/MBU/2011 on the Implementation of Good Corporate Governance) in the State-Owned Enterprise, the Board of Commissioners shall develop the annual Budget & Work Plan of BOC which is an integral part of the Company's annual Budget & Work Plan. Moreover, the BRI Articles of Association also stipulates the obligation of the Board of Commissioners to develop work programs as an integral part of the Company Work Plan and budget developed by the Directors.

The Annual Work Plan of the Board of Commissioners is prepared by taking into account the duties, authorities and obligations of the Board of Commissioners as stipulated in the applicable laws and regulations. In its implementation, the Board of Commissioners' Annual Work Plan and Budget are used as guidelines for each member of the Board of Commissioners in carrying out the company's supervisory duties during the current year.

2. Board of Commissioners Performance Assessment Based on GCG Self Assessment
 The Board of Commissioners also conducts GCG self assessment related to the assessment of bank soundness every semester by using the self assessment Working Paper as referred to in the OJK rules. The intended self assessment includes an assessment of the Implementation of Duties and Responsibilities of the Board of Commissioners (factor 1), Completeness and Implementation of Committee Duties (factor 3) and Handling of Conflict of Interest (factor 4).
 - Evaluation Criteria of GCG Self Assessment by the Board of Commissioners
 GCG self assessment is carried out by the Board of Commissioners in a comprehensive and structured manner which is integrated into 3 (three) aspects of governance, namely: governance structure, governance process and governance outcomes that must be supported by adequate data/information and documents, such as internal policies, internal reports, Bank reports, and/or other disclosures that have been published.
 - The Party Conducting the Board of Commissioners' GCG Assessment
 The Board of Commissioners GCG Self Assessment is conducted by the Board of Commissioners and its Committees Members.
 - Results of GCG Self Assessment GCG by the Board of Commissioners
 Results of GCG self assessment of the Board of Commissioners in 2019 are with the following implementation ranks:



CORPORATE GOVERNANCE

Board of Commissioners

Assessment Aspects	Implementation Rating
Governance Structure	1
Governance Process	1
Governance Outcome	1
Average	1 (very good)

*) Results of the Board of Commissioners self assessment

3. Board of Commissioners Performance Assessment based on Independent Institutions
One of mechanisms for the Board of Commissioners' external performance assessment is through an assessment of GCG implementation. The Company is the Indonesian Institute for Corporate Governance (IICG) through a research program implementing GCG: Corporate Governance Perception Index (CGPI).

- Procedures & Implementation Criteria for the Board of Commissioners Performance Assessment through the Corporate Governance Perception Index (CGPI)
The implementation of the Corporate Governance Perception Index (CGPI) assessment is carried out through 4 (four) assessment stages, namely 1) Self assessment, 2) Documentation Assessment, 3) Paper Assessment, and 4) Observation of Interviews on the aspect of Governance Structure, Governance Process, and Governance Outcome.
- Assessors
The assessor of the Board of Commissioners performance based on the Corporate Governance Perception Index (CGPI) is the Indonesian Institute for Corporate Governance (IICG).
- The Results of the Board of Commissioners performance Assessment based on the Corporate Governance Perception Index (CGPI)
Based on the assessment of this independent party, the Company assessment scores falls into the category of "The Most Trusted" with total point of 90.75 (Governance Structure:

31.66, Governance Process: 29.00, and Governance Outcome: 30.09). An increase compared to previous year of total point 90,75.

PERFORMANCE ASSESSMENT OF THE BOARD OF COMMISSIONERS SUPPORTING COMMITTEES

During 2019 the Committees under the Board of Commissioners, namely the Audit Committee, Risk Management Oversight Committee, Nomination & Remuneration Committee, and Integrated Governance Committee have carried out their roles and responsibilities well and has provided significant supports on the duties implementation and responsibilities of the Board of Commissioners.

Each committee has carried out its functions and roles properly in accordance with applicable regulations. The Committees provided recommendations and input to the Board of Commissioners in carrying out their functions and roles as Supervisors as well as providing advice to the Management. In general the Board of Commissioners' assessment on the performance of its Supporting Committees is as follows:

- Audit Committee**
The role of Audit Committee is to ensure the adequacy of internal control and financial process reporting. The Audit Committee has conducted evaluation on the audit effectiveness and appropriateness by the Public Accountant Firm, as well as reviewed the financial statements and other financial information in order to ensure its appropriateness with applicable accounting standard and rules. The Board of Commissioners considers all Audit Committee Work Plan and Budget has been implemented according to the set targets.

Board of Commissioners

- **Risk Management Oversight Committee**

The capability of BRI in managing risk is inseparable from the success of the Risk Management Oversight Committee and Risk Management Directorate in carrying out their duties and responsibilities by reviewing and monitoring the risk management implementation in BRI. Good risk management synergy has delivered risk profile rating of Low to Moderate, good loan quality portfolio and maintained non performing loans level during 2019. The Risk Management Oversight Committee also provides recommendations and analysis to the Board of Commissioners on the approval decision requests of the Directors' actions that requires the Board of Commissioners' approval according to the Company's Articles of Association. The Board of Commissioners considers all Work & Budget Plan of the Risk Management Oversight Committee has been implemented according to the set targets.

- **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee also provides significant contribution primarily in relation to the evaluation of remuneration policy for employee and employment, remuneration of the Directors and Commissioners, including nomination of the subsidiaries' management as well as overall HR management. In addition, the Nomination and Remuneration Committee has also provided constructive recommendations and opinions on the selection and/or replacement system and procedures of members of BRI Board of Directors and Board of Commissioners, Subsidiaries including independent parties of members of the Board of Commissioners committee. The Board of Commissioners considers all Work & Budget Plan of the Nomination and Remuneration Committee has been implemented according to the set targets.

- **Integrated Governance Committee**

Pursuant to the Financial Services Authority stipulation, the Board of Commissioners has established the Integrated Governance Committee that structurally consist of members of BRI Board of Commissioners, members of Board of Commissioners of BRIsyariah, BRI Agro, BRI Life, BRI Finance as well as members of Supervisory Board of BRIsyariah. During 2019 the Integrated Governance Committee has provided recommendations to the Board of Commissioners on the implementation of policies of the Integrated Risk Management, integrated audit and integrated compliance function.



CORPORATE GOVERNANCE

BOARD OF DIRECTORS

The Board of Directors is the Company's organ authorized and fully responsible on the management of the Company, for the interest of the Company in accordance with the Company's purpose and objective and in accordance with the Articles of Association.

LEGAL REFERENCES

1. Law No. 40 of 2007 on the Limited Liabilities Companies.
2. Law No. 19 of 2003 on the Board of Commissioners of State-Owned Enterprises.
3. SOE Minister Regulation No. PER-01/MBU/2011 dated 01 August 2011 on the Implementation of Good Corporate Governance in the SOE and its amendment, the SOE Ministry Regulation No. PER09/MBU/2012 dated 06 July 2012.
4. POJK No. 33/POJK.04/2014 dated 08 December 2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies.
5. Articles of Association of BRI.

BOD CHARTER

BRI Board of Directors has in place the BOD Board Charter, based on the Decree No.801-DIR/SKP/11/2015 dated 11 November 2015.

The BOD Board Charter contains work rules and guidance of the Board of Directors in performing their respective duties aligned with the vision and mission to be achieved by the Company.

The BOD Board Charter contains among others:

1. General rules of the Board of Directors members' position.
2. Duties and responsibilities of the Board of Directors.
3. Authorities and obligations of the Board of Directors.
4. Corporate values.
5. Work ethics of the Board of Directors.
6. Work period of the Board of Directors.
7. Board of Directors Meeting.
8. Board of Directors Membership Structure.
9. Reporting and Accountability of the Board of Directors.

BOARD OF DIRECTORS DUTIES AND RESPONSIBILITIES

Pursuant to the Articles of Association, the Board of Directors is collegially responsible in managing the Company and representing the Company within and outside of the court. The Board of Directors shall prioritize the interest of the Company in accordance with the purpose and objective of the Company by complying with prevailing laws and regulations, the Articles of Association and the resolutions of the GMS.

Responsibilities to the Board of Commissioners and Shareholders

- a. Implementing the GMS resolutions.
- b. Prepare the Corporate Long-Term Plan, Bank Business Plan, Work Plan and Budget and other work plans and changes to be submitted for approval from the Board of Commissioners.
- c. Conduct the GMS based on a written request from one or more shareholders representing at least 1/10 (one ten) of the total shares issued with valid voting rights.
- d. Prepare and maintain a shareholders registry and special lists containing shareholdings of the commissioners and directors including their families within the Bank and in other companies.
- e. Consult the lending facility above a certain amount to the Board of Commissioners by referring to the prevailing provisions.
- f. Submit an Annual Report following the review by the Board of Commissioners within a period of no later than 5 (five) months after the ending of fiscal year to the General Meeting of Shareholders for approval.

Board of Directors

Responsibilities in Accounting and Annual Report

- a. Conduct and maintain the Bank's books and administration in accordance with the prevailing practices of the company.
- b. Ensure the Bank's accounting system is in accordance with financial accounting standards and internal control principles, particularly in terms of financial management, recording, retention and control.
- c. Prepare Annual Report and Periodic Financial Report.

Responsibilities on Risk Management

- a. Ensure the adequacy of processes and systems to identify, assess and control the risks encountered by the Bank.
- b. Monitor and value the existence of a sound management process to assess the adequacy of risk management system and internal control, financial reporting and compliance.
- c. Ensure the existence of an effective control system to ensure the reliability and integrity of information, compliance with applicable policies, procedures, rules and laws, safeguards of the Bank's assets, the efficient use of economic resources, and the achievement of defined objectives and targets for operations.

Responsibilities on Organization

Establish an organizational structure, duties and assign clear responsibilities including appointment of the management.

Authority

Dalam menjalankan tugas dan tanggungjawabnya, Direksi memiliki kewenangan dibawah ini sebagaimana diatur dalam Anggaran Dasar Perseroan:

1. Stipulate the Policy appropriate to the Company's management.
2. Arrange the delegation of authority of the Board of Directors to represent the Company inside and outside the court to one or several members of the Board of Directors specifically appointed for such purpose, or to a personnel and/or other entity.
3. Administer the regulations on the Company's manpower, including determining salaries, pensions or benefits and other income for the Company's employees pursuant to the prevailing laws and regulations.
4. Appoint and discharge the Company's employees pursuant to the Company's manpower regulations and prevailing laws and regulations.
5. Appoint and discharge the Corporate Secretary.
6. Write-off bad loans hereinafter reported to the Board of Commissioners.
7. Not to recollect interest receivables, penalties, costs and other receivables besides the basis in order to pay off the Company's receivables.
8. Take or perform all other actions and deeds with regard to the management and ownership of the Company's assets, bind the Company to other parties and/or bind other parties to the Company, and representing the Company inside and outside the court with respect to all matters and in all events, with the limitations as provided in the laws and regulations, the Articles of Association and/or the Resolutions of the GMS.

Obligation

Referring to the Articles of Association, the Board of Directors has the following obligations:

1. Undertake and ensure the implementation of the Bank's business activities in accordance with the purpose, objectives, and business activities.
2. Prepare in due course the Bank's Corporate Plan, Annual Work and Budget Plan, and other Work Plan and Amendments to be submitted to the Board of Commissioners and approved by the Board of Commissioners.
3. Create a Shareholders Registry, Special Lists, Minutes of GMS, and Minutes of Board of Directors' Meeting.
4. Develop Annual Report which includes, among others, the Financial Statements, as an accountability of the Bank's management, and the Bank's financial documents as referred to in the Law.
5. Prepare the Financial Statements as referred to in point 4 in accordance with the Financial Accounting Standards and to submit to the Public Accountant for audit.



CORPORATE GOVERNANCE

Board of Directors

6. Submit an Annual Report following the review by the Board of Commissioners within 5 (five) months after the end of fiscal year, to the GMS for approval and ratification.
7. Provide an explanation to the GMS on the Annual Report.
8. Submit Balance Sheet and Profit Loss Statements that have been approved by the GMS to the Minister in charge of the Law in accordance with the prevailing laws and regulations.
9. Maintain Shareholders Registry, Special Register, Minutes of GMS, Minutes of Board of Commissioners' Meeting and Board of Directors' Meeting, Annual Report, Bank's financial documents, and other Bank's documents.
10. Archive Shareholders Registry, Special Register, Minutes of GMS, Minutes of Board of Commissioners' Meeting and Board of Directors' Meeting, Annual Report, Bank's financial documents, and other Bank's documents in the Bank's domicile.
11. Perform and maintain the Bank's books and administration in accordance with the prevailing rules for a Bank.
12. Develop accounting system in accordance with the Financial Accounting Standards and based on the principles of internal control, particularly the functions of handling, recording, storage, and supervision.
13. Provide periodic reports in a manner and time in accordance with applicable rules, and other reports requested by the Board of Commissioners and/ or Dwiwarna Series A Shareholders, with due observance to the laws and regulations, in particular, the prevailing capital market regulations.
14. Prepare the Bank's organizational structure in details with the job descriptions.
15. Provide an explanation of all matters stated or requested by members of the Board of Commissioners and Dwiwarna Series A Shareholders, with due observance to the laws and regulations, in particular, the prevailing capital market regulations.
16. Carry out other obligations in accordance with the stipulations of the Bank's Articles of Association and which are determined by the GMS in accordance with the laws and regulations.
17. With the Board of Commissioners to jointly draw up binding guidelines for each member of the Board of Commissioners and Board of Directors, in accordance with the prevailing laws and regulations.
18. With the Board of Commissioners to jointly establish a code of conduct applicable to all members of the Board of Directors and Board of Commissioners, Employees, and organs of the Bank, in accordance with the prevailing laws and regulations.
19. In performing its duties, the Board of Directors shall bring about its power, thought, and devotion to the duties, obligations, and achievements of the Bank's objectives.
20. In performing duties, members of the Board of Directors shall comply with the Bank's Articles of Association and prevailing laws and regulations, and are required to implement the principles of professionalism, efficiency, transparency, independence, accountability, responsibility, and fairness.
21. All members of the Board of Directors shall carry out duties and responsibilities in good faith, full of responsibility and prudence in the best interest of the Bank, with regard to the prevailing rules.
22. Each member of the Board of Directors shall disclose:
 - a. Share ownership of 5% (five percent) or more, in the Bank or other Banks/ companies, domiciled within and outside the country.
 - b. Financial relationships and family relationships with other commissioners, members of the Board of Directors and/or controlling shareholders of the Bank.

Work Ethics

1. Members of the Board of Directors shall not utilize the Bank for personal, family, and/ or other interests that may detriment or reduce the profits and reputation of the Bank and its subsidiaries.
2. Members of the Board of Directors shall not take personal advantage either directly or indirectly in the Bank's activities with the exception of legitimate income.
3. Members of the Board of Directors shall not hold concurrent positions, as follows:

Board of Directors

- a. A member of the Board of Directors at the State-Owned Enterprises (SOEs), Regional-Owned Enterprises, and private owned enterprises.
 - b. A member of the Board of Commissioners/Board of Trustees at State-Owned Enterprises.
 - c. Other structural and functional positions in institutions/agencies of the central and/or local government.
 - d. A political party and/or candidate/legislative member and/or candidate for regional head/deputy head.
 - e. Other positions that may cause conflict of interest and/or other positions, in accordance with the prevailing laws and regulations.
4. Members of Board of Directors, either individually or jointly, shall not own more than 25% (twenty five percent) of the paid-in capital in the Bank and/or other companies.
 5. Members of the Board of Directors shall not use individual and/or professional advisors as consultants, unless they meet the following requirements:
 - a. Projects of special nature.
 - b. Based on clear contracts, which at least cover the scope of work, responsibilities, time frames, and costs.
 - c. Consultant is an Independent Party and has the qualification to work on a project of a special nature as referred to in point 1.
 6. Members of the Board of Directors shall not have a family relationship up to the second degree with other members of the Board of Directors and/or members of the Board of Commissioners.
 7. Members of the Board of Directors are prohibited from granting power of attorney to any other party that may result in the transfer of Directors' duties and responsibilities.
 8. Members of the Board of Directors shall be subjected to the Bank's Code of Conduct, applicable laws and regulations, and the Bank's internal policies.

SCOPE OF DUTIES

Pursuant to the Articles of Association, the distribution of duties of the Board of Directors members is conducted based on the Board of Directors Decree, which aim to ensure more effective and efficient management function. The distribution of Board of Directors duties are as follows:

Name	Scope of Duties
Sunarso President Director	Duties and authority in: <ul style="list-style-type: none"> • Directing the corporate strategy and work plan; • Lead entire Directorate that responsible for the management of the Company; • Represent the company both inside and outside the Company.
Catur Budi Harto Vice President Director	Duties and authority in: <ul style="list-style-type: none"> • Directing the corporate strategy and work plan; • Lead entire Directorate that responsible for the management of the Company; • Represent the company both inside and outside the Company.
Haru Koesmahargyo Director of Finance	Duties and authority in: <ul style="list-style-type: none"> • Directing the corporate strategy and work plan; • Lead the Directorate that responsible for Corporate Development & Strategy, Management Accounting & Finance, Assets & Liabilities Management, and Investor Relations; • Represent the company both inside and outside the Company.
Agus Noorsanto Director of Institutional and SOE Relations	Duties and authority in: <ul style="list-style-type: none"> • Directing the corporate strategy and work plan; • Lead the Directorate that responsible for the management of Institutional Relations business, Transaction Banking, and SOE Business; • Represent the company both inside and outside the Company.



CORPORATE GOVERNANCE

Board of Directors

Name	Scope of Duties
Priyastomo Director of Small, Retail and Medium Business	Duties and authority in: <ul style="list-style-type: none"> Directing the corporate strategy and work plan; Lead the Directorate that responsible for the management of the Policy of Small, Retail & Medium Business, Retail & Medium Business, Small Sales Management, and Agriculture Business; Represent the company both inside and outside the Company.
Supari Director of Micro Business	Duties and authority in: <ul style="list-style-type: none"> Directing the corporate strategy and work plan; Lead the Directorate that responsible for the management of the Policy of Micro Business, Micro Sales Management, Program & Partnership Business, Social Entrepreneurship & Incubator; Represent the company both inside and outside the Company.
Handayani Director of Consumer	Duties and authority in: <ul style="list-style-type: none"> Directing the corporate strategy and work plan; Lead the Directorate that responsible for the business management of Wealth Management, Consumer Loan, Briguna Loan, Credit Card, Mass Funding, Retail Payment and Marketing Communication; Represent the company both inside and outside the Company.
Ahmad Solichin Lutfiyanto Director of Network and Services	Duties and authority in: <ul style="list-style-type: none"> Directing the corporate strategy and work plan; Lead the Directorate that responsible for the management of Office Networks, BRILink Network, E-Channel, Services & Contact Center, and Operations Center; Represent the company both inside and outside the Company.
Indra Utoyo Director of Digital, Information Technology and Operations	Duties and authority in: <ul style="list-style-type: none"> Directing the corporate strategy and work plan; Lead the Directorate that responsible for the management of IT Strategy & Governance, Application Management & Operation, IT Infrastructure & Operation, Digital Center of Excellence, Technology and Information Security Collaboration; Represent the company both inside and outside the Company.
Herdy Rosadi Harman Director of Human Capital	Duties and authority in: <ul style="list-style-type: none"> Directing the corporate strategy and work plan; Lead the Directorate that responsible for the management of Human Capital, Culture Transformation and BRI Corporate University; Represent the company both inside and outside the Company.
Agus Sudiarto Director of Risk Management	Duties and authority in: <ul style="list-style-type: none"> Directing the corporate strategy and work plan; Lead the Directorate that responsible for the management of Risk Enterprise & Management Portfolio, Operational & Market Risk Management, Credit Risk Analysis, Credit Restructuring & Settlement, Credit Policy, and Credit Operations; Represent the company both inside and outside the Company.
Azizatun Azhimah Director of Compliance	Duties and authority in: <ul style="list-style-type: none"> Directing the corporate strategy and work plan; Lead the Directorate that responsible for the management of Compliance, Legal, and Policies & Procedures; Represent the company both inside and outside the Company.

CRITERIA, APOINTMENT AND TERMINATION

Criteria

The criteria of BRI Board of Directors has met the requirements as stated in the applicable regulations as follows:

Board of Directors

General Qualifications

1. Legally competent individuals.
2. Within 5 (five) years prior to the appointment:
 - Has never been declared as bankrupt.
 - Has never been a member of the Board of Directors or Commissioners that is proven guilty for causing the bankruptcy of a company, or
 - Has never been punished for a criminal act that inflicts loss in the state's finance and/or SOEs and/or those related to the financial sector.
3. Has integrity, dedication, and understanding on the company management issues that is related to one of the management functions, has adequate knowledge in banking, and able to provide adequate time to carry out their duties.
4. Does not hold concurrent position as:
 - Member of the Board of Directors of SOEs, Regional owned enterprises, or private enterprises.
 - Member of the Board of Commissioners/ Supervisory Board of the SOE.
 - Structural and functional positions in the central or local government institutions.
 - Member in the structure of political party and or legislative candidate/member and or candidate of head/deputy head of region and or
 - Other positions that may inflict conflict of interests and/or other positions pursuant to the prevailing laws and regulations.
5. Do not have any family ties with members of the Bank's Board of Directors and/or Board of Commissioners up to the third degree, either vertically or horizontally, including family ties resulted from marriage.

Fulfillment of PBI No. 12/23/2010 on Fit and Proper Test

To pass the Fit and Proper Test conducted by the Financial Services Authority (formerly Bank Indonesia).

Fulfillment of SEOJK No. 39/SEOJK.03/2016 on the Fit and Proper Test for Prospective Controlling Shareholders, the Board of Directors Member Candidate, and Candidate Member of the Board of Commissioners of the Bank

Members of the Board of Directors shall have adequate knowledge in banking, relevant to the position, experience and expertise in banking and/or finance; and strategic management skills to develop a sound bank.

Integrity Requirements

To fulfill the integrity requirements, candidate member of the Board of Directors shall have:

- Good morale and characters;
- Commitment to comply with prevailing laws and regulations;
- High commitment to develop sound bank operations; and
- Not included in the Fit & Proper Test Failed list.

APPOINTMENT AND TERMINATION

Appointment

Appointment Procedures of the Board of Directors are as follows:

1. Candidate of the Board of Directors who have met the qualifications and competency requirements shall first evaluated by the Nomination and Remuneration Committee of BRI through examination of track record and professional experience. The evaluation result from the Nomination and Remuneration Committee is further submitted to the Board of Commissioners in a form of Official Memo of the Nomination and Remuneration Committee.
2. The Board of Commissioners based on the recommendation from the Nomination and Remuneration Committee provides approval on the candidate of the Board of Directors. The Board of Commissioners decision also considered as the basis for recommendation of the Board of Directors candidate to the GMS through Series A Dwiwarna Shareholders.



CORPORATE GOVERNANCE

Board of Directors

The candidate of the Board of Directors is further appointed by the decision of the General Meeting of Shareholders being effective after the approval from the Financial Services Authority (OJK) by referring to POJK No. 27/POJK.03/2016 on Fit and Proper Test for the Main Entity of Financial Services Institutions. The OJK assessment is conducted through administrative research as well as interview. In the event where OJK does not approve the proposed candidate who has been appointed by the GMS, then the respective candidate shall be terminated by the GMS.

Termination

The Board of Directors' terms of office shall ended in the event of:

- a. Passed away.
- b. End of tenure.
- c. End of services in the GMS due to a reason deemed to be relevant by the General Meeting of Shareholders for the Company's interests and objectives.
- d. Declared bankrupt by Commercial Court decision with permanent legal force or put under remission based on court decision.
- e. No longer qualified as member of the Board of Directors based on the Articles of Associations of BRI and other prevailing regulations, including the prohibited concurrent position or resignation.

Member of the Board of Directors has the right to resign from the position by written notification to BRI and BRI shall convene the GMS to take decision on the proposed resignation of respective Board of Directors member at the latest sixty (60) days after acceptance of resignation letter.

Disclosure on Substitute Director and SEVP Policy

To ensure the efficiency and effectiveness of the company's operations, in the event of a vacant position of the Director(s) and SEVP, BRI has in place the Substitute Director Stipulation policy as stated in the Decree of BRI Board of Directors No. 20-DIR/ CDS/05/2017.

Substitute Directors

1. The appointed Substitute Director has a corresponding field of duty with the substituted Director position.
2. The Substitute Director is effective when a Director is absent or unavailable for any reasons, without having to prove the situation to a third party, for certain period of at least 1 (one) day.
3. The First Substitute for President Director is Vice President Director.
4. The Second Substitute for President Director is 1 (one) Director, should the vice president director is not available for any reasons, with due observance to the four eyes principle as stipulated in the Bank's lending policies. The Risk Management Director and Compliance Director are exempted.
5. Should the vice president director is unavailable for any reasons. the president director may take over his/ her duties. A Certificate of Responsibility Handover is not required.
6. The Second Substitute of Vice President Director is 1 (one) director, should the president director and vice president director are unavailable for any reasons, except for the Risk Management Director and Compliance Director.
7. The Substitute Director for Compliance Director shall meet Bank Indonesia's requirements regarding the implementation of compliance function in commercial banks, as follows:
 - a. Other Director, except the President Director and Vice President Director.
 - b. The Substitute Compliance Director may not oversee business & operational functions, risk management that serves as the decision-making authority on the Bank's business activities, treasury, finance and accounting, logistics, and goods & services procurement, information technology, and internal audit.
 - c. In the event that the Substitute Compliance Director is overseeing the functions in the point 'b' of this clause, the Substitute Director shall replace the main duties.
8. The First Substitute Director is established when a Director is absent or unavailable.
9. The Second Substitute Director is established when the Director and First Substitute Director are absent or unavailable.

Board of Directors

10. The Third Substitute Director is established when the Director, First Substitute Director and Second Substitute Director are absent or unavailable.
11. In the event that the First to Third Substitute Directors are absent or unavailable or under other assignments that are preventing them to take the duties as the Substitute Director, then the President Director and Vice President Director have the authority to appoint other Director as the Substitute Director. The Compliance Director is exempted.
12. In the event that the First to Third Substitute Directors, President Director and Vice President Director are absent or unavailable, then any Director can implement the duty as the Substitute Director. The Compliance Director is exempted.

Substitute SEVPs

1. The appointed Director as the Substitute Director that taking over the SEVP duties has a corresponding field of duty with the SEVP position.
2. The transfer of SEVP duties is effective when a SEVP is absent or unavailable for any reasons, without having to prove the situation to a third party, for certain period of at least 1 (one) day.
3. The First Director taking over the SEVP duties is established when the SEVP is absent or unavailable.
4. The Second Director taking over the SEVP duties is established when the First Director is absent or unavailable.
5. In the event that the First and Second Directors taking over SEVP Duties are absent or unavailable or under other assignments that are preventing them to take the duties as the First and Second Directors, then the President Director and Vice President Director have the authority to appoint other Director as the Director taking over the SEVP duties. The Compliance Director is exempted.
6. In the event that the First and Second Directors, President Director and Vice President Director are absent or unavailable, then any Director can implement the duty of SEVP. The Compliance Director is exempted.

BOARD OF DIRECTORS' COMMITTEES PERFORMANCE ASSESSMENT

In supporting the effectiveness and efficiency of its duties, BRI Board of Directors may establish the committees that are under and directly responsible to the Board of Directors.

The Board of Directors considers that all Committees have carried out their duties optimally.

The assessment was carried out with the criteria of performance result in the form of contribution of each committee to the Company including reports and recommendations provided to the Board of Directors.

BRI Board of Directors establishes the committee to assist the implementation of duties and responsibilities in the Bank management. As of 31 December 2019, BRI has in place 10 committees under the Board of Directors, as follows:

1. Asset and Liability Committee (ALCO)
2. Risk Management Committee (RMC)
3. Credit Policy Committee
4. Information Technology Steering Committee
5. Human Capital Committee
6. Job Evaluation Committee
7. Product Committee
8. Goods & Services Procurement Committee
9. Capital & Investment Committee
10. Credit Committee



CORPORATE GOVERNANCE

Board of Directors

BOARD OF DIRECTORS DIVERSITY POLICY

The Board of Directors Diversity Policy is stipulated by the diversity in competency, experience as well as educational background of the Board of Directors members. The Board of Directors Diversity Policy is an important factor in developing efficient decision that enable to support the Company to achieve its purpose as well as short and long term objectives.

BRI Board of Directors Diversity Composition

Age	Gender	Faith	Educational/Study Field Background	Professional Experience	Directorship Background in banking or financial industry
The diversity of the Board of Directors' age starts from 48 to 62 years old	BRI has both male and female gender of members of the Board of Directors	Has the diversity of more than 1 religion	BRI Board of Directors' educational background encompasses the Doctorate business management, accounting, MBA, Master Management, agricultural science, dentist, master of business administration, Communication Electronic, Communication and Signal Processing, and Human Capital.	More than 20 years experience in finance and/or in the duties and responsibilities according to current positions	BRI Board of Directors has the directorships experience prior to the assignment. BRI Board of Directors has experience in banking or in duties that currently assigned.

BOARD OF DIRECTORS COMPOSITION AND CHANGES IN 2019

There were changes of the Board of Directors composition during 2019, which has been stipulated through the EGMS 3 January 2019, AGMS 15 May 2019, and EGMS 2 September 2019. These Meetings have approved, appointed and/or transfer the assignment of BRI Directors, thereby the composition are as follows:

Board of Directors Composition Period of 22 March 2018 – 3 January 2019

Name	Position	Appointment Legal Basis
Suprajarto	President Director	AGMS 15 March 2017
Kuswiyoto	Director of Corporate Banking	EGMS 12 August 2015
Supari	Director of Retail and Medium	AGMS 22 March 2018
Priyastomo	Director of Micro and Small	AGMS 23 March 2016
Handayani	Director of Consumer	EGMS 18 October 2017
Osbal Saragi Rumahorbo	Director of Network and Services	AGMS 22 March 2018
Haru Koesmahargyo	Director of Finance	AGMS 19 March 2015
Indra Utoyo	Director of Information Technology and Operations	AGMS 15 March 15 Maret 2017

Board of Directors

Board of Directors Composition Period of 22 March 2018 – 3 January 2019

Name	Position	Appointment Legal Basis
Sis Apik Wijayanto	Director of Institutional Relations	AGMS 23 March 2016
R. Sophia Aliza	Director of Human Capital	EGMS 18 October 2017
Mohammad Irfan	Director of Risk Management	AGMS 19 March 2015
Ahmad Solichin Lutfiyanto	Director of Compliance	AGMS 22 March 2018

Board of Directors Composition Period of 3 January 2019 – 2 September 2019

Name	Position	Appointment Legal Basis
Suprajarto*	President Director	AGMS 15 March 2017
Sunarso	Vice President Director	EGMS 3 January 2019
Supari	Director of Retail and Medium	AGMS 22 March 2018
Priyastomo	Director of Micro and Small	AGMS 23 March 2016
Handayani	Director of Consumer	EGMS 18 October 2017
Ahmad Solichin Lutfiyanto	Director of Compliance	AGMS 22 March 2018
Haru Koesmahargyo	Director of Finance	AGMS 19 March 2015
Indra Utoyo	Director of Information Technology and Operations	AGMS 15 March 2017
Sis Apik Wijayanto	Director of Institutional Relations	AGMS 23 March 2016
R. Sophia Aliza	Director of Human Capital	EGMS 18 October 2017
Mohammad Irfan	Director of Risk Management	AGMS 19 March 2015
Ahmad Solichin Lutfiyanto	Director of Compliance	AGMS 22 March 2018

*) Effective until 28 August 2019

Board of Directors Composition Period of 2 September 2019 – 31 December 2019

Name	Position	Appointment Legal Basis
Sunarso	President Director	Appointed as President Director at the EGMS dated 2 September 2019
Catur Budi Harto	Vice President Director	EGMS 2 September 2019
Haru Koesmahargyo	Director of Finance	AGMS 19 March 2015
Priyastomo	Director of Small, Retail & Medium Business	AGMS 23 March 2016
Indra Utoyo	Director of Digital, Information Technology & Operations	AGMS 19 March 2017
Supari	Director of Micro Business	AGMS 22 March 2018
Handayani	Director of Consumer	EGMS 18 October 2017
Herdy Rosadi Harman	Direktur Human Capital	EGMS 2 September 2019



CORPORATE GOVERNANCE

Board of Directors

Board of Directors Composition Period of 2 September 2019 – 31 December 2019

Name	Position	Appointment Legal Basis
Ahmad Solichin Lutfiyanto	Director of Network & Services	AGMS 22 March 2018
Agus Noorsantor	Director of Institutional & SOE Relations	EGMS 2 September 2019
Agus Sudiarto	Director of Risk Management	EGMS 2 September 2019
Azizatun Azhimah	Director of Compliance	EGMS 2 September 2019

BOARD OF DIRECTORS INDEPENDENCY

The BRI BOD Board Charter regulates the Independence of the Board of Directors where the Board of Directors shall prioritize the interests of the Company above personal and certain group interest as well as avoid potential conflict of interest over transactions carried out by the Bank.

In addition to the decision-making process by the Board of Directors, it must be free from any pressure or intervention from any party.

BRI ensures the independence of the Board of Directors through the Board of Directors membership that:

1. has no affiliation with the controlling shareholder or members of the Board of Directors and the Board of Commissioners; and
2. has no concurrent positions outside BRI.

DISCLOSURE OF AFFILIATES RELATIONS

1. All members of BRI Board of Directors have no affiliate relationship with other fellow members both in terms of financial, family or management.
2. All members of BRI Board of Directors have no affiliate relationship with members of the Board of Commissioners, in terms of finances, family relationships, and relationship management.
3. All members of BRI Board of Commissioners have no affiliate relationship with fellow members, in terms of finances, family relationships, and relationship management.
4. All members of BRI Board of Commissioners have no financial or family relationship with the Controlling Shareholder.
5. All members of the Committee who are independent parties have no financial or family relationship with the Controlling Shareholder, Members of the Board of Commissioners and Board of Directors of the Bank.

As of 31 December 2019, there were no members of the Board of Directors that have affiliates relationship with the controlling shareholder, or with fellow members of the Board of Directors and Board of Commissioners financially, in management and or in family relations.

Board of Directors

Pursuant to the Articles of Association, members of the Board of Directors and Board of Commissioners shall not be related by blood to the third degree, either vertically or horizontally or relationship by marriage/family relationships from matrimony, including in-laws. The following illustrates the details:

Board of Directors Relations with the Board of Commissioners and the Controlling Shareholder

Name	Financial Relations with						Family Relations with					
	BOC		BOD		Controlling Shareholder		BOC		BOD		Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
BOD MEMBERS												
Sunarso	✓		✓		✓		✓		✓		✓	
Catur Budi Harto	✓		✓		✓		✓		✓		✓	
Haru Koesmahargyo	✓		✓		✓		✓		✓		✓	
Priyastomo	✓		✓		✓		✓		✓		✓	
Indra Utoyo	✓		✓		✓		✓		✓		✓	
Handayani	✓		✓		✓		✓		✓		✓	
Supari	✓		✓		✓		✓		✓		✓	
Ahmad Solichin Lutfiyanto	✓		✓		✓		✓		✓		✓	
Herdy Rosadi Harman	✓		✓		✓		✓		✓		✓	
Agus Noorsanto	✓		✓		✓		✓		✓		✓	
Agus Sudiarto	✓		✓		✓		✓		✓		✓	
Azizatun Azhimah	✓		✓		✓		✓		✓		✓	
Suprajarto*)	✓		✓		✓		✓		✓		✓	
Mohammad Irfan*)	✓		✓		✓		✓		✓		✓	
Sis Apik Wijayanto*)	✓		✓		✓		✓		✓		✓	
R. Sophia Alizsa*)	✓		✓		✓		✓		✓		✓	
Osbal Saragi Rumahorbo*)	✓		✓		✓		✓		✓		✓	

*) Effective until 2 September 2019

DISCLOSURE OF BOARD OF DIRECTORS CONCURRENT POSITION

BRI Board of Directors has fulfilled the stipulation of concurrent position as regulated by Bank Indonesia. The Board of Directors members are prohibited from holding concurrent positions as members of the Board of Commissioners, Directors or Executive Officers of banks, companies and/or other institutions..



CORPORATE GOVERNANCE

Board of Directors

DISCLOSURE OF BOARD OF DIRECTORS SHAREHOLDINGS

The Board of Directors members shareholdings as of 31 December 2019 are as follows:

Name	Position	Shareholdings			
		31 December 2018		31 December 2019	
		Shares	%	Shares	%
DIREKSI					
Sunarso*	President Director	-	-	-	-
Catur Budi Harto**	Vice President Director	-	-	-	-
Haru Koesmahargyo	Director	528,700	0.00043	944.400	0.00077
Priyastomo	Director	528,700	0.00043	944.400	0.00077
Indra Utoyo	Director	419,500	0.00034	835.200	0.00068
Supari	Director	-	-	351.100	0.00028
Handayani	Director	106,600	0.00003	522.300	0.00042
Ahmad Solichin Lutfiyanto	Director	585.000	0.00047	928.200	0.00075
Herdy Rosadi Harman**	Director	-	-	-	-
Agus Noorsanto**	Director	-	-	46.800	0.000037
Agus Sudiarto**	Director	-	-	-	-
Azizatun Azhimah**	Director	-	-	25.100	0.000020

*) Appointed at the EGMS 3 January 2019

***) Appointed at the EGMS 2 September 2019

DISCLOSURE OF SHARES TRANSACTIONS BY THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS IN 2019

Share transactions carried out by BRI Board of Directors and Commissioners throughout 2019 has been reported to the Company within three (3) working days after the completion of transaction and further reported to the Financial Services Authority.

The share transactions carried out by the Board of Directors members throughout 2019 were reported to the OJK in accordance with OJK Regulation No.11/POJK.04/2017 on the Report of Shareholdings or any Amendment to Public Company Shareholdings.

Share option program by BRI Board of Directors and Board of Commissioners was conducted in 2018 in the framework of the Board of Directors and Board of Commissioners bonuses deferred into shares of the company (BBRI). This is a share ownership program to award bonuses deferred portion within a specified period in accordance with the requirements disbursement that has been determined. This program applies only to members of the Board of Directors and Independent Commissioners who served during the period of 2018.

Board of Directors

The program was executed on 24 June 2019 to the following members of the Board of Directors and Commissioners:

No	Name	Position	Shares Buying/Selling	
			Shares	Transaction Date
1	Suprajarto	President Director	489.000	24 June 2019
2	Priyastomo	Director	415.700	24 June 2019
3	Haru Koesmahargyo	Director	415.700	24 June 2019
4	Mohammad Irfan	Director	415.700	24 June 2019
5	R. Sophia Alizsa	Director	415.700	24 June 2019
6	Sis Apik Wijayanto	Director	415.700	24 June 2019
7	Indra Utoyo	Director	415.700	24 June 2019
8	Handayani	Director	415.700	24 June 2019
9	Supari	Director	321.800	24 June 2019
10	A.Solichin Lutfiyanto	Director	321.800	24 June 2019
11	Gatot Trihargo	Commissioner	207.800	24 June 2019
12	Osbal Saragi R.	Commissioner	321.800	24 June 2019
13	Nicolaus T.B Harjanto	Commissioner	198.000	24 June 2019
14	Hadiyanto	Commissioner	153.300	24 June 2019

CONFLICT OF INTEREST MANAGEMENT

Each member of the Company's Board of Directors with conflict of interest in the Company's transaction and/or corporate action shall declare such conflict of interest and therefore he/she is not included in the decision making process of such transaction and/or corporate action.

Any transaction with a conflict of interest shall first obtain the approval of the independent Commissioners and Independent shareholders prior to its execution.

There were no transactions or corporate actions containing conflict of interest during 2019.

ORIENTATION AND COMPETENCE DEVELOPMENT PROGRAMS

Board of Directors Orientation Programs

The new appointed Board of Directors members shall participate in the Orientation Program organized by the Corporate Secretary. The Orientation Programs can be in a form of presentations, meetings, visits to the Bank's units and review of other documents or programs with the following scope:

1. Vision, mission and strategy of the Company.
2. GCG Principles within the Company
3. Board of Directors Duties and Responsibilities
4. Introduction of the Company's organs and their duties and authorities including the Committees that assist the implementation duties of the Board of Directors and Board of Commissioners.



CORPORATE GOVERNANCE

Board of Directors

In 2019 the orientation program has been conducted on first week for new appointed Board of Directors members namely:

- Catur Budi Harto, Vice President Director
- Herdy Rosadi Harman, Director of Human Capital
- Agus Noorsanto, Director of Institutional and SOE Relations
- Agus Sudiarto, Director of Risk Management
- Azizatul Azhimah, Director of Compliance

Board of Directors Competency Development Program

The competency development and trainings aims to improve the competency and skill of each member of the Board of Directors in carrying out their duties. The program implementation during 2019 can be found on Profile Chapter.

Risk Management Certification

The risk management certification participated by the Board of Directors members throughout 2019 can be found on Profile Chapter.

MONITORING AND EVALUATION STRATEGY

The Board of Directors and the Board of Commissioners jointly carry out monitoring and evaluation of the 2019 strategy contained in the Bank's Business Plan, the Company's Work Plan and Budget as well as the Partnership and Community Development and Work Program and Budget Plan (PKBL).

The monitoring and evaluation of the 2019 strategy was implemented in:

- The Directors and Board of Commissioners perform their duties according to the corporate governance structure, namely the executive and supervisory functions including the monitoring and evaluation of the Bank's strategy. In this case both the Bank's strategy of Budget & Work Plan (annual), Bank Business Plan (3 years) and Corporate Plan (Long Term).

- Monitoring and evaluation are carried out in the semi-annual period, the evaluation carried out by the Board of Directors and then later requested the opinion and the decision together with the Board of Commissioners. It has been held regularly and subsequently, and if the event of revisions, it will be requested in accordance with the applicable regulatory.

BOARD OF DIRECTORS SUCCESSION PLAN

The Board of Directors succession is carried out based on the corporate plan goals. The implementation considers the various aspects of the fields such as work experience and leadership. The principle of this succession referred to the principles of GCG thereby to ensure business continuity and corporate plan goals.

BRI has in place the talent pool candidate policy to select potential employees for the assignment of leadership position in the Company and or other SOEs. Moreover, the Bank periodically evaluates its executives position and or its sub-ordinates for the possibility of continuing the assignment thereby the leadership and characters remain fit and appropriate with the required capacity.

The selected candidates are further being proposed to the Nomination and Remuneration Committee to take subsequent nomination procedures based on POJK No. 33/POJK.04/2014 and SOE Minister Regulation No. PER-03/MBU/02/2015 on the Requirements, Appointment and Termination Procedures of Members of the Board of Directors of State-Owned Enterprises.

GCG ASSESSMENT 2019 FOR THE BOARD OF COMMISSIONERS & DIRECTORS

BOARD OF COMMISSIONERS PERFORMANCE ASSESSMENT IN 2019

The Board of Commissioners performance assessment in 2019 can be found on sub chapter of the Board of Commissioners.

BOARD OF DIRECTORS PERFORMANCE ASSESSMENT IN 2019

The Board of Directors performance assessment is carried out based on the BOD KPI that has been set forth at the beginning of current year.

Assessors

The Board of Directors performance assessment in 2019 is carried out by the Nomination and Remuneration Committee and the Board of Commissioners quarterly through the evaluation of KPI achievements.

The Board of Commissioners then develop the Oversight Report for the submission to:

- a. SOE Ministry and OJK periodically in each semester of the current fiscal year.
- b. The General Meeting of Shareholders as part of the Board of Commissioners Supervisory Report as the basis for the GMS in determining the amount of remuneration of the Board of Commissioners and the Board of Directors in the following fiscal year.

Directors Assessment Indicators

The Board of Directors performance assessment is carried out by referring to BOD KPI which then grouped into performance aspect as follows:

- Finance: Focusing on increasing revenues and minimize costs.

- Customer: Focusing on increasing the Customer perception towards "value proposition" of the Company. The Customer includes internal and external customers, including regulators.
- Innovation: Focusing on enhancing the product/ service innovation, customer value, and business process effectiveness.
- Employee: Focusing on enhancing organizational development, capability and employee engagement.

Assessment Mechanisms

BRI Board of Directors receives a set of targets through the Management Contract from the RI SOE Ministry, with the following aspects:

1. Financial & Market
2. Customer Focus
3. Product & Process Effectiveness
4. Manpower Focus
5. Leadership, Governance, & Social Responsibility
6. Agent of Development

These aspects have a Key Performance Indicator (KPI) as well as the weight on the KPI.

Assessment Results in 2019

The Board of Directors' performance assessment is carried out by the management contract and the results is collective and collegial reflecting the performance of each member including the President Director. The Board of Directors' performance assessment method is a self-assessment on the performance achievement based on aspects of the management contract in 2019.



CORPORATE GOVERNANCE

GCG Assessment 2019 for the Board of Commissioners & Directors

Management Contract 2019

Aspects	KPI	Weight	Measurement
Financial & Market	1 Earnings After Tax (EAT)	5.4%	Higher than previous year
	2 Market Cap Growth	5.4%	Outpaced the banking industri (JAKFIN)
	3 NPL Ratio	5.4%	Outpaced the banking industri
	4 Cost to Income Ratio	5.4%	Improved from previous year
Customer Focus	5 Results of Customer Satisfaction Survey by the Independent Surveyor	9.90%	Improved from previous year
	6 Implementation on PAB approved by the OJK	9.90%	Minimum 80%
Product & Process Effectiveness	7 Improved banking products and services that have been digitized (example: from the teller into e-channel)	6.30%	Improved from previous year
	8 Branchless Banking Agent Growth	6.30%	Improved from previous year
	9 Online subrogation system development for KUR	5.40%	The online subrogation for KUR has been implemented in all branches
Manpower Focus	10 Employee Productivity	8.10%	Improved than previous year
	11 Employee Engagement Survey	7.20%	Improved than previous year
Leadership, Governance, & Social Responsibility	12 KPKU Scores	5.40%	Improved than previous year scores
	13 Realization of Partnership and Community Development Program Disbursement	4.50%	100% realization from Budget & Work Plan estimation
	14 Corporate Governance Perception Index	5.40%	Improved from previous year
Agent of Development	15 ICT Himbara Synergy	1.20%	Achievement met the set schedules
	16 Implementation of ATM, EDC Merah Putih (capex efficiency)	1.10%	Met the SOE Ministry targets
	17 Fee based income growth	1.10%	Higher than previous year
	18 Subsidiaries' profit growth	1.10%	Higher than previous year
	19 Increase number of Creative House	1.10%	Met the Government targets
	20 Increase number of BUMDES	1.10%	Higher than previous year
	21 Bank Himbara financing to infrastructure sectors	1.10%	Increased from previous year
	22 Realization of KUR Disbursement	1.10%	Met the Government targets
	23 Realization of Bansos and Kartu Tani Disbursement	1.10%	Met the Government targets
Total		100.00%	

REMUNERATION POLICY OF THE BOARD OF COMMISSIONERS AND DIRECTORS

BRI has a remuneration management policy that has been regulated in accordance with the POJK No: 45/POJK.03/2015 dated 23 December 2015. BRI's remuneration management policy is stipulated in a Joint Decree of the Board of Commissioners and Board of Directors No.09-KOM/BRI/11/2017 and Nokep: S.1023DIR/KPS/11/2017 dated 30 November 2017 concerning BRI Remuneration Governance Policy.

Remuneration policy development process includes:

- a. Background and objectives of remuneration policy. In order to maintain and retain employees, it is necessary to regulate the Remuneration policy that can maintain and enhance the motivation of employees and encourage the creation of a favorable working climate. The Company prepares a Remuneration policy aiming at attracting potential employees, maintaining competent employees and maintaining employees' motivation to excel.
- b. Evaluation of remuneration policy of the previous year and its improvement. The Bank prepares a Remuneration policy based on practices in the labor market in the banking sector and is constantly reviewing and updating in accordance with changes and business developments with due regard to the Bank's capabilities.
- c. Remuneration independence for employees in the control unit. Employees' remuneration is developed based on the employee's position through job evaluation results. Hence, the remuneration received by the employees in the control unit is not related to the supervised unit.

Scope of remuneration and implementation policies per business unit, per region, and at subsidiaries or overseas branch offices.

To align with different levels of trans regional overhead, the Bank provides assistance with the high cost adjustment through Premium Allowance. If necessary the Bank conducts regular review of Premium Allowance

in accordance with the expenditure level in each region and the Bank's ability. The Subsidiaries have separate and developed its owned Remuneration Policy.

Risk associated remuneration includes:

The remuneration is associated with risk and is based on the consideration of employee's Person Grade and/ or Job Grade in a wage structure that describes the Employees Remuneration from the lowest to the highest positions. On all positions, a specified wage range is created that represents the minimum wage, midpoint wage (mid-value), and up to the maximum wage. The amount of remuneration received by the employee is considered equal to the burden and potential risk attached to the position. The higher the position, the higher the employees' duties and responsibilities in making decisions that have a significant impact on the Bank's risk profile/exposure.

As such, the Bank has established the parties as the Material Risk Takers (MRT), based on certain considerations in accordance with the potential risks arising from a position. For those designated as MRT, the Bank shall suspend variable Remuneration payments partially.

Performance measurement related with remuneration includes:

- a. Remuneration policy toward performance assessment.
To encourage Employees to excel, the Bank has a variable compensation program provided to Employees who achieve and exceed the performance targets. The Employees with high achievement will obtain high variable compensation as well. Conversely, the Employees who underachieved will obtain low variable compensation, or do not obtain any variable compensation at all.



CORPORATE GOVERNANCE

Remuneration Policy of the Board of Commissioners and Directors

- b. Individual remuneration methods with the bank's performance, unit's performance, and individual's performance.
For Employees' variable compensation, the amount of compensation value received by the Employees depends on the performance of the Bank, the unit's performance, and the individual's performance in which each component has a target achievement indicator, weight, and independent multiplier factor.
- c. Remuneration adjustment methods toward underachieved performance.
At the beginning of the year, the Bank has established requirements to be met by Employees to obtain variable compensation, one of which is performance achievement. For Employees who do not meet the stipulated requirements, they will not receive any variable compensation.

Remuneration adjustment related to performance and risk which includes:

- a. Remuneration policy on the amount and criteria with suspended variable. Pursuant to Joint Decree of the Board of Directors and Board of Commissioners No. 09-KOM/ BRI/11/2017 dan S.1023-DIR/KPS/11/2017 dated 30 November 2017 on the Remuneration Governance of PT Bank rakyat Indonesia (Persero) Tbk, various matters are stipulated:
 - i. For parties designated as MRT, some variable remuneration will be suspended.
 - ii. The highest amount of suspension for the Board of Directors and Board of Commissioners is 20% of *tantiem*.
- b. Remuneration policy on deferred variable which is delayed or cancelled. The Bank may defer payment of Remuneration, which is suspended variable to MRT that proven to perform Individual Fraud.

REMUNERATION DETERMINATION PROCEDURES FOR THE BOARD OF COMMISSIONERS & DIRECTORS

Pursuant to Clause 113 of Law No. 40 of 2007 on the Limited Liability Companies, the GMS set the compensation and benefits for Board of Commissioners. Furthermore, based on Clause 96 of the Law, the GMS determine the salaries and allowances of members of the Board of Directors and such GMS authority may be delegated to the Board of Commissioners.

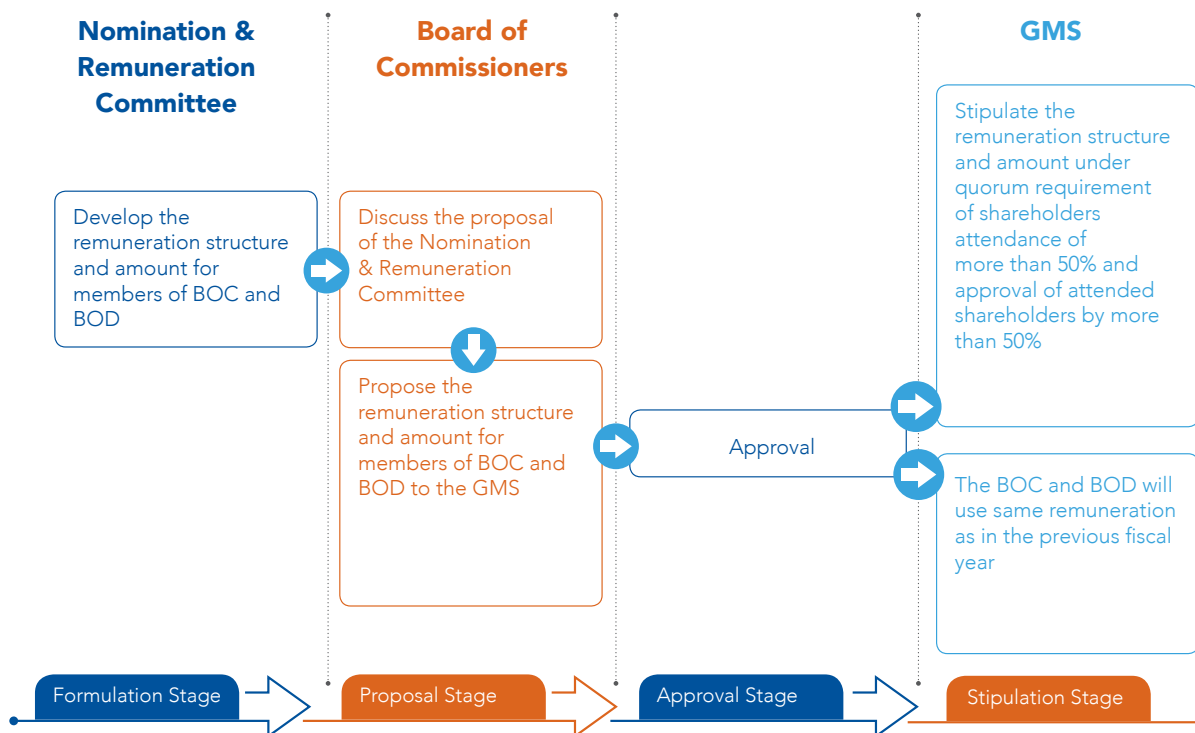
Pursuant to the SOE Minister Regulation PER-01/MBU/06/2017 on the Second Amendment to the SOE Minister Regulation PER-04/MBU/2014 on the Guidelines of Income Determination for Directors, Commissioners and Supervisory Board of State Owned Enterprises, the component of Commissioners income consists of: honorarium, allowances, facilities and bonuses.

Based on POJK No. 45/POJK.03/2015 dated 23 December 2015 on the Governance Practices in Providing Remuneration for Commercial Banks, the Nomination and Remuneration Committee shall evaluate the remuneration policy founded upon the Bank's performance, risks, fairness to peer group, objectives, and long term strategies, allowance fulfillment as stipulated in the laws and the Bank's potential income in the future as well as submit the evaluation results and recommendations to the Board of Commissioners.

Guided by the above, by taking into account the recommendation of the Nomination and Remuneration Committee, the Board of Commissioners in each AGMS proposes the determination of salary/honorarium, benefits and facilities as well as bonuses for members of the Board of Commissioners and Board of Directors to the GMS. The Nomination and Remuneration Committee provides recommendations after an evaluation by considering the Company's performance, business size, and the survey results on remuneration in the banking industry.

Remuneration Policy of the Board of Commissioners and Directors

Remuneration Determination Procedures for the Board of Commissioners & Directors



Procedure Stages	Activities
Formulation	Nomination and Remuneration Committee The Nomination and Remuneration Committee evaluates the remuneration structure and amount of the Board of Commissioners and Board of Directors by taking into account the Bank's long-term performance, risks, fairness with peer group, objectives, and strategies, the allowance fulfillment as stipulated in the laws, and the Bank's potential income in the future. Based on the evaluation results, the Nomination and Remuneration Committee recommended the Remuneration structure and amount in the Board of Commissioners' meeting.
Proposal	Board of Commissioners The Board of Commissioners submits proposals on the determination of honorarium, allowances and facilities and bonuses for members of the Board of Commissioners and Directors to the General Meeting of Shareholders.
Stipulation	General Meeting of Shareholders (GMS) The GMS may approve and determine the remuneration structure and amount with the quorum requirement of more than 50% shareholder attendance and approval by more than 50% of the attended shareholders. In the event that the GMS does not approve the proposal, the Board of Commissioners and Directors will use the same remuneration structure and amount as in the previous fiscal year.



CORPORATE GOVERNANCE

Remuneration Policy of the Board of Commissioners and Directors

DISCLOSURE OF REMUNERATION GOVERNANCE POLICY

The remuneration adjustments are associated with performance and risk.

Remuneration policy on deferred variable and criteria.

Based on the Joint Decree of the Board of Directors and Board of Commissioners No. 09-KOM/BRI/11/2017 and S.1023-DIR/KPS/11/2017 dated 30 November 2017, the following matters have been stipulated:

- For parties designated as MRT, part of the variable remuneration will be suspended.
- The amount of suspension for Board of Directors and Board of Commissioners is 10% of Tantiem.

Remuneration policy for deferred variables whose payments are delayed or canceled (Malus).

The Company can postpone deferred variable remuneration payments (malus) to the MRT if conditions occur in the form of:

- Proven the existence of Individual Fraud.
- Restatement of the company's financial statements as the basis for determining variable remuneration.
- The risk rating in the last quarter before the time of the Remuneration payment is deferred variable is 4 (Moderate to High) or worse.

Name of external consultant and duties related to the remuneration policy

One of the principles of the Bank's remuneration is externally competitive, in which the Remuneration provided is at a competitive level to the banking industry. As such, the Bank cooperates with Willis Towers Watson in charge of benchmarking and/or conducting Salary Survey, in accordance with the Bank's request regarding remuneration policy.

Remuneration package and facilities received by the Board of Directors and Board of Commissioners including remuneration structure and total amount.

Can be found on Sub Chapter of the Board of Directors and Board of Commissioners Remuneration Structure.

Remuneration packages grouped into income levels received by the Board of Directors and Board of Commissioners within 1 year.

Can be found on Sub Chapter of the Board of Directors and Board of Commissioners Remuneration Structure.

Variable remuneration includes:

- a. The schemes and reasons for the selection of variable remuneration. The compensation to Employees is provided within the framework of a fair, competitive system, and in line with the Bank's needs and capabilities. The compensation is divided into 2 (two), i.e.:
 1. Fixed compensation, consisting of Basic Salary and Allowances; and
 2. Variable compensation granted to Employees based on the performance achievement, as follows:
 - i. Performance Allowances.
Performance Allowance is a compensation variable stipulated by the Bank at the beginning of the year. Performance Allowances aims to encourage Employees' motivation, to directly reward in achieving and exceeding individual targets, unit target, and bank targets.
 - ii. Bonus.
Bonus is a variable compensation not promised by the Bank. Bonus is granted to Employees to give appreciation on the achievement of the Bank's performance.
- b. Reasons for differences in variable remuneration (Board of Directors, Board of Commissioners, and Employees).

Remuneration Policy of the Board of Commissioners and Directors

- c. The Company provides greater variable compensation for Marketing Officers. This is due to the following matters:
- Marketing Officers is a profit maker.
 - To encourage Marketing Officers to exceed the target set.
 - Appreciation to Marketing Officers.

The differences in variable compensation are based on consideration of performance achievement and competence, including the achievement of unit performance and bank's performance.

The Board of Directors, Board of Commissioners, and Employees received variable remuneration (deferred) for 1 (one) year on tantiem fiscal year 2018:

No	Name	BOD and BOC	Variable Remuneration (deferred)*
1	Suprajarto	President Director	Shares
2	Mohammad Irfan	Director	Shares
3	Haru Koesmahargyo	Director	Shares
4	Kuswiyoto	Director	Shares
5	Sis Apik Wijayanto	Director	Shares
6	Priyastomo	Director	Shares
7	Indra Utoyo	Director	Shares
8	R Sophia Alizsa	Director	Shares
9	Handayani	Director	Shares
10	Osbal Saragi Rumahorbo	Director	Shares
11	Supari	Director	Shares
12	Ahmad Solichin Lutfiyanto	Director	Shares
13	Donsuwan Simatupang	Director	Shares
14	Susy Liestyowati	Director	Shares
15	Andrinof A Chaniago	President Commissioner/Independent	Cash
16	Gatot Trihargo	Vice President Commissioner	Shares
17	Nicolaus Teguh Budi Harjanto	Commissioner	Shares
18	Hadiyanto	Commissioner	Shares
19	Jeffry J Wurangian	Commissioner	Shares
20	V Sonny Loho	Commissioner	Shares
21	Rofikoh Rokhim	Independent Commissioner	Cash
22	A. Fuad Rahmany	Independent Commissioner	Cash
23	Mahmud	Independent Commissioner	Cash
24	A. Sonny Keraf	Independent Commissioner	Cash
25	Tri Wintarto	SEVP BRI (executive 1 level under the BOD)	Cash
26	Gunawan Sulisty	SEVP BRI (executive 1 level under the BOD)	Cash

*) Remuneration deferred by a certain percentage for the achievement of the fiscal year 2018 performance



CORPORATE GOVERNANCE

Remuneration Policy of the Board of Commissioners and Directors

Remarks	Total	Total Nominal (Rp)
BOD	14 personnel	21,399 million
BOC	10 personnel	7,650 million
Employees	91,620 personnel	5.5 trillion

Position and total parties of Material Risk Taker set as MRT

- Board of Directors
- Board of Commissioners
- Senior Executive Vice President (SEVP)

Share Option Owned by the Board of Directors, Commissioners and Executives

- Share Option Policy
Data can be found on sub chapter Share Option
- Total Shares of Directors, Commissioners, Executives prior to Share Option.
Can be found on sub chapter of Shareholdings of the Board of Directors and Board of Commissioners.
- Total designated Share Option. The Share Option quantity considers aspects of the Bank's performance, units, and individuals, and taking into account the stock options that have been allocated for share option policies.
- Total executed share option until the end of 2019. In 2019, there were no share option execution.
- Price of Granted Option
Data can be found on sub chapter Share Option
- Share Option Timeline
Data can be found on sub chapter Share Option

Highest and Lowest Salary Ratio

Salary Ratio	2017	2018	2019
Highest and Lowest Employee Salary	37.93	36.04	31.24
Highest and Lowest Board of Directors Salary	1.11	1.18	1.16
Highest and Lowest Board of Commissioners Salary	1.11	1.11	1.14
Highest Board of Directors Salary and Highest Employee Salary	2.10	2.56	2.60

Total recipients and total variable remuneration granted without conditions by the Bank to candidate of the Board of Directors, candidate of the Board of Commissioners, and/or candidate of employees during the first year of employment. There is no variable compensation guaranteed without condition.

Total employees granted termination and total severance paid.
There were no employees granted termination and no total severance paid.

Total deferred variable remuneration consisted of cash and/or shares or shares instruments issued by the Bank.

Remuneration Policy of the Board of Commissioners and Directors

MRT Parties	Deferred Variable Remuneration (fiscal year 2018)	
	Cash (Gross)	Shares (rupiah equivalent)
Board of Directors	-	Rp21,399 million
Board of Commissioners	Rp6,229 million	Rp3,289 million
SEVPs	Rp2,139 million	13,500 share

Detailed of total remuneration granted in one year.

- a. Fixed or Variable Remuneration.

Description	Total
Fixed compensation	Rp10,803,769 million
Variable compensation	Rp5,425,741 million

- b. Cash and/or shares types of remuneration or shares-based instruments issued by the Company.
- Monthly Salary
 - Religious Holidays Allowances
 - Leave Allowances
 - Performance Allowances
 - Bonus/Tantiem

Quantitative information on:

- a. Total deferred remuneration, either under implicit or explicit adjustment.
Not yet implemented during current year.
- b. Total remuneration reduction due to explicit adjustment in 2019.
Not yet implemented during current year.
- c. Total remuneration reduction due to implicit adjustment in 2019.
Not yet implemented during current year.

BOARD OF COMMISSIONERS REMUNERATION STRUCTURE

The remuneration structure of the Board of Commissioners members include the following:

1. Honorarium and Tantiem
The Honorarium and Tantiem for President Commissioner is stipulated at 50% of the President Director salary, while the Honorarium and Tantiem for Vice President Commissioner and members of the Board of Commissioners is set at respectively 95% and 90% from the Honorarium of President Commissioner.



CORPORATE GOVERNANCE

Remuneration Policy of the Board of Commissioners and Directors

2. Benefits

The Board of Commissioners receives the following benefits:

No	Types	Description
1.	Religious Holidays Allowance (THR)	<ol style="list-style-type: none"> The Religious Allowance is granted since the General Meeting of Shareholders appointed the member. The maximum amount of Religious Allowance is 1 (one) time monthly honorarium and paid-in full
2.	Transportation Allowance	<ol style="list-style-type: none"> Transportation allowance is given each month at 20% of monthly honorarium of each member of the Board of Commissioners. In the event that the Commissioner has been granted a vehicle facility by way of rental as stipulated in the previous decree, then it is regulated as follows: <ol style="list-style-type: none"> The provisions of vehicle facilities shall be guided by prior decisions until their lease term expires, and subsequently follow the provisions of point a above. For the Commissioner who resign from his/her position, and the rental period of the vehicle has not expired yet, they will be given the opportunity to buy a vehicle for the remaining unpaid lease, with the purchase price of the vehicle to be negotiated with the vendor. The Commissioner is given a transitional period of 30 (thirty) days to use the vehicle.
3.	Post-Tenure Insurance	<ol style="list-style-type: none"> Registered to Post-Tenure Insurance Program. Maximum premium is 25% (twenty-five percent) of honorarium per year.
4.	Club Membership Allowance	2 (two) professional Club memberships
5.	Corporate Attire	2 (two) corporate suits and 1 (one) batik shirt each ye.

3. Facilities

The Board of Commissioners receives the following facilities:

No	Types	Description
1.	Healthcare	<ol style="list-style-type: none"> Medical and treatment expenses for members of the Board of Commissioner and their family are fully reimbursed by the Company. Covered family members are husband/wife and maximum of 3 (three) children who are not married and working and below 25 (twenty-five) years old Health facilities provided are: <ol style="list-style-type: none"> outpatient and medication; inpatient and medication; 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: <ol style="list-style-type: none"> Reimbursement for frames maximum of Rp15 million in 2 years. Lens replacement once a year. Medical check-up is provided with below conditions: <ol style="list-style-type: none"> Medical check-up is provided once a year. Medical check-up is conducted domestically. In the event that the doctor provides 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 Bank provides 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 the prevailing Minister of SOEs Regulations.

Remuneration Policy of the Board of Commissioners and Directors

4. Other Facilities

The Board of Commissioners receives the following other facilities:

No	Types	Description
1.	Other Facilities	Members of the Board of Commissioners may be provided with other facilities for the execution of operational duties, such as official travel, laptop/iPad, and driver, pursuant to the Bank's internal rules stipulated in a decision of the Board of Directors.

Remuneration Amount and Facilities for Members of the Board of Commissioners in 2019

The Remuneration Structure and Amount and Facilities for BRI Board of Commissioners for fiscal year 2019

No	Name	Honorarium (Rp)	THRK (Rp)	Tantiem Fiscal Year 2018 (Rp)	Transportation Allowance (Rp)	Post Tenure Insurance Premium (Rp)	Corporate Attires (Rp)
BRI BOARD OF COMMISSIONERS							
1	Andrinof A Chaniago	√	√	√	√	√	√
2	Wahyu Kuncoro ⁶⁾	√	√	-	√	√	-
3	A. Fuad Rahmany	√	√	√	√	√	√
4	A. Sonny Keraf	√	√	√	√	√	√
5	Nicolaus T.b Harjanto	√	√	√	√	√	√
6	Rofikoh Rokhim	√	√	√	√	√	√
7	Hadiyanto	√	√	√	√	√	√
8	Hendrikus Ivo ²⁾	√	√	-	√	√	-
9	RR.Loeke Larasati Agoestina ¹⁾	√	-	-	√	√	-
10	Gatot Trihargo ³⁾	√	-	√	√	-	-
11	Mahmud ³⁾	√	-	√	√	√	-
12	Jeffry J. Wurangian ⁴⁾	-	-	√	-	-	-
13	Vincentius Sonny Loho ⁵⁾	-	-	√	-	-	-
Total		14,758,612,000	1,199,715,000	109,287,930,015	2,951,722,400	4,814,141,802	178,526,800

Remarks :

¹⁾ Appointed by EGMS on 2 September 2019

²⁾ Appointed by AGMS on 15 May 2019

³⁾ End services by AGMS on 15 May 2019

⁴⁾ Ratification of end services by EGMS on 3 January 2019

⁵⁾ End services by AGMS on 22 March 2018

⁶⁾ Appointed by AGMS on 15 May 2019 and effective until 18 November 2019 as Vice President Commissioner



CORPORATE GOVERNANCE

Remuneration Policy of the Board of Commissioners and Directors

BRI Board of Commissioners

Remuneration Types and Other Facilities	Total received in 1 year (2019)	
	Personnel	Million
Remuneration:		
Salary**	11	14,758
Regular Benefits***	11	4,328
Tantiem*	10	109,287
Natura Facilities:		
Transportation	11	2,951
Post Tenure Insurance	10	4,814
Remuneration Type per Person in one year	Personnel	Million
Above Rp 2 Billion	0	-
Above 1 Billion to 2 Billion**	7	11,891
Above Rp 500 million to 1 Billion	4	2,868
Below Rp 500 million	-	-

*) Including the Board of Commissioners serving at the period of 2018 but no longer served after the AGMS 22 March 2018

**) Including the Board of Commissioners terminated by the AGMS 15 May 2019

***) Benefits consist of Religious Allowance, Transportation and Corporate Attires

BOARD OF DIRECTORS REMUNERATION STRUCTURE

The Board of Directors remuneration structure refers to the Board of Commissioners Decree R.42-KOM/06/2018 dated 6 June 2018 and Approval of Series A Dwiwarna Shareholders as follows:

- Honorarium and Tantiem. The amount of Salary and Tantiem of Directors are set proportionally against the salary and tantiem of the President Director, namely 95% for Vice President Director and 90% for Directors members.
- Benefits

Types	Amount per Director	Remarks
Religious Holidays Allowance	Allowances At maximum one (1) time salary per month, pay in full.	Given since the appointment by GMS.
Housing Allowances	Rp27.5 million/month including utilization cost.	Is not given to Directors members that occupy the official residence.
Post Tenure Insurance	Maximum premium of 25% (twenty five percent) of annual salary.	Included since declared effective from fit and proper test by OJK.

Remuneration Policy of the Board of Commissioners and Directors

Types	Amount per Director	Remarks
Club Membership		President Director/Vice President Director: 2 (two) Golf Club memberships. 2 (two) Financial Club memberships. 1 (one) Fitness Club membership (family club) 2 (two) Profession Club memberships Director: 1 (one) Golf membership. 1 (one) Fitness Club membership (family club). 2 (two) Profession Club memberships.
Corporate Attires		2 (two) corporate suits and 1 (one) batik per year.
Communication	Reimbursed as per cost	Two (2) cellphones that can be replaced per year.

3. Facilities

Types	Description
Healthcare	a. Medical and treatment expenses for members of the Directors and their family are fully reimbursed by the Company. b. Covered family members are husband/wife and maximum of 3 (three) children who are not married and working and below 25 (twenty-five) years old c. Facilities provided are: - outpatient and medication; - inpatient and medication; - Medical check up. d. 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: - Reimbursement for frames maximum of Rp15 million in 2 (years). - Lens replacement once a year. e. Medical check-up is provided with below conditions: - Medical check-up is provided once a year. - Medical check-up is conducted domestically. f. In the event that the doctor gives a reference to have overseas treatment, health facility is given entirely. This facility includes transportation and accommodation for the patient and one companion.
Legal Assistance	The Bank provides 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 the prevailing Minister of SOEs Regulations



CORPORATE GOVERNANCE

Remuneration Policy of the Board of Commissioners and Directors

Remuneration Amount and Facilities for Directors in 2019

The Remuneration Structure and Amount and Facilities for BRI Directors fiscal year 2019

No	Name	Salary (Rp)	THRK (Rp)	Tantiem Fiscal Year 2018 (Rp)	Housing Allowance (Rp)	Transportation Allowance (Rp)	Post Tenure Insurance Premium (Rp)	Corporate Attires (Rp)	Comm Allowance (Rp)
BRI BOARD OF DIRECTORS									
1	Sunarso ¹⁾	√	√	-	√	√	√	√	√
2	Catur Budi Harto ²⁾	√	-	-	√	√	√	-	√
3	Haru Koesmahargyo	√	√	√	√	√	√	√	√
4	Priyastomo	√	√	√	√	√	√	√	√
5	Indra Utoyo	√	√	√	√	√	√	√	√
6	Handayani	√	√	√	√	√	√	√	√
7	Supari	√	√	√	√	√	√	√	√
8	Ahmad Solichin Lutfiyanto	√	√	√	√	√	√	√	-
9	Herdy Rosadi Harman ²⁾	√	-	-	√	√	√	-	√
10	Agus Noorsanto ²⁾	√	-	-	√	√	√	√	√
11	Agus Sudiarto ²⁾	√	-	-	√	√	√	√	√
12	Azizatun Azhimah ²⁾	√	-	-	√	√	√	√	√
13	Suprajarto ⁴⁾	√	√	√	√	√	√	-	√
14	Mohammad Irfan ³⁾	√	√	√	√	√	√	-	√
15	Sis Apik Wijayanto ³⁾	√	√	√	√	√	√	√	√
16	R. Sophia Alizsa ³⁾	√	√	√	√	√	√	√	√
17	Osbal Saragi Rumahorbo ³⁾	√	-	√	√	√	√	-	√
18	Kuswiyoto ⁵⁾	√	-	√	-	-	-	-	-
19	Donsuwan Simatupang ⁶⁾	-	-	√	-	-	-	-	-
20	Susy Liestiwaty ⁶⁾	-	-	√	-	-	-	-	-
Total		45,679,061,289	3,521,100,000	305,712,069,985	3,738,225,806	1,074,030,000	19,310,256,213	545,881,800	675,243,900

Remarks :

¹⁾ Appointed on 3 January 2019 and reassigned as President Director at the EGMS 2 September 2019

²⁾ Appointed by the EGMS 2 September 2019

³⁾ End services by the EGMS 2 September 2019

⁴⁾ End services by the EGMS 29 August 2019

⁵⁾ End services by the EGMS 3 January 2019

⁶⁾ End services by the AGMS 22 March 2018

Remuneration Policy of the Board of Commissioners and Directors

BRI Board of Directors

Remuneration Types and Other Facilities	Total received in 1 year (2019)	
	Personnel	Million (Rp)
Remuneration:		
Salary**	18	45,679
Regular Benefits***	17	8,879
Tantiem*	14	305,712
Natura Facility:		
Transportation	17	1.074
Post Tenure Insurance	17	19.310
Remuneration Type per Person in one year	Personnel	Million
Above Rp 2 Billion	15	39,368
Above 1 Billion to 2 Billion**	5	4,913
Above Rp 500 million s/d 1 Billion	-	-
Below Rp 500 million	-	-

*) Including the Board of Directors serving at the period of 2018 but no longer served after the EGMS 3 January 2019, EGMS 2 September 2019

***) Including the Board of Directors terminated by the EGMS 3 January 2019, EGMS 2 September 2019

***) Benefits consist of Religious Allowance, Transportation and Corporate Attires



CORPORATE GOVERNANCE

BOARD OF COMMISSIONERS AND DIRECTORS MEETINGS

BOARD OF COMMISSIONERS MEETINGS

Meeting Policy & Implementation in 2019

The Board of Commissioners meeting is divided into the Board joint meeting with the Board of Directors, Board of Commissioners internal meetings and the Board meetings with its Committees. The Board joint meeting with the Boards of Directors takes place regularly. The initiative to convene the Board joint meeting may come from the Board of Commissioners and or the Board of Directors. Through this joint meeting, a unified view and alignment of actions are obtained between the Board of Commissioners as the organ in charge of oversight and advisory, with the Board of Directors as the executor of the Company's daily operations.

Meeting Ethics

1. Meetings of the Board of Commissioners shall be held periodically at least once a month.
2. The joint meeting with Directors shall be held periodically at least once in four months; the meetings may be held at any time at the request of one or more Commissioners or at the request of the Directors, stating the matters to be discussed.
3. The President Commissioner shall make the meeting invitation. If the President Commissioner cannot attend or absent, then the meetings invitation can be done by a member of the Board of Commissioners.
4. The meeting invitation by the Board of Commissioners with Directors shall be done in writing and directly delivered to each member of the Board of Commissioners with adequate receipt, or electronic mail (e-mail) no later than five days prior to the meeting, excluding the invitation date and the meeting date, or within a shorter period in the event of urgency.
5. The Board of Commissioners meeting invitation shall be in writing, and delivered physically or through electronic media.
6. The meeting invitations as stated above are not required for meetings that have been scheduled by the decision in the meeting held previously.

7. The meeting guidelines is set as follows:
 - a. In the event that the Board of Commissioners meeting invites the Board of Directors/Director, the Board of Commissioners Secretary can coordinate with the Company's Secretariat Division.
 - b. Meeting shall be convened in the Company's domicile or other location within the areas of the Republic of Indonesia or in the Company's business activities.
 - c. The meeting agenda and schedules shall become the responsibility of the Board of Commissioners Secretary by taking into account the input from the Board of Commissioners.
 - d. The Board of Commissioners Secretary is responsible to assist, arrange and prepare the meetings and submit the meeting agenda and discussion materials.
 - e. The meeting material for the Board of Commissioners meeting that invites the Board of Directors/Director shall at least submitted at the latest three working days prior to the meetings, thereby the Board of Commissioners has sufficient time to review the information and/or request additional information prior to the meetings.
8. The meeting is legitimate and has the right to take binding decision if attended or represented by more than half of total member of the Board of Commissioners.

Decision Making

1. The decisions of the Board of Commissioners Meeting shall be based on deliberation to reach a consensus. If a decision based on deliberation to reach consensus is not reached, then the decision shall be taken by voting based on agreed votes of more than one-half of the total legitimate votes taken at the meeting.
2. The meeting chairman shall inform the conclusion and decision at the end of every meeting.

Board of Commissioners and Board of Directors Meetings

3. All meeting decisions are binding for all members of the Board of Commissioners.
4. A member of the Board of Commissioners can have a proxy in the meeting by other member of the Board of Commissioners with written attorney specifically provided for such matter and a member of the Board of Commissioners can only represent one other member of the Board. In this proxy, the absence members of the Board of Commissioners can submit his/her opinions on the concurrence of the meeting discussions and this opinions will be legitimately valid.
5. In the event that member of the Board of Commissioners and/or Directors cannot attend the meeting physically, then member of the Board of Commissioners and/or Directors shall attend the meeting via teleconference, video conference, or other electronic media according to applicable rules.
2. The Board of Commissioners may also take a valid decision without holding the Board of Commissioners Meeting provided that all members of the Board of Commissioners have been notified in writing and all members of the Board of Commissioners gave their written approval and sign the agreement. the decisions taken have the same validity as decisions taken legitimately at the Board of Commissioners Meetings.
3. All Board of Commissioners Meetings are chaired by the President Commissioner, and in the event that the President Commissioner is absent or unable to attend, in a matter that does not need to be proven to a third party, the Board of Commissioners Meeting is chaired by the Vice President Commissioner. In the event that the Vice President Commissioner is absent or unable to attend due to any reason, in a matter that does not need to be proven to a third party, the Board of Commissioners meeting shall be chaired by a member of the Board of Commissioners present and elected at the meeting.

Voting Rights

1. Voting rights in the meeting is stipulated as follows:
 - a. Every Member of the Board of Commissioners has the right to cast one vote and one additional vote for a legitimate proxy at the meeting;
 - b. The abstain voting considered as affirmative vote in the meeting. Invalid votes are considered non-existent and are not counted to determine the number of votes cast in the meeting;
 - c. Voting on persons is conducted with closed ballots without signature, whereas voting on other matters is carried out verbally, unless the chairman determines otherwise without objection based on the majority of votes present;
 - d. Every Member of the Board of Commissioners who personally, in any way, directly or indirectly, has an interest in a proposed transaction, contract or proposed contract in which the Company is a party, shall be declared the nature of its interests in a meeting and is not entitled to participate in voting on matters relating to the transaction or contract.

Documentation

The meeting minutes resulted from every meeting shall be prepared, which contained matters being discussed and decided. The meeting minutes is a legitimate documentation for members of the Board of Commissioners and third parties on decision taken in the meeting. The guidelines in preparing the minutes is as follows:

- a. The Meeting Results shall be documented in the Meeting Minutes.
 The Meeting Minutes shall be prepared by a person attending the meeting appointed by the Meeting Chairman, in which shall be signed-off by all members of the Board attending the meeting and its proxies and shall be submitted to all members of the Board of Commissioners. For any dissenting opinions in the meeting shall be clearly stated in the minutes including its reasons.



CORPORATE GOVERNANCE

Board of Commissioners and Board of Directors Meetings

- b. The Meeting Results of the Joint Meetings or the BOC Meetings shall be documented in the Meeting Minutes.
- c. The Meeting Minutes as stated in point a and b shall be documented by the Compan.
- d. The Meeting Minutes of the Board of Commissioners serve as a legitimate proof for the Board of Commissioners members and thirs parties regarding the decision taken in the Meeting.

Meeting Implementation in 2019

a. Joint Meetings of the Board of Commissioners and Directors

No.	Day & Date of Meetings	Agenda	GT	MHD	WK	AAC	AFR	ASK	NTBH	RR	HD	IVO	LKE*
1	Wed, 30 January 2019	Financial Performance & Realization of RBB BRI Semester II 2018	√	√	-	√	√	√	√	√	√		
2	Tuesday, 23 April 2019	Discussion of RBB 2019-2021 Realization until Q1 2019 and Discussion on Financial Performance Q1 - 2019	√	√	-	√	√	√	√	√	√		
3	Thursday, 20 June 20v9	Proposal for the Revision of RBB 2019-2021 and RKAP 2019 BRI			√	√	√	√	√	√	√	√	
4	Tuesday, 6 Agustus 2019	Discussion on Financial Performance and realization of RBB 2019-2021 until QII 2019			√	√	√	√	√	√	√	√	
5	Tuesday, 22 October 2019	Performance Evaluation QIII 2019, Evaluation of RBB 2019-2021 Realization until QIII 2019			√	√	√	√	√	√	√	√	
6	Tuesday, 19 November 2019	RBB 2020-2022 and RKAP 2020 BRI			-	√	√	√	√	√	√	√	
Total Meeting			2	2	3	6	6	6	6	6	6	4	0
Total Attendance			2	2	3	6	6	6	6	6	6	4	0
% Total Attendance			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	-

Notes :
 GT : Gatot Trihargo
 MHD : Mahmud
 WK : Wahyu Kuncoro
 AAC : Andrinof A. Chaniago
 AFR : A. Fuad Rahmany
 ASK : A. Sonny Keraf
 NTBH : Nicolaus T. Budi Harjanto
 RR : Rofikoh Rokhim
 HD : Hadiyanto
 IVO : Hendrikus Ivo
 LKE : Loeke Larasati Agoestina* (Effective After Passing the Fit & Proper Test OJK)

b. Board of Commissioners & Field Directors Meetings

No.	Day & Date of Meetings	Agenda	GT	MHD	WK	AAC	AFR	ASK	NTBH	RR	HD	IVO	LKE*
1	Tuesday, 8 January 2019	1. Governance of DPLK BRI, 2. Kick of Meeting Audit DPLK BRI Fiscal Year 2018	√	√	-	√	√	-	-	√	-		
2	Thursday, 17 January 2019	Discussion of Business Plan and Investment Year 2019, Risk Management DPLK BRI	√	√	-	√	√	√	√	√	√		
3	Tuesday, 29 January 2019	Proposal of BRI organizational changes	√	√	-	√	√	√	√	√	√		

Board of Commissioners and Board of Directors Meetings

b. Board of Commissioners & Field Directors Meetings

No.	Day & Date of Meetings	Agenda	GT	MHD	WK	AAC	AFR	ASK	NTBH	RR	HD	IVO	LKE*
4	Tuesday, 12 February 2019	Action Plan to realize BRI Destination Statement "Leading Consumer Banking in Indonesia" in 2019	√	√	-	√	√	√	√	√	-		
5	Tuesday, 19 February 2019	1. Action Plan of Digital Banking & TI Directorate and SEVP Assets Management & Procurement to realize BRI Destination Statement: "Leading Consumer Banking in Indonesia" 2. Business Strategy & Action Plan of Institutional Relations Directorate 2019. 3. Update of progress report on IT Improvements and Development	√	√	-	√	√	√	√	√	√		
6	Tuesday, 26 February 2019	Action Plan of Micro Small Directorate and Retail & Medium Directorate to achieve business target and realize BRI Destination Statement 2019	√	√	-	√	√	√	√	√	√		
7	Tuesday, 5 March 2019	Manpower Policy Evaluation & Action Plan of Human Capital Directorate to realize BRI Destination Statement to become Leading Consumer Banking in Indonesia	√	√	-	√	√	√	√	-	√		
8	Tuesday, 12 March 2019	Action Plan Presentation of Risk Management Directorate, Compliance Directorate and IAU to support target achievement and realize BRI Destination Statement 2019	√	√	-	√	√	√	√	√	√		
9	Tuesday, 19 March 2019	Action Plan Presentation of Finance and Treasury & Global Services Directorate to support target achievement and realize BRI Destination Statement 2019	√	√	-	√	√	√	√	√	√		
10	Tuesday, 2 April 2019	Action Plan of Treasury & Global Services Directorate to support target achievement and BRI destination statement 2019	-	√	-	√	√	√	√	√	√		
11	Tuesday, 9 April 2019	Discussion of Final Draft of Audited Financial Statements & Investment of DPLK	√	√	-	√	√	√	-	-	-		



CORPORATE GOVERNANCE

Board of Commissioners and Board of Directors Meetings

b. Board of Commissioners & Field Directors Meetings

No.	Day & Date of Meetings	Agenda	GT	MHD	WK	AAC	AFR	ASK	NTBH	RR	HD	IVO	LKE*
12	Tuesday, 7 May 2019	Recommendation of KAP Procurement to Audit BRI Financial Statements and PKBL 2019	-	√	-	√	√	√	√	√	-		
13	Tuesday, 16 July 2019	Evaluation and action plan to achieve BRI CASA and FBI targets			√	√	√	√	-	√	√	√	
14	Tuesday, 23 July 2019	Update of Progress report on BRI IT Transformation			√	√	√	-	√	√	√	√	
15	Tuesday, 30 July 2019	Update of BRI New Finance System			√	√	√	√	√	√	√	√	
16	Tuesday, 20 August 2019	Review of Earnings Assets Portfolio			√	√	√	√	√	√	√	√	
17	Tuesday, 27 August 2019	Funding for Related Parties (Danareksa Sekuritas & BAV)			√	√	√	√	-	√	√	√	
18	Tuesday, 10 September 2019	Discussion on Limited Public Offering Plan of BRI Agro			√	√	-	√	√	√	√	√	
19	Tuesday, 10 September 2019	Follow up discussion on BRI EGMS Resolution dated 2 September 2019			√	√	√	√	√	√	√	√	
20	Tuesday, 17 September 2019	BRI Life Performance Evaluation			√	√	√	√	-	√	√	√	
21	Tuesday, 8 October 2019	Discussion on Audit Results of Debtors PEP by IAU			√	√	√	√	√	√	√	√	
22	Tuesday, 8 October 2019	Security Protocol IT BRI			-	√	√	√	√	√	√	√	
23	Tuesday, 5 November 2019	DPLK Performance Evaluation Semester I - 2019			√	√	-	-	√	√	√	√	
24	Tuesday, 5 November 2019	Funding to BRI Syariah			√	√	√	√	√	√	-	√	
25	Tuesday, 12 November 2019	Funding to related party BRI Syariah			-	√	√	√	√	√	√	√	
26	Tuesday, 19 November 2019	Audit results follow up August 2019			-	-	√	√	√	√	-	-	
27	Tuesday, 19 November 2019	Audit results follow up August related to corporate loan collectability and PEP			-	√	√	√	√	√	√	√	
28	Tuesday, 26 November 2019	PKBL BRI implementation review 2019			-	√	√	√	√	√	√	√	
29	Tuesday, 26 November 2019	Review of Recovery plan policy, review of sustainable finance action plan policy			-	√	√	√	√	√	√	√	
30	Tuesday, 26 November 2019	DPLK BRI Business Plan 2020-2022			-	-	√	-	-	√	√	√	
31	Tuesday, 3 December 2019	Discussion of Capital Injection for BRI VENTURA			-	√	√	√	√	√	-	√	

Board of Commissioners and Board of Directors Meetings

b. Board of Commissioners & Field Directors Meetings

No.	Day & Date of Meetings	Agenda	GT	MHD	WK	AAC	AFR	ASK	NTBH	RR	HD	IVO	LKE*
Total Meeting			12	12	13	31	31	31	31	31	31	19	0
Total Attendance			10	12	11	25	26	27	25	29	25	18	0
% Total Attendance			83%	100%	85%	81%	84%	87%	81%	94%	81%	95%	-
Notes :			GT : Gatot Trihargo MHD : Mahmud WK : Wahyu Kuncoro AAC : Andrinof A. Chaniago AFR : A. Fuad Rahmany ASK : A. Sonny Keraf NTBH : Nicolaus T. Budi Harjanto RR : Rofikoh Rokhim HD : Hadiyanto IVO : Hendrikus Ivo LKE : Loeke Larasati Agoestina* (Effective after passing OJK Fit & Proper Test)										

c. Board of Commissioners Meetings with Subsidiaries Management

No.	Day & Date of Meetings	Agenda	GT	MHD	WK	AAC	AFR	ASK	NTBH	RR	HD	IVO	LKE*
1	Friday, 27 September 2019	Evaluasi Kinerja BRI Syariah			√	√	√	√	√	√	√	√	
2	Friday, 27 September 2019	Evaluasi Kinerja BRI Life			√	√	√	√	√	√	√	-	-
3	Tuesday, 8 October 2019	Evaluasi Kinerja BRI AGRO			√	√	√	-	-	√	√	√	-
4	Tuesday, 15 October 2019	Evaluasi kinerja BRI Ventura Investama			√	√	√	√	√	√	√	√	-
5	Tuesday, 15 October 2019	Evaluasi Kinerja BRI Finance			√	√	√	√	√	√	√	√	-
6	Tuesday, 29 October 2019	Evaluasi Kinerja Danareksa BRI			0	√	√	√	-	√	-	√	-
Total Meeting			0	0	6	6	6	6	6	6	6	6	0
Total Attendance			0	0	5	6	6	5	5	6	5	5	0
% Total Attendance			-	-	83%	100%	100%	83%	83%	100%	83%	83%	-
Notes :			GT : Gatot Trihargo MHD : Mahmud WK : Wahyu Kuncoro AAC : Andrinof A. Chaniago AFR : A. Fuad Rahmany ASK : A. Sonny Keraf NTBH : Nicolaus T. Budi Harjanto RR : Rofikoh Rokhim HD : Hadiyanto IVO : Hendrikus Ivo LKE : Loeke Larasati Agoestina* (Effective after passing OJK Fit & Proper Test)										



CORPORATE GOVERNANCE

Board of Commissioners and Board of Directors Meetings

d. Board of Commissioners Internal Meetings

No.	Hari & Tanggal Rapat	Agenda	GT	MHD	WK	AAC	AFR	ASK	NTBH	RR	HD	IVO	LKE*
1	Wednesday, 8 May 2019	Change of BRI Nomenklatur on AGMS Implementation 2019, Proposal of Change of Shareholder Structure related to Limited Public Offering IX Plan BRI Agro 2019.	√	√	-	√	√	√	√	√	-		
2	Tuesday, 21 May 2019	Discussion on the Approval of IAU Head and Change of Committee under the BOC.			√	√	√	√	√	√	√	√	
3	Tuesday, 18 June 2019	Synergy of BRI Financial Conglomerate & Discussion on BRI Acquisition Plan for General Insurance (BRINS)			√	√	√	√	√	√	√	√	
4	Tuesday, 25 June 2019	Discussion on the Appointment Process of Head of IAU			-	√	√	√	√	√	√	√	
5	Tuesday, 10 September 2019	Stipulation of BOC Committee, stipulation of Mentoring Regions, BOC Work Plan			√	√	√	√	√	√	√	√	
Total Meeting			1	1	4	5	5	5	5	5	5	4	0
Total Attendance			1	1	3	5	5	5	5	5	4	4	0
% Total Attendance			100%	100%	75%	100%	100%	100%	100%	100%	80%	100%	-

Notes :
 GT : Gatot Trihargo
 MHD : Mahmud
 WK : Wahyu Kuncoro
 AAC : Andrinof A. Chaniago
 AFR : A. Fuad Rahmany
 ASK : A. Sonny Keraf

NTBH : Nicolaus T. Budi Harjanto
 RR : Rofikoh Rokhim
 HD : Hadiyanto
 IVO : Hendrikus Ivo
 LKE : Loeke Larasati Agoestina* (Effective after passing OJK Fit & Proper Test)

Board of Commissioners Meetings Plan in 2020

To support the oversight function and advisory, at the beginning of the year, through Work Plan and Budget of the Board of Commissioners and its Committee, the Board of Commissioners prepares the regular meeting agenda that will be convened in the relevant year.

Regular Meeting Agenda set by the Board of Commissioners for 2020:

No.	Meeting Agenda 2020	Timeline
1	Procurement of Independent Auditor (KAP)	Week IV January 2020
2	Oversight on RBB Realization Semester II - 2019	Week I February 2020

Board of Commissioners and Board of Directors Meetings

No.	Meeting Agenda 2020	Timeline
3	Internal Control Adequacy Evaluation	Week III February, May, August and November 2020
4	Risk Profile Review and Evaluation	Week I February, May, August dan November 2020
5	Review of the Bank Rating Assessment Report	Week II March dan August 2020
7	BOD and BOC Performance Assessment	Week II February 2020
8	Discussion on BOD Nomination & Remuneration Process	Week III February 2020
9	Discussion on Financial Statements end Year 2019	Week II February 2020
10	Discussion on Financial Statemetns Quarter I Year 2020	Week III April 2020
11	Monitoring Audit Results Follow Up	Week IV June 2020
12	Discussion on Financial Statements Quarter II Year 2020	Week III July 2020
13	Monitoring the Realization of RBB Semester I Year 2020	Week I August 2020
14	Discussion on Financial Statements Quarter III Year 2020	Week III October 2020
15	Review on the Implementation of Employee Remuneration and Employment Policy	Week IV October 2020
16	Bank Business Plan 2021-2023	Week II April 2020
17	Corporate Budget and Work Plan 2020 and Partnership Program and Community Development Program 2020	Week II November 2020

BOARD OF DIRECTORS MEETINGS

Board of Directors Meetings Policy

The Policy of the Board of Directors Meeting is stipulated in the Articles of Association of BRI Clause 13 as follows:

Ethics

- Board of Directors shall hold regular Board of Directors' Meeting at least once a month.
- Board of Directors shall hold regular Board of Directors' Meeting with the Board of Commissioners at least once in four months.
- The Board of Directors shall schedule a meeting for the following year before the end of the fiscal year with agendas adjusted to the Management Calendar. The scheduling shall be determined by the Board of Directors' Meeting.
- At the scheduled meeting, the materials of the meeting shall be submitted to the participants no later than 5 (five) days prior to the meeting. In addition to the scheduled meetings, the meeting material shall be submitted no later than the meeting convention.
- In addition to the scheduled Board of Directors' Meeting, the Board of Directors Meeting may be held at any time if:
 - it is deemed necessary by 1 (one) or more members of the Board of Directors or
 - upon written request of 1 (one) or more members of the Board of Commissioners.
- The Board of Directors' Meetings shall be deemed valid if held at the place of domicile of the Company or at the place of its principal business activities within the territory of the Republic of Indonesia. Board of Directors' Meetings held elsewhere other than those referred to in point (6) shall only be deemed valid and capable of making decisions if exercised within the territory of the Republic of Indonesia and attended by all members of the Board of Directors or their authorized proxies.



CORPORATE GOVERNANCE

Board of Commissioners and Board of Directors Meetings

Meeting Invitation

- The invitation of the Board of Directors' Meeting shall be conducted by a member of the Board of Directors entitled to represent the Company.
- The invitation of the Board of Directors' Meeting shall be made in writing and delivered or submitted directly to each member of the Board of Directors with adequate receipt, or by registered mail or courier service or by telex, facsimile, or e-mail.
- The invitation of the Meeting shall be submitted at least 5 (five) days before the meeting, regardless of the date of the notification and the date of the meeting, or for a shorter period if urgent.
- Such notifications are not required for scheduled meetings based on prior Board of Directors' resolutions or when all members of the Board of Directors are present at the meeting.
- Written invitation for the meeting must include the event, date, time, and place of the meeting.
- The President Director chaired the Directors' Meetings.
- If the President Director is absent or unable to attend, in a matter that does not need to be proven to a third party, the meeting shall be chaired by the Vice President Director. In the event that the Vice President Director is unable to attend or absent, in a matter that does not need to be proven to a third party, the Board of Directors' Meeting shall be chaired by an appointed member of the Board of Directors who attended the meeting.

Decision Making

- The Board of Directors' Meetings are valid and entitle to take binding decisions when attended or represented by more than ½ of the total members of the Board of Directors.
- In case there is more than one proposal, the meeting conducted re-election to ensure that one of the proposals obtain vote of more than ½ (one half) of the total number of votes issued.
- Decisions in the Board of Directors' Meeting are done through deliberation. In the event that consensus cannot be reached, the decision can be voting and the result will be decided by ½ (one half) of majority votes in the meeting.
- The voting related to a person shall be conducted by a closed ballot without a signature, while voting on other matters shall be oral, unless the Chairman of the Meeting determines otherwise without any objection based on the majority of votes present;

- Board of Directors shall also make a valid and binding decision without holding Board of Directors' Meeting, provided that all member of Board of Directors have been notified in writing and have approved the proposal submitted in writing, and signed the agreement.
- Any member of the Board of Directors who personally, in any way, directly or indirectly, has an interest in a proposed transaction, proposed contract, or contract in which the Bank is a party, shall be expressed in the nature of its importance in a meeting and shall not be entitled to participate in voting on matters relating to such transaction or contract.

Voting Rights

- Each member of the Board of Directors shall be entitled to issue 1 (one) vote and 1 (one) additional vote for the Members of the Board of Directors whom he legally represented in the meeting;
- A blank vote (abstain) is considered as a vote to approve the proposal submitted in the meeting. Unauthorized votes are considered absent and not counted in determining the number of votes cast in the meeting.
- The voting related to a person shall be conducted by a closed ballot without a signature, while voting on other matters shall be oral, unless the Chairman of the Meeting determines otherwise without any objection based on the majority of votes present;
- A member of the Board of Directors may be represented in the Directors' Meeting only by another member of the Board of Directors, by virtue of a power of attorney. A member of the Board of Directors may only represent another member of the Board of Directors.
- Any member of the Board of Directors who is unable to attend a Board of Directors' Meeting may submit his or her opinion in writing and signed, then submitted to the President Director, or to other members of the Board of Directors who will chair the Board of Directors' Meeting on whether he/she supports or does not support the matters to be discussed. This opinion shall deem to be valid vote issued in the Board of Directors' Meeting.

Board of Commissioners and Board of Directors Meetings

Board of Directors Meetings Frequency and Attendance in 2019

January to 27 August 2019 (the Board of Directors composition to 2 September 2019 or prior to EGMS 2 September 2019).

The meeting attended by majority (quorum) of members of the Board of Directors in the Meetings (at least once a month) has been met, as follows:

No.	Date	Board of Directors Attendance List											
		Suprajarto	Sunarso	Mohammad Irfan	R. Sophia Alizsa	Haru Koesmahargo	Sis Apik Wijayanto	Supari	Indra Utoyo	Priyastomo	Osbal Saragi R.	Ahmad Solichin Lutfiyanto	Handayani
1	03 January 2019	1		1	1	1	1	1	1	1	1	1	1
2	08 January 2019	1	1	1	1	1	1	1			1	1	
3	16 January 2019		1	1	1	1			1	1	1	1	
4	22 January 2019	1	1	1	1			1		1	1		1
5	29 January 2019		1			1	1	1	1		1	1	1
6	06 February 2019	1	1	1		1			1		1	1	
7	12 February 2019	1	1	1	1		1	1	1	1	1	1	1
8	19 February 2019	1		1		1	1	1	1	1	1	1	1
9	26 February 2019	1	1		1	1	1	1	1	1	1		1
10	04 March 2019	1	1	1	1	1	1	1	1	1	1	1	1
11	05 March 2019	1	1	1	1	1	1	1	1	1	1	1	1
12	26 March 2019	1	1	1			1	1	1		1		
13	02 April 2019			1	1	1	1	1	1		1	1	1
14	09 April 2019	1	1	1	1	1	1	1	1		1	1	1
15	23 April 2019	1	1	1	1	1	1	1	1	1	1	1	1
16	16 April 2019	1	1	1	1	1	1	1	1		1	1	1
17	25 April 2019	1	1	1	1	1	1	1	1	1	1		1
18	30 April 2019	1	1	1	1	1	1	1	1	1	1	1	1
19	07 May 2019	1	1	1	1	1	1	1	1	1	1	1	1
20	14 May 2019	1	1	1	1	1	1	1	1	1	1	1	1
21	21 May 2019	1	1	1			1	1	1	1	1	1	
22	11 June 2019	1	1	1	1	1	1	1	1	1	1	1	1
23	13 June 2019	1	1	1	1		1	1	1	1	1		1
24	18 June 2019	1	1	1	1	1	1	1	1	1	1	1	1
25	25 June 2019		1		1			1	1		1	1	
26	30 June 2019		1		1	1		1	1		1	1	
27	09 July 2019	1	1	1	1	1	1	1	1	1	1	1	1
28	11 July 2019	1		1	1	1	1	1	1	1	1	1	1
29	16 July 2019	1		1	1		1	1				1	1
30	23 July 2019	1	1	1	1		1	1	1	1		1	1
31	06 August 2019	1		1	1	1	1	1	1	1	1	1	1
32	13 August 2019	1	1	1	1	1	1	1	1	1	1	1	1
33	20 August 2019	1	1	1	1	1	1	1	1	1	1	1	1
34	27 August 2019	1		1	1	1	1	1	1	1	1		1
	Recap of attendance of each Director	29	27	30	29	26	29	32	31	24	32	28	27
	% attendance of each Director	85%	79%	88%	85%	76%	85%	94%	91%	71%	94%	82%	79%
	Total Meetings	34	34	34	34	34	34	34	34	34	34	34	34



CORPORATE GOVERNANCE

Board of Commissioners and Board of Directors Meetings

Board of Directors Meetings Frequency and Attendance in 2019

3 September to 31 December 2019 (the Board of Directors composition after the EGMS 2 September 2019).

The meeting attended by majority (quorum) of members of the Board of Directors in the Meetings (at least once a month) has been met, as follows:

No.	Date	Board of Directors Attendance List											
		Sunarso	Catur Budi Haarto	Agus Sudiarto	Herdy Rosadi Harman	Haru Koesmahargyo	Agus Noorsanto	Priyastomo	Indra Utoyo	Supari	Ahmad Solichin Lutfiyanto	Azizatul Azhimah	Handayani
1	03 September 2019	1	1	1	1	1	1	1	1	1	1	1	1
2	09 September 2019	1		1	1	1	1	1	1				1
3	17 September 2019	1	1	1	1	1	1	1	1	1	1	1	1
4	24 September 2019	1	1	1	1	1	1	1	1	1	1	1	1
5	01 October 2019	1	1	1		1	1	1	1	1	1	1	1
6	03 October 2019	1	1	1	1	1	1		1	1	1	1	1
7	08 October 2019		1	1	1	1	1	1	1	1	1	1	1
8	10 October 2019	1	1	1	1	1	1	1	1	1	1	1	1
9	15 October 2019	1	1	1		1	1	1	1	1	1	1	1
10	16 October 2019	1		1	1				1		1	1	1
11	22 October 2019	1	1	1	1	1	1	1	1		1	1	1
12	23 October 2019	1	1		1	1		1	1	1	1	1	1
13	29 October 2019	1	1	1	1		1	1	1	1	1	1	1
14	5 November 2019	1	1	1	1		1	1	1	1	1	1	1
15	7 November 2019	1	1	1			1	1		1		1	1
16	12 November 2019	1	1		1	1	1		1	1	1	1	1
17	19 November 2019	1	1	1	1	1	1	1	1	1		1	1
18	26 November 2019	1	1	1		1		1	1	1		1	1
19	5 December 2019	1	1	1	1	1	1		1	1		1	1
20	13 December 2019	1	1	1	1	1	1	1	1	1	1	1	1
21	18 December 2019	1	1			1	1		1	1			1
22	26 December 2019	1	1	1			1	1	1	1	1	1	1
23	31 December 2019	1	1	1	1	1	1	1	1	1	1	1	1
	Recap of attendance of each Director	22	21	20	17	18	20	18	22	20	17	21	23
	% attendance of each Director	96%	91%	87%	74%	78%	87%	78%	96%	87%	74%	91%	100%
	Total Meetings	23	23	23	23	23	23	23	23	23	23	23	23

Board of Commissioners and Board of Directors Meetings

Board of Directors Meetings Agenda in 2019

No.	Date	Agenda
1	03 January 2019	Follow up on EGMS 03 January 2019
2	08 January 2019	1. Update of Consolidated Financial Statements December 2018 (non audited) 2. BRI National Work Meeting Preparation Report
3	16 January 2019	1. NSE Project Update 2. Link.Aja Project Update
4	22 January 2019	1. 558 Project Update 2. Asuransi BriGuna Piloting Project Update
5	29 January 2019	1. NSE Project Update 2. 558 Project Update and Iron Project Decision 3. Financial Statements 2018 (Material for Analyst Meeting and Press Conference)
6	06 February 2019	1. Decision on Project Link.Aja
7	12 February 2019	1. NSE Project Update 2. Digital Attacker Management Follow Up 3. Link.Aja Project 4. 558 Project Update
8	19 February 2019	1. Update of Review: Pontentiality of Subsidiaries Business for BRI 2. 558 Project Update 3. Dividend Payout Ratio Proposal for Fiscal Year 2018
9	26 February 2019	1. Update of Tier III Implementation Procurement dan NSE Project Update 2. SOE Investment Forum 2019 Implementation Plan 3. Brandbook Bank BRI and BRI Subsidiary 4. Decision Request-Integrated Credit Collection
10	04 March 2019	1. Directives from the President Director 2. Branding – Bank BRI 3. Follow Up Decision on Brandbook of Bank BRI and BRI Subsidiaries
11	05 March 2019	1. BRISat Update 2. Decision Request – Write-off Authority Tiering and Release or Move Fixed Assets 3. Decision Request – BRI Club Design 4. Decision Request – Meeting Room 20th Floor BRI 1 Building
12	19 Maret 2019	1. Projection of Deposits, Loans and NPL for the Publication of Financial Statemetns 31 March 2019 2. AGMS of BRI Subsidiaries 3. Representation of IYKP Performance and Plan 4. Road to Credit Excellent 5. Approval Request – procurement of Uptime institute tier 3 DC GTI and TBN infrastructures 6. Decision Request- Decree of authority on PH 7. Decision Request – design for BRI center park area
13	26 March 2019	1. Indonesia SOE'S Investment Forum 2019 Plan 2. Decision Request on homecoming cost and implementation 2019 3. Discussion on human capital policy
14	2 April 2019	1. Update on qanun regulation and immediate impact 2. Presentation of initial design of corpu university
15	9 April 2019	1. Performance presentation 31 March 2019 2. Submission of basic assumption of RKAP revision 2019 3. Strategic partnership plan – payment company and BRI Group
16	16 April 2019	1. Decision Request - loan insurance plan to Rp. 3 Billion 2. Follow up on design presentation of BRI Building Sudirman 3. Follow up on design presentation of BRI Group 4. Directives of Board of Directors
17	23 April 2019	1. Discussion on financial performance Q1 - 2019 and Analyst Concern 2. Update of new finance system 3. Update of IT operations issues
18	25 April 2019	1. Issuance plan of rupiah bonds
19	30 April 2019	1. Communication network requirement 2020 -2030 2. Principal permit request for private banking
20	07 May 2019	1. Qanun Update 2. Organizational structure proposal 3. Design presentation of corpu Sentul 4. Pension welfare improvement proposal



CORPORATE GOVERNANCE

Board of Commissioners and Board of Directors Meetings

Board of Directors Meetings Agenda in 2019

No.	Date	Agenda
21	14 May 2019	<ol style="list-style-type: none"> 1. Update on OHC efficiency Task Force 2. Update on Insurance Cooperation Management 3. Update on Investree Cooperation Progress and Cooperation Development Proposal 4. Proposal of the PDWK Change and Credit Card Roadmap
22	21 May 2019	<ol style="list-style-type: none"> 1. RA and RAU Roles Effectiveness Evaluation 2. Qanun Update 3. RKAP 2019 Revision 4. Socialization of Discussion on POJK no.32/POJK.03/2018 year 2018 on LLL and Large Exposure for Commercial Banks 5. BRIsport App Management Plan
23	11 June 2019	<ol style="list-style-type: none"> 1. LinkAja Implementation for BRllink Agent 2. Board of Directors Attorney on the signing off BOD Attorney to SEVP 3. Update of LinkAja Progress 4. Update of Performance June 2019 position 5. Update of Loan Condition Palu - Manado Regional Office
24	13 June 2019	<ol style="list-style-type: none"> 1. Performance prognosis period of June 2019
25	18 June 2019	<ol style="list-style-type: none"> 1. Request for approval of RBB 2019-2021
26	25 June 2019	<ol style="list-style-type: none"> 1. Performance prognosis period of June 2019 2. Employee Bonus year 2018, MOP and Tunkin & Bonus SEVP 3. Bank BRI Leverage
27	30 June 2019	<ol style="list-style-type: none"> 1. June 2019 prognosis
28	09 July 2019	<ol style="list-style-type: none"> 1. Arjuna 3 Project 2. BRIMedika Hospital Renovation 3. Tunkin Rules, Benefit Homebase and review BRI subsidiaries management
29	16 July 2019	<ol style="list-style-type: none"> 1. Tunkin rules 2019
30	23 July 2019	<ol style="list-style-type: none"> 1. NPL potential EY findings Financial Statements June 2019 (Audited)
31	06 August 2019	<ol style="list-style-type: none"> 1. Bank BRI Performance Report 2. Bank BRI Anniversary Plan
32	13 August 2019	<ol style="list-style-type: none"> 1. Rights Issue IX Execution Plan 2. Bank BRI Anniversary Plan
33	20 August 2019	<ol style="list-style-type: none"> 1. BRI Corpu Sentul Construction Plan 2. December 2019 Prognosis & Non performing loans settlement plan 3. Bank BRI Organizational Proposal
34	27 August 2019	<ol style="list-style-type: none"> 1. Benefit homebase calculation
35	3 September 2019	<ol style="list-style-type: none"> 1. BRI Organizational Proposal, Regional Assistance, Dirgantani and Subsidiaries Assistance
36	9 September 2019	<ol style="list-style-type: none"> 1. Usulan Komite Kredit Credit Committee Proposal 2. Usulan Komite Direksi BOD Committee Proposal 3. Asumsi Dasar RKAP 2019 Basic Assumption 4. Decision request on follow up of Rights Issue IX
37	17 September 2019	<ol style="list-style-type: none"> 1. ESOP Update 2. RKAP September 2019 prognosis 3. Fraud issue discussion
38	24 September 2019	<ol style="list-style-type: none"> 1. Update of tiger investment plan project 2. Update and approval request - Strategic Partnership 3. Review of Asuransi Jiwa Briguna 4. Discussion of BOD & SEVP facilities
39	01 October 2019	<ol style="list-style-type: none"> 1. 147 Project Update 2. BRI First Implementation
40	03 October 2019	<ol style="list-style-type: none"> 1. Series of BRI 124 Anniversary
41	08 October 2019	<ol style="list-style-type: none"> 1. Discussion on BRI Network
42	10 October 2019	<ol style="list-style-type: none"> 1. December 2019 Prognosis and Discussion on RKAP 2020 2. Human Capital transformation program 3. Discussion on BRI Networks 4. Approval of BRI 124 Anniversary Logo
43	15 October 2019	<ol style="list-style-type: none"> 1. Investment Plan 2. Update of Clustering Unit
44	22 October 2019	<ol style="list-style-type: none"> 1. Preparation of Analyst Meeting Q3 2019 2. Implementation of Qanun LKS Aceh 3. Implementation of PSAK 71,72 and 73
45	23 October 2019	<ol style="list-style-type: none"> 1. Discussion on BRlguna 2. Discussion on BRI Loan facility
46	29 October 2019	<ol style="list-style-type: none"> 1. Presentation on NKRI Enhancement 2. Synergy of Multifinance Management BRI Group

Board of Commissioners and Board of Directors Meetings

Board of Directors Meetings Agenda in 2019

No.	Date	Agenda
47	5 November 2019	1. Update of IT Transformation 2. Update of BRIBox 3. Update of BRI 124 Anniversary
48	7 November 2019	1. Discussion on Audit BPK RI
	12 November 2019	1. Approval of RKAP and RBB 2020 2. Follow up on CGPI 2019 3. Impact of KUR 2020 policy
49	19 November 2019	
50	26 November 2019	1. Implementation & review of Recovery Plan 2. Arrangement of Mentoring, Supervisor and Management of Foundation in BRI 3. Update of the Construction of BRI Institute, BMC and PT BRIdge 4. New organizational scheme
51	5 December 2019	1. Garuda 2.0 Project 2. CDB loan discussion proposal 3. Discussion on OJK findings 4. Discussion on arrangement of BRI Central Park area 5. Discussion on BRlguna Kawan
52	13 December 2019	1. Prognosis of December 2019 performance 2. HC Transformation Implementation Report 3. Update of BrilianPreneur
53	18 December 2019	1. Update of national work meeting 2. Update of BRIFFEST 3. Subsidiaries AGMS Proposal 4. Update of Christmas and new year 5. Proposal on LinkAja decision
54	26 December 2019	1. BRI Employee Share Option Policy 2. RM layering evaluation and RCB establishment proposal 3. Update of Daily Performance and December 2019 Performance Proposal
55	31 December 2019	1. Update of December 2019 Performance

Board of Director's Consultation Meeting with the Board of Commissioners

As stated in the Articles of Association, the Board of Commissioners has the duty to supervise the Company management by the Board of Directors and to provide advice to the Board of Directors. In its oversight duties, the Board of Commissioners shall be entitled to request an explanation of the Company to the Board of Directors, including operational activities in the provision of credit and other required explanation to the Board of Commissioners..

1. The granting of new credit and/or additional/supplementary credit with a total risk exposure of more than 1 (one) trillion rupiah or equivalent in foreign currency, and/or if according to consideration of BRI Credit Committee or Board of Directors, there are matters that need to be consulted to the Commissioner.
2. The determination of the amount of exposure above is based on the amount of individual debtor exposure.
3. The granting of credit other than item 1 mentioned above does not need to be consulted with the Commissioner. However, every 3 months, the Board of Directors must submit a credit report to the Commissioner

Board of Directors Meeting Plans in 2020

To support the performance and activity planning, at the beginning of the year, through the Board of Directors meeting, the Board of Directors prepares the regular meeting agenda that will be convened in the relevant year.

The Board of Directors regular Meeting Agenda set for 2020:

No	Meeting Agenda 2020	Timeline
1	Performance Evaluation and Reporting of fiscal year 2018	Week II January 2020
2	Performance Evaluation Quarter I - 2020	Week I April 2020
3	Performance Evaluation Quarter II - 2020	Week I July 2020
4	Performance Evaluation Quarter III - 2020	Week II October 2020



CORPORATE GOVERNANCE

Board of Commissioners and Board of Directors Meetings

No	Meeting Agenda 2020	Timeline
5	Performance Evaluation Quarter IV - 2020	Week II January 2021
6	Evaluation and revision plan of Bank Business Plan 2020-2022	Week II Jun 2020
7	Corporate Budget and Work Plan 2020	Week IV June 2020
8	Operations activities and corporate decision that require approval through the Board of Directors Meetings	Implemented at least once a month in 2020

INFORMATION OF MAJOR AND CONTROLLING SHAREHOLDERS

The Major and Controlling Shareholders of BRI is the Government of the Republic of Indonesia through an ownership of 56.75%, Series A Dwiwarna shares.

DISCLOSURE ON AFFILIATES RELATIONSHIP

1. All Members of BRI Board of Directors have no affiliation relationship with any member of the Board of Directors either in financial, family or management relationship.
2. All members of BRI Board of Directors have no affiliation relationship with members of the Board of Commissioners, whether in financial relations, family relationships or management relationships.
3. All members of BRI Board of Commissioners have no affiliation relationship with other members of the Board of Commissioners, whether in financial relationship, family relationship, or management relationship.
4. All members of BRI Board of Commissioners have no financial relationship or family relationship with the Controlling Shareholder.
5. All members of the Committee who are not members of BRI Board of Commissioners have no financial or family relationship with the Controlling Shareholders, Members of the Board of Commissioners or Board of Directors of BRI.

BOARD OF COMMISSIONERS SUPPORTING ORGANS

SECRETARY OF THE BOARD OF COMMISSIONERS

The Board of Commissioners Secretariat is led by the Secretary of the Board of Commissioners assisted by the Secretariat Staff of the Board of Commissioners. The Secretary of the Board of Commissioners is appointed and dismissed by the Board of Commissioners on the recommendation of the Series A Dwiwarna Shareholders and at the expense of the Company whose duty is to assist in the implementation of the duties and responsibilities of the Board of Commissioners.

Legal Basis

- a. Minister of SOE Regulation No: Per-12/MBU/2012 on Supporting Organs of the Board of Commissioners/ Supervisory Board of State-Owned Enterprises.
- b. Company's Articles of Association

Duties and Responsibilities

Based on the Guidelines and Code of Conduct, the Secretariat of the Board of Commissioners has the duties and responsibilities as follows:

1. Coordinating the execution of duties of Staff, Commissioner Secretary, and Administrator in the Board of Commissioners.
2. Coordinating the Board of Commissioners meetings, i.e.:
 - a. Compiling and/or receiving/obtaining feedback from the Board of Commissioners and/or Committees on the meeting's agenda, and finalizing the meeting's agenda based on priority and urgency issues.
 - b. Preparing, coordinating, and obtaining meeting material from sources related to the issues to be discussed for submission to the Board of Commissioners or to the Committees if the problems are in need of Committee's inputs and analysis.
 - c. Proposing the time and place of the meeting and distributing the meeting invitation to the parties who need to attend.
 - d. Preparing minutes of meetings and archiving them.
3. Coordinating the administrative, secretarial, and protocol duties of the Board of Commissioners, i.e.:
 - a. Selecting letters or other documents addressed to the Board of Commissioners, prioritizing letter and/or document based on the urgency of the matter and following-up on the interest of each said letter and/or document;
 - b. Writing specific notes from letters and/or documents addressed to the Board of Commissioners, especially those with a high degree of importance/complexity.
 - c. Following-up the disposition of the Board of Commissioners on the above letters and/or documents;
 - d. Preparing for other correspondences with the Company's management, external parties, and other parties, especially on matters that have obtained the Board of Commissioners' decisions and not covered by the Committee's duties;
 - e. Documenting the Board of Commissioners archives and ensuring update and systematic filing central government to facilitate document search and follow-up;
 - f. Scheduling and coordinating events and activities of the Board of Commissioners, including participation in training/workshops/seminars programs, working visits, official travel, etc.;
 - g. Ensuring the availability of facilities and logistics to support the Board of Commissioners events as mentioned above, and to support the activities and other operational needs of the Board of Commissioners such as stationery, health reimbursement, etc.; and
 - h. Preparing the speeches/presentations of the Board of Commissioners as required, in relation to matters not related to the Committee's duties.



CORPORATE GOVERNANCE

Board of Commissioners Supporting Organs

4. Reporting to the Company on the share ownership of members of the Board of Commissioners and/or their families in the Company and other companies.
5. Providing a report on the supervisory duties that have been carried out during the previous financial year to the General Meeting of Shareholders.
6. Preparing a report on the GCG Self-Assessment implementation of the Board of Commissioners and the Committee each Semester, in coordination with the Compliance division.
7. Coordinating the achievement of the duties of the Committees and organs reporting directly to the Board of Commissioners.
8. Coordinating with the Committees of the Board of Commissioners in preparing reports on the supervision results on the implementation of the Company's Business Plan every semester to the Financial Services Authority in accordance with the prevailing laws and regulations.
9. Coordinating and following-up on requests and/or collection of data/information from and/or to the Company's management and external parties not covered by the Committee's duties, including information on rules and regulations relevant to the duties and responsibilities of the Board of Commissioners, among others:
 - a. Establishing the data/information required by the Board of Commissioners based on input from the Committee, incoming letters, and issues requiring handling/follow-up; and
 - b. Coordinating the collection of data/information from and/or to the Bank's management and related external parties.
10. Coordinating the drafting of the Annual Work Plan and Budget of the Board of Commissioners, which is an integral part of the Annual Work Plan and Budget of the Company prepared by the Board of Directors, i.e:
 - a. Obtaining feedback from the Board of Commissioners/ Committee on Annual activity plan;
 - b. Prioritizing the planned activities to support the implementation of duties and responsibilities of the Board of Commissioners more optimally and effectively;
- c. Coordinating the budget preparation of each of the above-mentioned activities to obtain approval from the Board of Commissioners;
- d. Following-up on the approved budget with the Company's Secretariat Division to be finalized and consolidated with the Company's Annual budget.
11. Coordinating the suggestions and opinions preparations on the agenda and material of the General Meeting of Shareholders at:
 - a. Coordinating the agenda and material with relevant parties; and
 - b. Preparing the material under the Board of Commissioners responsibility, and providing opinions on the material comprehensively.

Duties Implementation Report of the Secretary to the Board of Commissioners in 2019

1. Work Visit
The Secretariat of the Board of Commissioners together with the Risk Management Oversight Committee (RMOC), the Audit Committee (AC) and the Nomination & Remuneration Committee (NRC) accompany the Board of Commissioners for a working visit to the Work Units of the Company.

During 2019, the Secretariat of the Board of Commissioners has assisted the Board of Commissioners to perform 35 visits to the Regional Offices and its Operating Units, Head Office Division and Overseas Units.

2. Approval and Supervision of the Company Business Plan
The Board of Commissioners' Secretary with the Board of Commissioners' Committees assist the Board of Commissioners in the evaluation and approval of the Company's Work Plan that serve as guidelines for the Company's elements in carrying out its activities during 2019. Moreover, the Board of Commissioners conducts the oversight on the Realization of the Bank Business Plan for submission to Bank Indonesia at the latest two months after the reporting period.

Board of Commissioners Supporting Organs

During 2019 the Board of Commissioners' Secretariat has assisted the Board in implementing its duties in the Loan Approval, Recommendations, and Consultation. The Board of Commissioners has provided 42 Approvals, 31 Recommendations and 4 Consultations of Loans during 2019.

3. Board of Commissioners Annual Report
 The Board of Commissioners' Secretary and the Board of Commissioners' Committees has compiled the Board of Commissioners' Activity Report for 2018 which will be included in the Company's Annual Report. The Annual Report will be submitted to the Board of Commissioners for approval of the GMS 2019.
4. Board of Commissioners Work Meetings
 To review the realization of the Board of Commissioners Work Plan & Budget Year 2018 and to develop the Work Plan and Budget Year 2019, the Board of Commissioners' Secretariat and Committees of the Board of Commissioners has convened the Board of Commissioners Work Meeting in Jakarta on 28 December 2018.

Competency Development Programs

For the competency development, the Board of Commissioners' Secretary participates in Education, Seminar and Conference to support its duties. During 2019 the Board of Commissioners' Secretary has participated in the following training:

Year	Venue	Organizers	Subject
2019	Jakarta	PWC - EY	PSAK 71, 72, and 73 Training

Profile of the Board of Commissioners' Secretary



Appointed as the Secretary to the Board of Commissioners of BRI on 1 May 2019. Graduated from the Accounting Expert of State Accounting Academy (2003-2006), Bachelor Degree of Economics from University of Indonesia (2007-2009), and Master Degree of Management from University of Indonesia (2011-2013). She currently serves as Head of Bureaucracy Reformation Sub Section of SOE Ministry (2015 - Present).

Dini Desvalina

Secretary to the Board of Commissioners
 Period: 1 May 2019 - Present



CORPORATE GOVERNANCE

AUDIT COMMITTEE

The Audit Committee is established and responsible to the Board of Commissioners with the mandate to assist the Board of Commissioners in implementing the Bank management oversight function.

Legal References

The establishment of Audit Committee refers to:

1. POJK No. 55/POJK.04/2015 dated 23 December 2015 on the Audit Committee Establishment and Charter.
2. POJK No. 13 /POJK.03/2017 dated 27 March 2017 on Public Accountant and Public Accountant Firm Services in the Financial Services Activities;
3. SEOJK No. 36/SEOJK.03/2017 dated 11 July 2017 on Public Accountant and Public Accountant Firm Services Procedures in the Financial Services Activities;
4. POJK No. 56/POJK.04/2015 dated 23 December 2015 on the Internal Audit Establishment and Charter;
5. POJK No. 33/POJK.04/2014 dated 8 December 2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies.
6. SEOJK No. 15/15/DPNP dated 29 April 2013 on the Implementation of Good Corporate Governance for Commercial Banks.
7. Bank Indonesia Regulation No. 8/4/PBI/2006 dated 30 January 2006 on the Implementation of Good Corporate Governance for Commercial Banks in lieu of Bank Indonesia Regulation No. 8/14/PBI/2006 dated 5 October 2006.
8. Bank Indonesia Regulation No. 1/6/PBI/1999 dated 20 September 1999 on the Assignment of Compliance Director and Implementation of Commercial Bank's Internal Audit Function Implementation Standards (SPFAIB).
9. SOE Minister Regulation No. PER-12/MBU/2012 dated 24 August 2012 on the Supporting Organs of the Board of Commissioners/Supervisory Board of State-Owned Enterprises.
10. SOE Minister Regulation No. PER-01/MBU/2011 dated 1 August 2011 on the Implementation of Good Corporate Governance in SOEs in lieu of SOE Minister Regulation No. PER-09/MBU/2012 dated 6 July 2012 on the amendments to SOE Minister Regulation No. PER-01/MBU/2011 on the Implementation of Good Corporate Governance in SOEs.
11. POJK No. 01/POJK.03/2019 dated 28 January 2019 on the Internal Audit Function Implementation in Commercial Banks.
12. Articles of Association of PT Bank Rakyat Indonesia (Persero) Tbk with its last amendments.
13. Joint Decree of the Board of Commissioners and Board of Directors of PT Bank Rakyat Indonesia (Persero) Tbk dated 16 December 2013 No. 06-KOM/BRI/12/2013 or S.05-DIR/DKP/12/2013 on Code of Conduct of PT. Bank Rakyat Indonesia (Persero) Tbk.
14. Decree of the Board of Directors Nokep: 675 -DIR-KHC/10/2019 dated 8 October 2019 on the Stipulation of Audit Committee Chairman and Members of PT Bank Rakyat Indonesia (Persero) Tbk.

Audit Committee Charter

BRI Audit Committee has in place the Audit Committee Charter that elaborates the duties, authority, obligation, responsibilities, work segregation, work period, work ethics, meetings, organization structure, and duties implementation. This Charter shall be acknowledged and binding for every member of the Audit Committee. The Audit Committee Charter was ratified by the Board of Commissioners through the Board of Commissioners Decree Nokep: 11-KOM/11/2018 on the Audit Committee Charter of PT Bank Rakyat Indonesia (Persero) Tbk.

Appointment and Termination

The Board of Commissioners selects the Audit Committee members from Independent Parties through a recruitment and selection mechanism. The Audit Committee members are appointed and terminated by the Board of Commissioners and stipulated through a Decree of the Board of Directors.

Structure and Memberships

Committee Structure

1. The Audit Committee is coordinated under the Board of Commissioners and is structurally responsible to the Board of Commissioners
2. The Audit Committee is led by the Independent Commissioner.

Audit Committee

Committee Membership

1. The Audit Committee consists of at least 3 (three) members:
 - a. An Independent Commissioner;
 - b. An Independent Party having expertise in accounting and finance; and
 - c. An Independent Party with expertise in law or banking.
2. Members of the Board of Directors are prohibited to serve as member of the Audit Committee.
3. The Board of Commissioners elects members of the Audit Committee from Independent Party through recruitment and selection mechanisms.
4. Members of the Audit Committee are appointed and terminated by the Board of Commissioners and stipulated through the Decree of the Board of Directors.
5. The Company shall submit the information to the Financial Services Authority on the appointment and termination of members of the Audit Committee at least 2 (two) working days following the appointment and termination and shall be published in the Stock Exchange Website and/or the Company Website.

Audit Committee Structure in 2019 is as follows:

No.	Name	Position	Profession	Position Period
1.	A. Fuad Rahmany	Chairman	Independent Commissioner	June 2015-present
2.	A. Sonny Keraf	Member	Independent Commissioner	June 2015-present
3.	Rofikoh Rokhim	Member	Independent Commissioner	October 2017 - present
4.	Hendrikus Ivo	Member	Independent Commissioner	October 2019 - present
5.	Pamuji Gesang Raharjo	Member	Independent Party	February 2016 - present
6.	Sunuaji Noor Widiyanto	Member	Independent Party	December 2016 - present
7.	Handayani	Member	Independent Party	October 2019 - present

Committee Profile

The Audit Committee Members profile as of 31 December 2019 is as follows:

<p>A. Fuad Rahmany Chairman/Independent Commissioner Period: June 2015 - present</p>	<p>Profile is available at the Board of Commissioners' Profile section.</p>
<p>Sonny Keraf Member/Independent Commissioner Period: June 2015 - present</p>	<p>Profile is available at the Board of Commissioners' Profile section</p>
<p>Rofikoh Rokhim Member/Independent Commissioner Period: February 2018 - present</p>	<p>Profile is available at the Board of Commissioners' Profile section</p>
<p>Hendrikus Ivo Member/Independent Commissioner Period: October 2019 - present</p>	<p>Profile is available at the Board of Commissioners' Profile section</p>



CORPORATE GOVERNANCE

Audit Committee

Pamuji Gesang Raharjo

Audit Committee Member
Independent Party
Period: February 2016 - present

Born in Jakarta, 10 April 1968. He serves as a member of the Audit Committee of PT BRI (Persero) Tbk since 1 February 2016. Previously served as a member of the Risk Management Oversight Committee of PT BRI (Persero) Tbk. Worked in various positions at PT BNI (Persero) Tbk, PT Bank Internasional Indonesia Tbk; PT Bank Danahutama; PT Pegadaian (Persero); and served as Executive Director of the Indonesian Risk Management Center (RMCI). Obtained Bachelor of Economics degree from the Faculty of Economics, University of Prof. Dr. Moestopo (Beragama) Jakarta (1996), a Master Degree in Management in the specialty of Risk Management from the Master Management Program, Faculty of Economics, University of Indonesia (2003), and earned a Doctorate degree from the Bogor Agricultural Institute (IPB) in 2014. Has a Risk Management Level Certification 4 from the Risk Management Certification Agency (BSMR) and obtained a Certified of Financial Consultant (CFC) from the Institute of Financial Consultants, Canada (2013).

Sunuji Noor Widiyanto

Audit Committee Member
Independent Party
Period: December 2016 - present

Born in Yogyakarta, 1 January 1960, Serves as a member of the Audit Committee of PT BRI (Persero) Tbk since 1 December 2016. Previously worked at PT BRI (Persero) Tbk, had served as Inspector at the BRI Yogyakarta Inspection Office (2014-2016) and previously served as Head of the BRI Head Office Goods and Services Procurement Division (2012-2014). He has also served as Chairman of the National BRI Workers Union for 2 (two) periods (2006-2012). Obtained a Bachelor of Economics degree from the Islamic University of Indonesia, Yogyakarta (1996) and obtained a Qualified Internal Auditor (QIA) certification from the Internal Audit Education Foundation (YPIA) in 2015.

Handayani

Audit Committee Member
Independent Party
Period: October 2019 - present

Born in Blitar, 24 August 1963, Serves as a member of the Audit Committee of PT BRI (Persero) Tbk since 8 October 2019. Previously, he worked at PT BRI (Persero) Tbk, had served as Head of Internal Audit of BRI Jakarta 3 Region, Head of Internal Audit of BRI Banjarmasin Regional, Deputy Inspector of the Surabaya Inspector's Office and Deputy Regional Head for Business in BRI Regional Offices in Palembang and Semarang. Obtained Bachelor of Economics degree from Gadjah Mada University, Yogyakarta and obtained Master of Business from the Master of Business and Finance, Monash University, Melbourne Australia.

Terms of Office

The terms of office of the Audit Committee members shall be the same with the terms of office of the Board of Commissioners as stipulated in the Articles of Association and may be reelected for only one (1) subsequent period.

Qualifications and Experience

1. Has adequate knowledge on banking industry including banking rules and regulations as well as prevailing laws and regulations.
2. Has adequate knowledge on Good Corporate Governance (GCG) principles.
3. Has adequate knowledge on risk concept and control in business activities as well as internal control.

Independency of Committee Members

All members of the Audit Committee do not have affiliations with the Directors, Commissioners or controlling shareholders of BRI as evidenced by the signing of an independent statement by the Audit Committee Members. The Audit Committee members are also not shareholders, Commissioners, Directors or employees of companies that have affiliations or business with BRI.

Former Members of the Board of Directors or Executives of BRI who have the authority to design, lead or control BRI and former managers and employees of the Public Accountant Firm who examine BRI's books that can affect its ability to act independently, cannot become an Independent Party assigned as a member of the Audit Committee prior to cooling-off for at least 1 (one) year.

Audit Committee

No	Independency Criteria	A. Fuad Rahmany	A. Sonny Keraf	Rofikoh Rokhim	Hendrikus Ivo	Pamuji Gesang Rahardjo	Sunuaji Noor Widiyanto	Handayani
1.	Does not have shareholding relationships with members of the Board of Commissioners, Directors and/or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√	√
2.	Does not have financial relationships with members of the Board of Commissioners, Directors and/or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√	√
3.	Does not have management relationships with members of the Board of Commissioners, Directors and/or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√	√
4.	Does not have family relationships with members of the Board of Commissioners, Directors and/or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√	√

The Audit Committee independently conducts its duties and responsibilities to assist the Board of Commissioners in oversight duty in regards to the following:

1. Financial Statements
 - a. Reviewing the financial information that will be released by the Company to the public and/or authorities including financial reports, projections and other reports related to the Company's financial information.
 - b. Conducting reviews with the Management, Internal Audit Unit and Public Accountant, KAP or Audit Team from KAP on the audit results including the difficulties faced.
 - c. Provide independent opinion in the event of dissenting opinions between management and the Public Accountant, KAP or Audit Team from KAP for the services they provide.
 - d. Reviewing the annual reports to ensure the adequacy, consistency and accuracy of information.
2. Internal Control

Monitoring, reviewing, and discussing with the Management, Internal Auditor, and Public Accountant or Audit Team of Public Accountant Firm on the adequacy and effectiveness of internal control over financial statements including material weaknesses, both in design and operation, which may impair the Bank's ability to record, process, summarize, and report financial information.



CORPORATE GOVERNANCE

Audit Committee

3. Internal Audit Unit (IAU)
 - a. Monitoring the effectiveness of IAU's work.
 - b. Providing opinions and advice to the Board of Commissioners for consideration in approving the appointment and dismissal of the Head of the Internal Audit Unit.
 - c. Reviewing the Company's Report to the Financial Services Authority on the Internal Audit function implementation.
 - d. Reviewing each IAU Report submitted to the Board of Commissioners c.q. Audit Committee, including any reports on irregularities submitted to the Board of Directors.
 - e. Reviewing the execution of the Audit by IAU, and overseeing the follow-up by the Board of Directors on the findings of the Internal Auditor.
4. Independent Auditors
 - a. Providing recommendation on the appointment of a Public Accountant and/or Firm that will provide audit services to the annual financial information, to the Board of Commissioners to be submitted to the GMS, taking into account the independence, scope of the assignment, and services fee.
 - b. Providing recommendation to the Board of Commissioners, to be proposed to the GMS, in the case of the Public Accountant and/or Public Accountant Firm decided by the GMS as referred to in point 1) cannot meet the audit services on annual financial information during the Professional Assignment Period, the appointment of a replacement of Public Accountant and/or Public Accountant Firm may be conducted by the Board of Commissioners with due regard to the Audit Committee's recommendation.
 - c. In the event that the Audit Committee cannot recommend Public Accountant and/or Public Accountant Firm that will provide audit services to annual financial information to the Board of Commissioners prior to the GMS as referred to in point 1), the Audit Committee shall recommend delegation of authority to appoint Public Accountant and/or Public Accountant Firm to the Board of Commissioners, with explanation about:
 1. The reason for the delegation of authority; and
 2. Criteria or limitations to the appointed Public Accountant/ Public Accountant Firm.
 - d. In preparing the recommendations as referred to in point 1), the Audit Committee shall consider:
 1. Independence of Public Accountant, Public Accountant Firm, and person in Public Accountant Firm;
 2. The scope of the audit;
 3. Audit services fee;
 4. Expertise and experience of Public Accountant, Public Accountant Firm, and Audit Team of the Public Accountant Firm;
 5. The methodology, techniques, and audit facilities used by the Firm; Benefits of fresh eye perspectives that will be obtained through the replacement of Public Accountant, Public Accountant Firm, and Audit Team of the Public Accountant Firm;
 6. Potential risks for the use of same audit services (Public Accountant Firm) continuously for a sufficient period of time; and/or
 7. Evaluation result on the implementation of audit services for annual financial
 8. Information by Public Accountant and Public Accountant Firm in the previous period, if any.
 - e. Submit the recommendations of the Audit Committee in the appointment of Public Accountant and/or Public Accountant Firm to the Board of Directors of PT Bank Rakyat Indonesia (Persero) Tbk. and/or DPLK Executive Board to be used as appendix of Public Accountant and/or Public Accountant Firm Appointment Report to the Financial Services Authority.
 - f. Propose to terminate a Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team, if in performing their duties, the Auditor does not meet the applicable standards and regulations.
 - g. Review the candidates for Public Accountant, or Audit Team of Public Accountant Firm for consolidated subsidiaries. Public Accountant Firm for consolidated subsidiaries are designated and assigned by the subsidiary concerned, in accordance with the provisions in the articles of association, but shall be consulted with the Audit Committee to assess the independence aspect of the prospective Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team and audit supervision carried out by the Audit Committee.

Audit Committee

- h. Pre-approval of non-assurance services to be assigned to Public Accountant Firm.
 - i. Evaluate the implementation of audit services for annual financial information by Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team, at least through:
 - 1. Compliance with audit conducted by Public Accountant, Public Accountant Firm, or Public Accountant Firm Audit Team with applicable audit standards;
 - 2. Adequacy of fieldwork time;
 - 3. Assessment of the scope of services provided and the adequacy of the quotation;
 - 4. Recommendations for improvements provided by the Public Accountant and/or Public Accountant Firm; and
 - 5. Others.
 - j. Submit the Audit Committee's Evaluation Report as referred to in number 9) to the Board of Directors of PT Bank Rakyat Indonesia (Persero) Tbk. and/or BRI DPLK Management.
5. Compliance
 - a. Monitoring the effectiveness of policies and implementation of fraudulent financial reporting risks that have been prepared and implemented by the Board of Directors.
 - b. Reviewing the adherence to laws and regulations related to the activities of the Bank.
 6. Complaint
Reviewing complaints both related to the Bank's accounting and reporting process, as well as other complaints.
 7. Others
 - a. Reviewing and providing advice to the Board of Commissioners related to potential conflicts of interest of the Bank.
 - b. Maintaining confidentiality of documents, data, and information of the Bank.
 - c. Carrying out the assignment as requested by the Commissioner.
1. Access the Bank's documents, data and information concerning employees, funds, assets, and corporate resources;
 2. Communicate directly with employees, including the Board of Directors and parties performing internal audit, risk management, and accountant functions related to the Audit Committee's duties and responsibilities;
 3. Involve independent parties outside the members of the Audit Committee as required to assist in the execution of their duties (if necessary); and
 4. To exercise other authorities granted by the Board of Commissioners.

AUDIT COMMITTEE ACTIVITIES IN 2019

I. Audit Committee with IAU

1. Annual Audit Planning of BRI IAU 2019.
 - a. The Audit Committee has reviewed and analysed the IAU Annual Audit Planning 2019 submitted by BRI IAU through letter R.10-SKA/PSA/12/2018 dated 28 December 2018 regarding the Approval Request for Annual Audit Plan 2019;
 - b. The Audit Committee has reviewed and re-analysed the draft of IAU Annual Audit Planning 2019 submitted by IAU, and the Audit Committee has prepared Official Memo No. R.01-KA/01/2019 dated 2 January 2019 on the Evaluation to the IAU Annual Audit Planning 2019 to the Board of Commissioners; and
 - c. BRI Board of Commissioners has provided the approval on IAU Annual Audit Planning 2019 through letter No. R.01-KOM/01/2019 dated 02 January 2019 on the Approval of IAU Annual Audit Planning 2019.
2. Audit Report (LHA)
Periodically, the Audit Committee has reviewed the Audit Results Main Points submitted by IAU.

Authority

The Board of Commissioners grants authority to the Audit Committee within the scope of Audit Committee responsibilities to:



CORPORATE GOVERNANCE

Audit Committee

The IAU audit result review process aimed at evaluating and ensure the Annual Audit Planning which has been prepared by the Internal Audit Unit and approved by the Board of Commissioners, has been carried out properly by the Internal Audit Unit, including to ensure the quality of the audit conducted by the Internal Audit Unit.

During 2019, The Audit Committee has carry out review and evaluation to the Audit Results Main Points of IAU as follows:

No	Subject	Realization of Timeline	Output
1	Audit results main points evaluation until quarter IV semester II - 2018	27 February 2019	Meeting Minutes of audit results main points evaluation until quarter IV 2018 dated 26 February 2019 No: 03 - KA/02/2019 Audit results main points report until quarter IV semester II 2018 submitted through the Audit Committee Official Memo No: R.05-KA/02/2019 dated 27 February 2019 BOC Letter to BOD No.: R.08-KOM/02/2019 on the Audit results main points report evaluation until quarter IV semester II 2018.
2	Audit results main points evaluation until quarter I - 2019	14 May 2019	Meeting Minutes of audit results main points evaluation until quarter I 2019 dated 13 May 2019 No: 07 - KA/05/2019 Audit results main points evaluation report until quarter I 2019 submitted through the Audit Committee Official Memo No. R.14-KA/05/2019 dated 14 May 2019 BOC Letter to BOD No: R.18-KOM/02/2019 dated 21 May on the Audit results main points report evaluation until quarter I 2019
3	Audit results main points report until quarter II - 2019	29 July 2019	Meeting Minutes of audit results main points evaluation until quarter II 2019 dated 29 July 2019 No: 10-KA/07/2019 Audit results main points evaluation report until quarter II 2019 submitted through the Audit Committee Official Memo No. R.19-KA/08/2019 dated 1 August 2019 BOC Letter to BOD No: R.48-KOM/08/2019 on the Audit results main points report evaluation until quarter II 2019 dated 2 August 2019
4	Audit results main points report until quarter III - 2019	21 November 2019	Meeting Minutes of audit results main points evaluation until quarter II 2019 dated 11 November 2019 No: 15-KA/07/2019 Audit results main points evaluation report until quarter III 2019 submitted through the Audit Committee Official Memo No. R.30-KA/11/2019 dated 21 November 2019 BOC Letter to BOD No: R.93-KOM/08/2019 on the Audit results main points report evaluation until quarter III 2019 dated 25 November 2019

3. Audit Committee Quarterly Review on the Company's Financial Statemetns.

The Audit Committee has reviewed the Company's Published Financial Statements, whether audited by Public Accountant Firm or unaudited. During 2019, the Audit Committee has conducted studies and discussions with Public Accountant Firm PSS (EY) on the Company's Financial Statements based on the results of general audits and limited review, as follows:

Audit Committee

No.	Position of Financial Statements Publication	Audit Committee Meetings
1.	31 December 2018 (audited)	Thursday, 17 January 2019 AC Meeting Minutes No: 01 - KA/01/2019 on the Discussion of Audit Report Progress on BRI Financial Statements and PKBL 2019
2.	30 June 2019 (limited review)	Monday, 5 August 2019 AC Meeting Minutes No: 11-KA/08/2019 on the Audit closing meeting on BRI Financial Statements QII 2019 with EY
3.	31 August 2019 (certain accounts)	Tuesday, 15 October 2019 AC Meeting Minutes No: 13-KA/10/2019 on the the Audit closing meeting of certain accounts as of 31 August 2019 position

During 2019, the Audit Committee has reviewed the IAU review results on the Company unaudited Published Financial Statements, as follows:

No.	Position of Financial Statements Publication	Output
1.	Quarter I 2019 (unaudited)	AC Meeting Minutes No: 05-KA/04/2019 dated 23 April 2019 AC Official Memo No. 05 - KA/04/2019 dated 23 April 2019.
2.	Quarter III 2019 (unaudited)	AC Meeting Minutes No. 14-KA/10/2019 dated 22 October 2019 AC Official Memo No. 14 - KA/10/2019 dated 20 October 2019.

4. Whistle Blower System (WBS) Report Review

The Audit Committee has reviewed the Whistle Blower System Report (WBS) and written complaints or reports received by the Board of Commissioners and the Audit Committee. The review of the Whistle Blower System Report (WBS) was conducted simultaneously with the evaluation and discussion of quarterly Audit Results Reports submitted by the IAU in the Audit Committee Meeting.

Cumulatively, during the period of January to December 2019 total complaints/reports received through the BRI Whistle Blower System (WBS) were 134 reports. All complaints/reports have been followed up by the IAU, through investigation and research and follow-up by the relevant work units according to their authorities, with details as follows:

- a. 81 reports with "Completion" status.
- b. 53 reports remained under "Ongoing Process" of investigation and follow up by relevant work units.

For complaints and other written reports received by the Board of Commissioners and or the Audit Committee, following the review by the Audit Committee, a written clarification is given to IAU for follow up with the applicable rules and regulations. This among others were: Report on complaints from law firm & legal consultant Nurkholid SH & associates related to claims for compensation for the loss of Nuridin's certificate which is pledged as collateral for BRI Branch Office Tegal. Complaints of Dony Septriana R BRI Debtor Branch Office Kopo Bandung. Complaints of BRI pensioners, Responses to the letter of PT Kagum Husada N0.003/KKH-JARRDIN/IV/2019 dated 29 April 2019 on the requests for legal protection and justice. Debtor complaints by Ahmad Rohani. Clarification of credit settlement BRI bank debtors on behalf of Ahmad Rohani. LHB Perjuangan Semarang. Explanation of the Edmond Praise Tampubolon case. Complaints by Ms. Dewi Anggraini Debtor of Ngawi Branch Office. Complaints of H Eddy Sofyan related to the submission of CSR funds. Complaints on behalf of Mr. Tumpak sitanggang. On the other hand, during 2019 there were no complaints or reports relating to the Company's accounting and financial reporting processes.



CORPORATE GOVERNANCE

Audit Committee

5. Appointment of Head of IAU

Pursuant to OJK Regulation No. 56/POJK.04/2015 dated 23 December 2015 concerning the Establishment and Guidelines for Preparation of the Internal Audit Unit Charter which requires that the Head of the Internal Audit Unit be appointed and dismissed by the President Director with the approval of the Board of Commissioners following the recommendation from the Audit Committee. In relations to this in 2019, the Audit Committee has provided recommendation on the termination and appointment of Head of IAU to the Board of Commissioners based on the proposal of BRI President Director among others as follows:

No	Subject	Output
1	Audit Committee recommendation on the termination of Tri Wintarto as Head of IAU	<ol style="list-style-type: none"> Audit Committee Official Memo No: R.06-KA/03/2019 dated 11 March 2019 on the Audit Committee recommendation on the termination of Tri Wintarto as Head of IAU. Audit Committee Official Memo No: R.10-KA/04/2019 dated 02 April 2019 on the Audit Committee recommendation on the termination of Tri Wintarto as Head of IAU.
2	Audit Committee recommendation on the President Director proposal related to the appointment of Head of IAU	<ol style="list-style-type: none"> Audit Committee Recommendation Official Memo No: R.07-KA/03/2019 on the President Director proposal related to the appointment of Hari Siaga Amijarso as Head of IAU BRI. Audit Committee Official Memo No: R.15-KA/05/2019 dated 31 May 2019 on the Audit Committee recommendation on the proposal of Hari Siaga Amijarso as Head of Internal Audit Unit of BRI. Audit Committee Official Memo No: R.17-KA/07/2019 dated 01 July 2019 on the Audit Committee recommendation for the proposal of President Director related to the appointment of Hari Siaga Amijarso as Head of Internal Audit Unit of PT Bank Rakyat Indonesia (Persero) Tbk

In providing recommendation to the appointment of Head of IAU, the Audit Committee put forward the requirements that Head of IAU shall meet the requirements stipulated in the Chapter II Clause 6 POJK No. 56/POJK.04/2015 dated 23 December 2018, which among others are:

- To have integrity and professionalism conduct, independent, honest and objective in carrying out their duties;
 - To have knowledge and experience on technical audit and other scientific disciplines relevant to their field of duties;
 - To have knowledge of the laws and regulations in the Capital Market sector and other relevant laws and regulations;
 - To have the abilities to interact and communicate both verbally and in writing effectively;
 - To comply with professional standards issued by internal audit associations;
 - To comply with the internal audit code of ethics;
 - Maintain the confidentiality of company information and/or data related to the implementation of the duties and responsibilities of internal audits unless required by laws or court stipulations or decisions;
 - Understand the principles of good corporate governance and risk management; and
 - Willing to continuously increase knowledge, expertise, and professionalism skills.
6. To “tone of the top” of all auditors, Audit Committee members from members of the Board of Commissioners and independent parties are also participated in the In-house Training (IHT) programs organized by the Regional Internal Audit at the end of 2019, which are:

Audit Committee

No.	Regional Internal Audit	Provider	Training Timeline
1.	Malang	A. Fuad Rahmany dan Sunuaji Noor W.	20 February 2019
2.	Denpasar	A. Sonny Keraf	27-29 March 2019
3.	Jayapura	Mahmud dan Sunuaji Noor W.	27-29 March 2019
4.	Padang	Andrinof A. Chaniago dan Sunuaji Noor W.	4-5 April 2019
5.	Medan	A. Fuad Rahmany dan Pamuji G. Raharjo	9-10 April 2019
6.	Lampung	Rofikoh Rokhim dan Sunuaji Noor W.	11-12 April 2019
7.	Semarang	Mahmud dan Suindiyo	24-25 April 2019
8.	Makassar	Andrinof A. Chaniago	23-24 April 2019
9.	Aceh	A. Fuad Rahmany dan Sunuaji Noor W.	24-27 April 2019
10.	Pekanbaru	Rofikoh Rokhim dan Pamuji Gesang R.	26-27 April 2019
11.	Lampung	Nicolaus TB. Harjanto dan Pamuji Gesang R.	21-22 June 2019
12.	Yogyakarta	Rofikoh Rokhim dan Sunuaji Noor W.	12-14 July 2019
13.	Medan	Hendrikus Ivo dan Pamuji Gesang R.	24-26 September 2019
14.	Semarang	Rofikoh Rokhim dan Handayani W.	28 October 2019
15.	Banjarmasin	A. Fuad Rahmany dan Handayani W.	5 December 2019
16.	Jayapura	A. Sonny Keraf dan Sahat Pardede	3-7 December 2019

7. Customer Satisfaction Survey (CSS) of BRI IAU

The Audit Committee has completed the questionnaires on the Customer Satisfaction Survey (CSS) submitted by IAU and further through the Audit Committee Letter No. 20-KA/11/2019 dated 26 November 2019 on the Completion of Customer Satisfaction Survey (CSS) toward BRI IAU, the Audit Committee has submitted the opinion/recommendation for the improvement of IAU in the future:

- a. The IAU personnel shall develop and enhance capability, knowledge, and competency, thereby can realize the IAU vision to become the "Trusted Audit" that can deliver added value to BRI and management. This can be done through education, training and participation of IAU personnel to certification programs, both from In-House Training and or overseas courses.
- b. The IAU shall act independently in every audit and disclose objective view and consideration, ensure of no conflict of interest according to code of ethics and profession as well as general audit standard. Moreover, IAU staffs can be a role model for the management.
- c. In the recruitment of IAU personnel, selective recruitment shall be done for the hiring of experience and high competent personnel in order to be able to carry out its role as the Auditor (Assurance), strategic business partner, EWS (Early Warning Signal).
- d. The IAU personnel shall improve the depth analysis on root cause from various audit findings and able to provide adequate recommendations and applicable to the auditee. To monitor the settlement of follow up.



CORPORATE GOVERNANCE

Audit Committee

- e. The IAU shall continuously refine the BRISMA, PDE applications and other supporting applications to ensure improvement of efficiency and effectiveness of IAU implementation of duties and responsibilities.
 - f. The IAU shall be proactive in monitoring and evaluating the efficiency and effectiveness of system and information technology improvements/enhancement currently conducted by the BRI management. The monitoring includes the aspect of system availability, reliability, confidentiality, integrity, and security, including to comply with the prevailing rules and regulations on information technology risk management and IT Governance. The evaluation results shall be communicated periodically with the IT Director, thereby to be able to immediately take any necessary measures and improvements.
 - g. The audit focus includes KUR, restructuring, reactivation without decision documentations, idle accounts, costs incurred from the city administration but has not been nullified, settlement of credit documents that have been terminated and realized but have not yet been completed.
8. Internal Audit Charter Update
- The Audit Committee has provided opinion and recommendation on the update of IAU Charter 2019 which has been proposed through IAU letters No.: B.17-SKA/PSA/03/2019 dated 12 March 2019 and No: B.17-SKA/PSA/03/2019 dated 19 March 2019. The discussion of IAU Charter Draft was carried out through the Board of Commissioners Meeting and the Inputs were documented in the Audit Committee Official Memo as follows:

No.	Activity/Subject	Realization	Output
1.	Audit Committee respond on the IAU charter draft	20 March 2019	The Audit Committee respond on the IAU charter draft was submitted through AC Official Memo No: 14-KA/03/2019 on the Audit Committee respond on the IAU charter draft
2	Audit Committee review on IAU charter draft revision 2019	21 April 2019	The Audit Committee review result on IAU charter draft revision 2019 submitted through AC Official Memo No: B.21-KA/04/2019
3	Discussion Meeting on IAU Charter	23 April 2019	The Audit Committee Meeting Minutes No: 05 - KA/04/2019 on the Discussion of BRI IAU Charter & Review ofn Financial Statemetns Q I 2019
4	Recommendation on the approval of BRI IAU Charter	28 May 2019	The Audit Committee recommendation on the update of IAU Charter submitted through AC Official Memo No: B.32-KA/05/2019 dated 28 May 2019 on the Audit Committee recommendation on IAU Charter 2019

II. Audit Committee with Public Accountant and Public Accountant Firm

Pursuant to POJK No. 13/POJK.03/2017 dated 23 March 2017 regarding the Public Accountant Services in the Financial Services Activities and SEOJK No. 36/SEOJK.03/2017 dated 11 July 2017 regarding the Public Accountant Services Procedures in the Financial Services Activities, the Audit Committee roles in the appointment process of Public Accountant and/or Public Accountant Firm to provide audit services on the historical financial information to the Company, is by providing recommendation to the Board of Commissioners regarding such appointment proposal.

The Audit Committee recommendation to the Board of Commissioners considers the following:

1. Independency of Public Accountant, Public Accountant Firm and internal resources
2. Audit scope
3. Audit fees
4. Skills and experience of Public Accountant, Public Accountant Firm and Audit Team
5. Methodology, technique, and audit facilities

Audit Committee

6. Risk potential on audit services with the same Firm consecutively in the long term; and/or
7. Evaluation results from audit services on annual historical financial informatin by Public Accountant and/or Public Accountant Firm from previous period, if any.

During 2019, the Audit Committee has carried out several activities related to the appointment and general audit implementation by the Public Accountant and/or Public Accountant Firm, which include:

No.	Activity/Subject	Realisation	Output
1.	Request for Public Accountant Firm Procurement	20 March 2019	The principal permit on Public Accountant Firm Procurement was submitted through AC Official Memo No: 04-KA/03/2019
2	Management Letter on general Audit of financial statements fiscal year 2018	02 April 2019	Follow up and Management Letter on general audit of financial statements 2018 was submitted through AC Official Memo No: B.20-KA/04/2019
3	Review of owner estimate (OE) on Public Accountant Firm fees to audit the financial statements as of 30 June 2019 and 31 December 2019 and Partnership and Community Development Program 2019	18 April 2019	The Audit Committee recommendation on the OE review proposal for the general audit of BRI PKBL financial statements 2019 submitted through AC Official Memo No: B.23-KA/04/2019
4	Recommendation of Public Accountant Firm that will carry out general audit on consolidated financial statements and partnership and community development program fiscal year 2019	07 May 2019	Recommendation of Public Accountant Firm that will carry out general audit on consolidated financial statements and partnership and community development program fiscal year 2019 was submitted through AC Official Memo No: R.12-KA/05/2019
5	PT BRI (Persero) Tbk Audit Committee evaluation on audit services of historical financial information fiscal year 2018 by KAP Purwantonono, Sungkoro, & Surja KAP PSS	25 June 2019	The evaluation result report of PT BRI (Persero) Tbk Audit Committee on audit services of historical financial information fiscal year 2018 by KAP Purwantonono, Sungkoro, & Surja KAP PSS was submitted through AC Official Memo No: R.16-KA/06/2019
6	Audit Committee evaluation on audit services of DPLK BRI financial statements fiscal year 2019	25 Juni 2019	The evaluation result report of BRI Audit Committee on audit services of DPLK BRI financial statements fiscal year 2019 was submitted through AC Official Memo No: B.36-KA/06/2019
7	Submission of Budget Allocation and Request of Audit Services Procurement Team Formation for BRI Financial Statements and DPLK Investment Report 2019	20 August 2019	Document of Budget Allocation and Request of Audit Services Procurement Team Formation for KAP audit services on financial statements and DPLK investment report 2019 was submitted through AC Official Memo No: B.39-KA/08/2019
8	Audit Committee recommendation on owner estimate proposal for the KAP service procurement for limited review on financial statements as of 31 August 2019	02 October 2019	The Audit Committee recommendation on owner estimate proposal for the KAP service procurement for limited review on financial statements as of 31 August 2019 was submitted through AC Official Memo No: R.23-KA/10/2019
9	Audit Committee recommendation on owner estimate proposal for the KAP service procurement for financial statements and DPLK investment report 2019	02 October 2019	The Audit Committee recommendation on owner estimate proposal for the KAP service procurement for financial statements and DPLK investment report 2019 was submitted through AC Official Memo No: R.24-KA/10/2019



CORPORATE GOVERNANCE

Audit Committee

No.	Activity/Subject	Realisation	Output
10	Procurement of KAP services for general audit of financial statements and DPLK investment report Fiscal Year 2019	09 Desember 2019	Recommendation of procurement result of KAP services for general audit of financial statements and DPLK investment report Fiscal Year 2019 was submitted through AC Official Memo No: B.56-KA/12/2019
11	Approval of KAP appointment to audit financial statements and DPLK investment report Fiscal Year 2019	10 Desember 2019	Approval of appointment of KAP Mirawati Sensi Idris to audit financial statements and DPLK investment report Fiscal Year 2019 was submitted through AC Official Memo No: B.57-KA/12/2019

To comply with the obligations of the Audit Committee in evaluating the implementation of audit services on annual historical financial information by Public Accountant and/or the Public Accountant Firm as stipulated in the OJK Circular No. 36/SEOJK.03/2017 dated 11 July 2017 on the Services Procedures of Accountant and Public Accountant Firm in Financial Services Activities, the Audit Committee has directly conducted field visit in the implementation of "exit meeting" on the general audit results of KAP PSS (EY) which was carried out in several BRI Branch Offices and Regional Internal Audit Offices (AIW) which became the audit sample, as follows:

No	Audit Evaluation by Public Accountant Firm in Branch Offices	Timeline	Financial Statements Position
1	Otista Jakarta	21-May-19	30 June 2019
2	Malang Kawi	25-Jun-19	30 June 2019
3	Tanjung Karang Lampung	01-Jul-19	30 June 2019
4	Makassar Somba Opu	11-Nov-19	31 July 2019
5	Palembang Rivai	12-Nov-19	31 July 2019
6	Martadinata Malang	26-Nov-19	31 July 2019
7	Jakarta Tanjung Duren	27-Nov-19	31 July 2019
8	Jakarta Rawamangun	27-Nov-19	31 July 2019
9	Kanca kalimalang	10-Dec-19	31 July 2019
10	AIW Malang	16-Dec-19	31 December 2019
11	AIW Surabaya	16-Dec-19	31 December 2019
12	AIW Jakarta I	16-Dec-19	31 December 2019

The Public Accountant Firm evaluation report are as follows:

No.	Activity/Subject	Realisation	Output
1	Evaluation of PT BRI (Persero) Tbk Audit Committee on audit services for the historical financial information fiscal year 2018 by KAP Purwantono, Sungkoro, & Surja KAP PSS	25 June 2019	Evaluation result report of PT BRI (Persero) Tbk Audit Committee on the audit services for the historical financial information fiscal year 2018 by KAP Purwantono, Sungkoro, & Surja KAP PSS was submitted through AC Official Memo No: R.16-KA/06/2019

Audit Committee

No.	Activity/Subject	Realisation	Output
2	BRI Audit Committee Evaluation on audit services for DPLK BRI financial statements fiscal year 2019	25 June 2019	Evaluation result report of BRI Audit Committee on audit services for DPLK BRI financial statements fiscal year 2019 was submitted through AC Official Memo No: B.36-KA/06/2019

III. Audit Committee with OJK, Bank Indonesia PPATK and BPK RI

The Audit Committee monitors the follow up on the audit results conducted by the Financial Services Authority (OJK), Bank Indonesia, PPATK and BPK RI. The monitoring can be done by reviewing the audit/inspection report received by the Audit Committee or by discussing it with the Internal Audit Unit simultaneously in the Audit Committee Meeting related to the IAU Audit Result Main Points Report quarterly and/or requesting the Internal Audit Unit to monitoring the audit/inspection carried out by OJK/Bank Indonesia/PPATK and BPK RI.

During 2019, the Audit Committee has reviewed and monitored the auditing by OJK/Bank Indonesia/PPATK/BPK RI, which among others are:

No.	Sender	Letter No. OJK/Bank Indonesia/PPATK/BPK RI	Audit Subject/Object	Audit Committee Respond/ Recommendation/Input
1.	SOE Ministry	S-45/D5.MBU/07/2019 dated 30 July 2019	Follow up of audit results from BPK RI semester II 2018	AC Official Memo No: R.20-KA/08/2019 dated 14 August 2019
2.	OJK	S-76/PB.313/2019 dated 20 August 2019	Follow up of audit findings	AC Official Memo No: B.41-KA/08/2019 dated 27 August 2019
3.	OJK	SR.30/PB.31/2019 dated 06 March 2019	Fraud at teras BRI unit Toddopulli Makassar and EDC transaction case at Regent Hotel Malang	AC Official Memo No: R.09-KA/03/2019 dated 20 March 2019
4.	OJK	SR-58/PB.31/2019 dated 30 April 2019	Audit on risk management of Debtor and business group	AC Official Memo No: R.13-KA/05/2019 dated 08 Mei 2019
5.	Bank Indonesia	20/1497/DSSK/Srt/Rhs dated 20 September 2019	Audit result on tematik scimming bank saudara	AC Official Memo No: R.02-KA/01/2019 dated 07 January 2019
6.	OJK	SR.30/PB.31/2019 dated 06 March 2019	Fraud at teras BRI unit Toddopulli Makassar and EDC transaction case at Regent Hotel Malang	AC Official Memo No: R.09-KA/03/2019 dated 20 March 2019

On the other hand, the Audit Committee has also monitored and reviewed the imposition of financial fines/ obligations by regulators on a regular basis based on OJK, Bank Indonesia and/or other regulators received by the Audit Committee. The monitoring results will then be conveyed to the Board of Commissioners, including opinions and recommendations for required improvements to the Board of Directors through the Board of Commissioners letter hence the imposition of financial fines shall be minimal or not reoccured.



CORPORATE GOVERNANCE

Audit Committee

IV. Audit Committee with Managements

1. Board of Directors Follow Up and Commitment Compliance with Audit Results

A follow-up monitoring carried out by the Audit Committee on the implementation of commitments and plans for follow-up improvements made by the Board of Directors on the audit results conducted by the BRI IAU as well as OJK, Bank Indonesia, BPK RI and Public Accountant Firm as submitted in writing and presented by IAU in Audit Result Reports on a quarterly basis.

On IAU audit results based on quarterly Audit Result Main Points Report that requires specific attention and immediate follow up by the Board of Directors, the Audit Committee provides written recommendations to the President Director through the Board of Commissioners Letter with copy to IAU.

Further on IAU audit results specifically submitted to the Audit Committee and the follow up of audit results report by OJK, Bank Indonesia, BPK RI and Public Accountant Firm that require further clarification and explanation to BRI Board of Directors, during 2019 there were some findings that require further clarification and explanation as well as recommendation which have been given to the Board of Directors, as follows:

No.	Subject	No & Date of AC Official Memo/BOC Letters
1.	POJK No.1/POJK.03/2019 dated 28 January 2019 on internal audit function practices in commercial banks	B.09-KA/02/2019 dated 19 February 2019 B.49-KOM/02/2019 dated 19 February 2019
2.	Follow up audit findings	B.41-KA/08/2019 dated 27 August 2019
3.	Follow up on BRI commitments for the audit result of thematic skimming by Bank Indonesia	R.02-KA/01/2019 dated 07 January 2019
4.	Assessment on BRI internal control system during 2018	R.04-KA/01/2019 dated 22 January 2019
5.	Audit on risk management of Debtor PT Krakatau Steel and business group	R.13-KA/05/2019 dated 08 May 2019
6.	Follow up audit findings of BPK RI semester II 2018	R.20-KA/08/2019 dated 14 August 2019
7.	Follow up on BRI commitments for the audit result of thematic skimming by Bank Indonesia	R.02-KA/01/2019 dated 07 January 2019
8.	Fraud prevention measures	R.03-KA/01/2019 dated 07 January 2019
9.	Assessment on the adequacy and activity of BRI internal control system during 2018	R.04-KA/01/2019 dated 22 January 2019
10.	Letter to Head of IAU on follow up of audit findings by BPK RI semester II 2018	R.20-KA/08/2019 dated 14 August 2019

2. Review of Fraud Reports Expected to Have Significant Impact

The Audit Committee also reviewed the Fraud Reports that had a significant impact on the Company submitted by the Compliance Director to the OJK. The Audit Committee further provides recommendations for required improvement by the Board of Directors. During 2019, the Audit Committee has reviewed the Fraud Report that is Estimated to have a Significant Impact as follows:

Audit Committee

No.	Report Period of Fraud that Expected to Have Significant Impact	No & Date of AC Official Memo/BOC Letters
1.	Fraud report that expected to have significant negative impact to Bank BRI	R.03-KA/01/2019 dated 07 January 2019
2.	Fraud report that expected to have significant negative impact to Bank BRI	R.08-KA/03/2019 dated 20 March 2019
3.	Fraud at teras BRI unit and EDC transaction case	R.09-KA/03/2019 dated 20 March 2019
4.	Follow up on BRI commitments for the audit result of thematic skimming by Bank Indonesia	R.02-KA/01/2019 dated 07 January 2019

V. Audit Committee with DPLK BRI

1. DPLK BRI Investment Performance Evaluation

Pursuant to clause 24 paragraph 4 of POJK No. 3/POJK.05/2015 dated 31 March 2015 regarding the Pension Fund Investment, the Board of Commissioners as the Supervisor of DPLK BRI shall submit the DPLK Investment Performance Evaluation Report by mid-year at the latest three months following the ending of semester.

As such, the Audit Committee has periodically reviewed the development of BRI DPLK investment performance based on the report received. The result of Audit Committee review and evaluation is further reported to the Board of Commissioners, including its opinion and recommendation on the report which further documented into the Board of Commissioners letter to the management of BRI DPLK and submitted to the OJK.

During 2019, the Audit Committee has reviewed and evaluated the report as follows:

No.	Report Period	No & Date of AC Official Memo/BOC Letters
1.	DPLK BRI financial statements and investment performance evaluation report 2018	B.13-KA/03/2019 dated 6 March 2019 B.70-KOM/03/2019 dated 15 March 2019
2.	Evaluation result report of BRI Audit Committee on audit services for DPLK BRI financial statements fiscal year 2019	B.36-KA/06/2019 dated 25 June 2019 B.175-KOM/06/2019 dated 25 June 2019

2. General Audit on DPLK BRI Financial Statements and Investment Performance Report

In relations with the general audit on DPLK BRI Financial Statements and Investment Performance Report fiscal year 2019, the Audit Committee carried out the following activities:



CORPORATE GOVERNANCE

Audit Committee

No.	Activity/Subject	Realisation	Output
1	BRI Audit Committee Evaluation on audit services for DPLK BRI financial statements fiscal year 2019	25 June 2019	Evaluation result report of BRI Audit Committee on audit services for DPLK BRI financial statements fiscal year 2019 was submitted through AC Official Memo No: B.36-KA/06/2019
2	Submission of Budget Allocation and Request of Audit Services Procurement Team Formation for BRI Financial Statements and DPLK Investment Report 2019	20 August 2019	Document of Budget Allocation and Request of Audit Services Procurement Team Formation for KAP audit services on financial statements and DPLK investment report 2019 was submitted through AC Official Memo No: B.39-KA/08/2019
3	Audit Committee recommendation on owner estimate proposal for the KAP service procurement for financial statements and DPLK investment report 2019	02 October 2019	The Audit Committee recommendation on owner estimate proposal for the KAP service procurement for financial statements and DPLK investment report 2019 was submitted through AC Official Memo No: R.24-KA/10/2019
4	Procurement of KAP services for general audit of financial statements and DPLK investment report Fiscal Year 2019	09 Desember 2019	Recommendation of procurement result of KAP services for general audit of financial statements and DPLK investment report Fiscal Year 2019 was submitted through AC Official Memo No: B.56-KA/12/2019
5	Approval of KAP appointment to audit financial statements and DPLK investment report Fiscal Year 2019	10 Desember 2019	Approval of appointment of KAP Mirawati Sensi Idris to audit financial statements and DPLK investment report Fiscal Year 2019 was submitted through AC Official Memo No: B.57-KA/12/2019

VI. Audit Committee Internal Activity and Other Activities

1. Review the implementation of PSAK 71, PSAK 72, and PSAK 73 which is effective as of 1 January 2019, the recommendation and opinion were submitted to the Board of Commissioners and Directors through AC Official Memo No: R.21-KA/09/2019 dated 17 September 2019 and BOC Letter to the Board of Directors No: R.69-KOM/09/2019 dated 19 September 2019.
2. Recommendation on special audit for non-performing borrowers of PT BRI Agroniaga which was submitted through AC Official Memo No: R.26-KA/10/2019 dated 09 October 2019.
3. Recommendation to relevant IAU on the follow of audit findings by public accountant firm EY on the borrowers with minimum 2 TPF collectability which was submitted through AC Official Memo No: R.28-KA/11/2019 dated 01 November 2019.
4. Recommendation to IAU on fraud prevention which was submitted through AC Official Memo No: 02-KA/01/2019 dated 07 January 2019.
5. Recommendation to IAU on the adequacy and activity of BRI internal control system during 2018 which was submitted through AC Official Memo No: R.04-KA/01/2019 dated 02 January 2019.
6. Accompanying work visits by members of the Board of Commissioners to several BRI Regional Offices, Branch Offices, Sub-Branch Offices, BRI Units, and other BRI work units, including specifically attending in-house training held by several Regional Internal Audit Offices. In this training, the Audit Committee disseminates the roles, functions and responsibilities of the Board of Commissioners, particularly the Audit Committee and conveys and discusses matters related to internal control and governance implementation, both in general and specifically within the BRI environment. This is part of the delivery of the "tone of the top" of the Board of Commissioners, especially the Audit Committee to all levels within the BRI, especially the visited work units.
7. The Audit Committee with the Board of Commissioners' Secretariat and other Committees coordinate and discuss other matters pertaining to the other assignment from the Board of Commissioners.

Audit Committee

AUDIT COMMITTEE EDUCATION AND TRAINING IN 2019

The training attended by members of the Audit Committee from the Commissioners element during 2019 can be found in the Board of Commissioners' education/ training list for 2019 in Chapter 3 Company Profile. The education of Non-Commissioner Audit Committee Members in 2019 is as follows:

No	Name	Education	Organizers	Date	Location
1	Pamuji Gesang Raharjo	Principles, Practices and Fundamental Issues of PSAK 71	BARA Risk Forum	27-28 June 2019	Denpasar
2	Sunu Aji Noor W	Principles, Practices and Fundamental Issues of PSAK 71	BARA Risk Forum	27-28 June 2019	Denpasar

AUDIT COMMITTEE MEETINGS

Meeting Policy

The Audit Committee Meeting policy is stipulated as follows:

1. The meeting shall be held at least once in a month.
2. Meetings shall be held at the place of domicile of the Company or other places established by the Committee.
3. Every Meeting invitation may be made in writing signed by the Chairman of the Audit Committee or one of the members of the Audit Committee from the Board of Commissioners, or by verbal or other means of communication.
4. The meeting shall include the meeting agenda, date, time, and venue and shall be set forth in a well-documented minutes of meeting.
5. A meeting may only be held if it is attended by at least 51% (fifty one percent) of the total members including an Independent Commissioner and an Independent Party.
6. The Chairman of the Audit Committee chairs each Committee meeting and in the event that the Chairman of the Audit Committee is absent, a member of the Audit Committee from the Board of Commissioners chairs the meeting.
7. The decision of the meeting shall be based on consensus deliberation. If deliberation of consensus is not reached, then the decision is made by majority vote.
8. Dissenting opinion that occurs in the Audit Committee meeting shall be clearly stated in the minutes of the meeting and its reasons.
9. The minutes of the Audit Committee meetings shall be made by a person present at the meeting and appointed by the meeting chairman. All members of the Audit Committee present at the meeting shall sign the minutes of the meeting.
10. The Audit Committee minutes of meeting serve as legitimate proof on the decision taken in the meeting.
11. The Audit Committee may also take a lawful decision without having a Meeting provided that all members of the Audit Committee have been notified in writing and all members of the Audit Committee agree on the proposal submitted in writing and sign the agreement. The decisions taken in this way have the same power as the decisions taken legitimately in the meeting.

Audit Committee Meetings in 2019

The Audit Committee has convened 16 meetings during 2019 with the following details:

No	Meeting Agenda	Date	Minutes No.	Total Attendance	Remarks
1	Discussion on Audit Progress Report of Financial Statements and PKBL BRI 2019	Thursday, 17 January 2019	01 - KA/01/2019	5	Quorum
2	Closing Meeting of Financial Audit Report & PKBL BRI 2018	Tuesday, 29 January 2019	02 - KA/01/2019	5	Quorum



CORPORATE GOVERNANCE

Audit Committee

No	Meeting Agenda	Date	Minutes No.	Total Attendance	Remarks
3	Audit Results Report Quarter IV 2018	Tuesday, 26 February 2019	03 - KA/02/2019	5	Quorum
4	Termination and appointment of BRI IAU Head	Tuesday, 12 March 2019	05.a - KA/03/2019	5	Quorum
5	Closing Audit PKBL 2018 & Management performance evaluation report	Tuesday, 2 April 2019	04 - KA/04/2019	5	Quorum
6	Discussion on Audit Charter, & Review on Financial Statements QI 2019	Tuesday, 23 April 2019	05 - KA/04/2019	5	Quorum
7	Recommendation on KAP Procurement & Discussion on IAU Head	Tuesday, 7 May 2019	06 - KA/05/2019	5	Quorum
8	Discussion on Audit Results Report QI 2019	Monday, 13 May 2019	07 - KA/05/2019	5	Quorum
9	Discussion on Prospective Head of IAU	Tuesday, 21 May 2019	09 - KA/05/2019	6	Quorum
10	Kick off meeting audit financial statements BRI 30 June 2019	Tuesday, 28 May 2019	08 - KA/05/2019	5	Quorum
11	Discussion on Audit Results Report QII 2019	Monday, 29 July 2019	10-KA/07/2019	6	Quorum
12	Closing meeting audit on financial statements BRI QII 2019 with EY	Monday, 5 August 2019	11-KA/08/2019	6	Quorum
13	Audit Progress Report on Interim Financial Statements BRI 31 August 2019	Tuesday, 8 October 2019	12-KA/10/2019	6	Quorum
14	Closing Meeting Audit on certain accounts as of 31 August 2019	Selasa, 15 October 2019	13-KA/10/2019	7	Quorum
15	Review of Financial Statements QIII 2019	Tuesday, 22 October 2019	14-KA/10/2019	7	Quorum
16	Audit Results Report QIII 2019 & Management Letter 2019	Monday, 11 November 2019	15-KA/10/2020	7	Quorum
17	Discussion on annual audit plan 2020	Monday, 16 December 2019	16-KA/10/2021	7	Quorum
18	Discussion on annual audit plan 2019	Monday, 16 December 2019	17-KA/10/2022	7	Quorum

Meeting Frequencies and Attendance Levels

No	Name	Position	Total Meetings	Attendance	% Attendance
1	A. Fuad Rahmany	Chairman	18	18	100%
2	A. Sonny Keraf	Member	18	16	89%
3	Rofikoh Rokhim	Member	18	18	100%
4	Hendrikus Ivo*	Member	6	6	100%
5	Pamuji Gesang Raharjo	Member	18	18	100%
6	Sunuaji Noor Widiyanto	Member	18	18	100%
7	Handayani*	Member	6	6	100%

* Effective as of October 2019

Meeting Follow Ups

All activities and meetings carried out by the Audit Committee are documented in the meeting minutes and followed up with several letters to the Board of Commissioners and related parties.

Audit Committee

AUDIT COMMITTEE REMUNERATION IN 2019

The remuneration for committee members as members of the Board of Commissioners is accumulated with honorarium given to the Board of Commissioners and no specific honorarium for each member of the Committee..

In particular to Members of the Committee from Independent Parties (Non-Commissioners), the amount of honorarium is stipulated by the Board of Commissioners with a maximum of 20% of the salary of the President Director and not given any other income apart from the honorarium. This is in accordance with the SOE Minister Regulation No. PER-12. MBU/2012 dated 12 August 2012 on the supporting organ of the Board of Commissioners.

AUDIT COMMITTEE PERFORMANCE ASSESSMENT IN 2019

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Achievements	Weight	Score
1	Learning & Growth Perspective	Committee Organization	The compositions of Committee members according to the rules	The Committee members composition according to the regulations of POJK, SOE Ministry and regulators	Pursuant to BOC Decree No: 07-Kom/10/2018 dated 30 October 2018 on the determination of the chairman and members of AC BRI. The AC composition has complied with POJK and SOE Ministry Regulations.	5	5
			The committee charter has been updated according to the rules	AC Charter Review in 2019	The Audit Charter in 2019 has been updated and reset through BOC Decree Nokep: 11-KOM/11/2018 dated 01 November 2018 on the Audit Committee Charter of BRI	5	5
		Committee Competencies	Committee members have the competencies according to the rules	Members of AC has passed the OJK fit & proper tests and/or participated in the training 2019	The AC members has passed OJK fit & proper test and the independent parties has the abilities in corresponding to the needs of AC	5	5
			The terms of office of Committee Members according to the rules	The Decree of the committee's members is updated according to the rules and term of services according to POJK and SOE Ministry Regulations	Pursuant to BOC Decree No: 07-KOM/10/2018 dated 30 October 2018 on the Determination of the chairman and members of AC BRI, the term of services of the chairman and members of AC are not exceeded the rules	5	5
2	Internal Process Perspective	Planning	Timely ratification of the committees' work plans	The AC Work Plan & Budget 2019 was ratified on 28 December 2019	The AC Work Plan & Budget 2019 was ratified on 28 December 2019	5	5
		Implementation	The committee meeting is held according rules and arranged plans	Once a month (12 times)	During 2019, 18 AC meetings were held	5	5
			Evaluation and agreements of Directors on Audit Annual Plan	Once a year	Written recommendation through opinions and suggestion with Official Memo No. B.29-KA/04/2018 dated 26 April 2018 on the approval of annual audit plan 2019	5	5



CORPORATE GOVERNANCE

Audit Committee

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Achievements	Weight	Score
			Recommendation on the appointment proposal of Public Accountant and Public Accountant Firm	Once a year	<ol style="list-style-type: none"> The Audit Committee recommendation on the appointment of Public Accountant and/or Public Accountant Firm for General Audit of Consolidated Financial Statements and PKBL Financial Statemetns fiscal year 2019 has been carried out according to the rules. The Audit Committee evaluation results on the Public Accountant and/or Public Accountant Firm has been submitted to the Board of Commissioners on time and as per the rules 	5	5
			Carry out other assignments as per the BOC directives	As per duties and BOC directives	Duties were implemented according to the rules	5	5
		Oversight	Review of internal audit report and follow up of findings are carried out according to the rules	Every Quarter	Written recommendation through opinions and suggestion have been submitted to the Board of Commissioners through Quarterly Official Memo	10	10
			Review of financial statements is carried out according to the rules		Review and discussion between the Audit Committee, BOC and IAU was documented in the Minutes for 3 times with Public Accountant Firm adn two times with IAU	10	10
			Review of Wistleblower System Management	Once a year	<p>Cumulatively, during 2019 the total complaints/reports received through the BRI Whistle Blower System (WBS) were 134 reports. All complaints/reports have been followed up by IAU at the same time with Internal Audit review, through investigation and research and follow-up by relevant units according to their authorities, with the following details:</p> <ol style="list-style-type: none"> 81 reports with "Completion" status. 53 reports remain under the "Ongoing Process" of investigation and follow up by relevant units. 	5	5

Audit Committee

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Achievements	Weight	Score
			Review of general audit on DPLK BRI financial and performance report	Once a year	Written recommendation through opinions and suggestion have been submitted to the Board of Commissioners through Official Memo according to the rules	10	10
			Review of follow up on Management Letter and follow up on audit findings by external parties	Once a year	<ol style="list-style-type: none"> Review of Management Letter was submitted through the Audit Committee Official Memo regarding Management Letter on General Audit of Financial Statements Fiscal Year 2019. During 2019, the Audit Committee has reviewed and monitored the auditing by OJK/Bank Indonesia/PPATK/BPK RI 	5	5
			Review on Fraud that expected with significant impact	Once a year	During 2019 the Audit Committee has submitted Review on Fraud Report that expected to have Significant Impact	5	5
3	Compliance Perspective	Corporate activities according to GCG	Opinion of Public Accountant of Fairly in all material respects	Fairly in all material respects	Opinion of Public Accountant audit results on BRI Financial Statements was Fairly in all material respects	10	10
Total						100	100



CORPORATE GOVERNANCE

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) was established by the Board of Commissioners with the duties of reviewing the remuneration policies and providing advice and recommendations on candidates' selection and/or replacement procedures for members of the Board of Commissioners and Directors and independent third parties for the committees under the Board of Commissioners.

Legal References

1. Law of the Republic of Indonesia No. 7 of 1992 on Banking in lieu of the Law of the Republic of Indonesia No. 10 of 1998.
2. Law of the Republic of Indonesia No. 40 of 2007 on the Limited Liability Companies.
3. Law of the Republic of Indonesia No. 19 of 2003 on the State-Owned Enterprises.
4. Government Regulation of the Republic of Indonesia No. 45 of 2005 on the Establishment, Management, Supervision and Dissolution of State-Owned Enterprises.
5. POJK No. 55/POJK.03/2016 on the Implementation of Governance for Commercial Banks.
6. SEOJK No. 13/SEOJK.03/2017 on the Implementation of Governance for Commercial Banks.
7. POJK No. 33/POJK.04/2014 dated 8 December 2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies.
8. POJK No. 34/POJK.04/2014 dated 8 December 2014 on the Nomination and Remuneration Committee of Issuers or Public Companies.
9. POJK No. 45/POJK.03/2015 on the Implementation of Governance in Providing Remuneration for Commercial Banks.
10. SEOJK No. 40/SEOJK.03/2016 on the Implementation of Governance in Providing Remuneration for Commercial Banks
11. SOE Minister Regulation No. PER-01/MBU/2011 dated 1 August 2011 on the Implementation of Good Corporate Governance in SOEs in lieu of SOE Minister Regulation No. PER-09/MBU/2012 dated 6 July 2012 on the amendment to the SOE Minister Regulation No. PER-01/MBU/2011 on the Implementation of Good Corporate Governance in SOEs.
12. SOE Minister Regulation No. PER-12/MBU/2012 dated 24 August 2012 on the Supporting Organs of the Board of Commissioners/Supervisory Board of State-Owned Enterprises.
13. PT Bank Rakyat Indonesia (Persero) Tbk's Articles of Association with the latest amendments.
14. Joint Decree of the Board of Commissioners and Directors of PT Bank Rakyat Indonesia (Persero) Tbk dated 16 December 2013 No. 06-KOM/BRI/12/2013 or S.05-DIR/DKP/12/2013 on the Code of Conduct of PT Bank Rakyat Indonesia (Persero) Tbk which is an Amendment to the Attachment of the Joint Decree of the Board of Commissioners and Directors of PT Bank Rakyat Indonesia (Persero) Tbk dated 8 March 2010 No. 01-KOM/BRI/03/2010 or Nokep S.14- DIR/DKP/03/2010 on Good Corporate Governance (GCG) Policy of PT Bank Rakyat Indonesia (Persero) Tbk..
15. The Board of Directors Decree Nokep: 656 -DIRIKHC/09/2019 dated 30 September 2019 on the Stipulation of Chairman and Member of the Nomination and Remuneration Committee of PT Bank Rakyat Indonesia (Persero) Tbk.

Committee Charter

The Nomination and Remuneration Committee Charter regulates the purpose of establishment, membership, authority, duties and responsibilities, position, work ethics and meeting ethics. The Charter is a guideline for the implementation of duties and responsibilities for the Nomination and Remuneration Committee in order to support the effectiveness of the implementation of duties and responsibilities of the Board of Commissioners relating to the HR management. The NRC Charter has been reviewed and approved by the Board of Commissioners through the Board of Commissioners Decree No: B.13-KOM/1/2018 dated 01 November 2018 concerning the Charter of the Board of Commissioners and Supporting Organs of the Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk.

Nomination and Remuneration Committee

Appointment and Termination

The Nomination and Remuneration Committee is a Committee established by the Board of Commissioners in order to support the effectiveness of the implementation of duties and responsibilities of the Board of Commissioners, specifically related to the Nomination Policy and Remuneration Policy.

Structure and Memberships

1. Committee is under the coordination of the Board of Commissioners and structurally responsible to the Board of Commissioners;
2. Committee is led by the Independent Commissioner.

NRC Structure

The NRC structure and membership has met the stipulations of POJK 34/POJK.04/2014 and POJK 45/POJK.03/2015 on the Governance Practices and Remuneration Provisions for Commercial Banks, as follows:

1. The Committee members shall be at least consisted of 3 (three) members, which comprise an Independent Commissioner, a Commissioner, and an Executive of one level below the Directors that in charge of HR policy (ex officio).
2. In the event that members of the Committee are stipulated of over 3 (three) members, then the Independent Commissioner shall be at least 2 (two) members.
3. The Board of Commissioners can appoint Independent Party as the Committee member, with the following criteria:
 - a. Mandatory requirements:
 1. Has no Affiliations with the Company, members of the Directors, members of the Board of Commissioners, or the Company's Controlling Shareholder;
 2. Has experience in Nomination and/or Remuneration; and
 3. Does not have concurrent position as member of other committee in the Company.
 - b. Appointed by the Board of Commissioners through recruitment and selection mechanisms.
 - c. The maximum terms of office is 2 (two) years and may be renewed for subsequent periods of work with due consideration to the term of

the Board of Commissioners and the applicable contract employees' regulations in the Company, with the possibility of termination by the Board of Commissioners prior to the term of the contract expires.

4. Members of the Board of Directors shall not be assigned as members of the committee.
5. Members of the Committee are appointed by the Board of Directors based on the decision of the Board of Commissioners meeting.
6. Members of the Committee are appointed for certain period and can be reappointed.
7. The tenure of members is not exceeding the tenure of the Board of Commissioners as stipulated in the articles of association.
8. Replacement of members that are not included in the Board of Commissioners is carried out at the latest 60 (sixty) days since such Committee member cannot conduct its functions.

Committee Memberships

1. The Committee members shall at least consist of:
 - a. An Independent Commissioner;
 - b. An Independent Party having expertise in finance; and
 - c. An Independent Party with expertise in risk management.
2. The Independent parties assessed of having financial expertise shall meet the following criteria:
 - a. Have knowledge in economics, finance and/ or banking; and
 - b. Have work experience of at least 5 (five) years in economic, finance and/ or banking.
3. The Independent parties assessed of having expertise in risk management shall meet the criteria:
 - a. Have knowledge in risk management;
 - b. Have at least 2 (two) years working experience in risk management in finance and/ or banking.
4. The Independent Parties shall meet the following requirements:
 - a. Does not receive any compensation from the Company and its subsidiaries, or affiliates, except wages, salaries and other facilities received in connection with the duties performed as members of the Risk Management Oversight Committee;



CORPORATE GOVERNANCE

Nomination and Remuneration Committee

- b. Has no family or financial relationship with the Board of Directors and Board of Commissioners;
 - c. Do not have concurrent positions in the Company and other affiliates;
 - d. Has no duties, responsibilities, and authorities that create a conflict of interest;
 - e. Should not be concurrently a member of the Board of Commissioners, Secretary of the Board of Commissioners, Staff of the Secretary of the Board of Commissioners and members of the Committee on SOEs or other companies; and
 - f. Not contrary to other provisions and legislation.
5. Former members of the Board of Directors or Executive Officers of the Company or parties with relationships with the Company that may affect their ability to act independently may not become Independent Party as a member of the Committee, before undergoing a six-month period of cooling off. The terms of the waiting period (cooling off) to become an Independent Party shall not apply to former members of the Board of Directors or Executive Officers whose duties only perform supervisory functions for at least 6 (six) months.
 6. Appointment of members of the Committee from the Independent Party, shall abide to the following rules:
 - a. Selected by the Board of Commissioners through recruitment and selection mechanisms;
 - b. The maximum terms of office is 2 (two) years and may be renewed for subsequent periods of work with due consideration to the term of the Board of Commissioners and the applicable contract employees' regulations in the Company, with the possibility of termination by the Board of Commissioners prior to the term of the contract expires.
 7. Members of the Board of Directors are prohibited from becoming members of the Committee. Members of the Committee shall be appointed by the Board of Directors based on the decision of the Board of Commissioners meeting.

Member structure from 1 January 2019 to 30 September 2019:

Name	Position	Profession
Andrinof A. Chaniago	Chairman	President Commissioner/Independent
Gatot Trihargo	Member	Vice President Commissioner
A. Fuad Rahmany	Member	Independent Commissioner
A. Sonny Keraf	Member	Independent Commissioner
Mahmud	Member	Independent Commissioner
Hadiyanto	Member	Commissioner
Nicolaus Teguh Budi Harjanto	Member	Commissioner
Rofikoh Rokhim	Member	Independent Commissioner
Busrul Iman	Member	Ex-officio (Division Head of Human Capital Policy and Development)

Member structure from 30 September 2019 to 31 December 2019:

No	Name	Position	Profession
1	Andrinof A. Chaniago	Chairman	President Commissioner/Independent
2	Wahyu Kuncoro *	Member	Vice President Commissioner
3	A. Fuad Rahmany	Member	Independent Commissioner
4	A. Sonny Keraf	Member	Independent Commissioner

Nomination and Remuneration Committee

No	Name	Position	Profession
5	Hendrikus Ivo	Member	Independent Commissioner
6	Rofikoh Rokhim	Member	Commissioner
7	Nicolaus Teguh Budi Harjanto	Member	Commissioner
8	Hadiyanto	Member	Commissioner
9	Loeke Larasati A**	Member	Commissioner
10	E.R.A Taufiq	Member	Ex-officio (Division Head of Human Capital Policy and Development)

* Effective until 18 November 2019 as Member of BOC and NRC

** Effective After Passing the OJK Fit And Proper Test

Committee Profile

The NRC Member Profile as of 31 December 2019 is as follows:

Andrinof A. Chaniago Chairman/Independent Commissioner	Profile is available at Board of Commissioners Profile section.
A. Fuad Rahmany Member/Independent Commissioner	Profile is available at Board of Commissioners Profile section.
A. Sonny Keraf Member/Independent Commissioner	Profile is available at Board of Commissioners Profile section.
Hendrikus Ivo Member/Independent Commissioner	Profile is available at Board of Commissioners Profile section.
Rofikoh Rokhim Member/Commissioner	Profile is available at Board of Commissioners Profile section.
Hadiyanto Member/Commissioner	Profile is available at Board of Commissioners Profile section.
Nicolaus Teguh Budi Harjanto Member/Commissioner	Profile is available at Board of Commissioners Profile section.
Loeke Larasati A* Member/Independent Commissioner	Profile is available at Board of Commissioners Profile section.
E.R.A Taufiq Member (01 July 2019-Present)	Born in Bandung May 13, 1967, obtained a Bachelor of Law degree from Parahyangan University, Bandung. During his tenure at BRI, he served as Head of Career Development Division of the Human Capital Policy & Development Division, Deputy Head of the Division of Career & Culture Management Division of Human Capital Policy & Development (2014-2019), Head of BRI Human Capital Policy Division (2019) and most recently as Executive Vice President of the Human Capital Business Partner Division (2019 to present).

*Effective After Passing the OJK Fit And Proper Test



CORPORATE GOVERNANCE

Nomination and Remuneration Committee

Educational Qualifications and Experiences

1. Have high integrity, objectivity, mentality, ethics and professional responsibilities.
2. Able to act independently, which is able to carry out duties professionally without conflict of interest and influence/ pressures from any other parties that are in compliance with the prevailing laws and regulations and Good Corporate Governance principles.
3. Have adequate banking knowledge including prevailing rules and laws.
4. Understanding of comprehensive human resource management concept, especially experienced in HR management that includes succession planning, career development, performance assessment and experience in managing remuneration system for the Board of Commissioners, Directors and the Company's employees.
5. Have the knowledge on manpower regulation and other rules related to employment.
6. Have sufficient time to carry out duties.
7. Able to effectively communicate.

Independencies

To ensure the quality of duties implementation, several NRC members have economics and finance background, meanwhile other members have the experience in human resources. Whereas to ensure the independency of duties implementation and in providing opinion or recommendation to the Directors, all Members of the NRC have no affiliations with the Directors, other Commissioners or the Company controlling shareholder. All members of the NRC are not shareholders, Commissioners, Directors of the companies that have affiliations or business with BRI.

Duties, Responsibilities, Authority and Prohibitions

Nomination Function

1. Prepare and provide recommendations to the Board of Commissioners regarding the selection and/or replacement system and procedures of members of the Board of Commissioners and Directors to be submitted to the General Meeting of Shareholders.
2. Provide recommendations to the Board of Commissioners regarding:
 - a. Composition of members of the Board of Directors and/or members of the Board of Commissioners;
 - b. Policies and criteria needed in the Nomination process and;
 - c. Performance assessment policy for members of the Board of Directors and/or members of the Board of Commissioners.
3. Assist the Board of Commissioners in performance assessment of members of the Board of Directors and/or members of the Board of Commissioners based on benchmarks prepared as evaluation material;
4. Provide recommendations to the Board of Commissioners regarding capacity expanding programs for members of the Board of Directors and/or members of the Board of Commissioners;
5. Provide recommendations or propose candidates who fulfill the requirements as members of the Board of Directors and/or members of the Board of Commissioners to the Board of Commissioners for submission to the GMS.
6. Provide recommendations to the Board of Commissioners regarding the Prospective Representatives of the Company that will be assign as the Subsidiaries Management proposed by the Board of Directors..
7. Provide recommendations to the Board of Commissioners regarding Independent Parties who will become members of the Committee under the Board of Commissioners.

Remuneration Function

1. Provide recommendations to the Board of Commissioners regarding the structure, policies, and amount of remuneration for members of the Board of Directors and/or members of the Board of Commissioners.
2. Provide recommendations to the Board of Commissioners regarding evaluation of remuneration policies for members of the Board of Directors and/or members of the Board of Commissioners to be submitted to the General Meeting of Shareholders;

Nomination and Remuneration Committee

3. Provide recommendations to the Board of Commissioners regarding the evaluation of remuneration policies for Executive Officers and employees as a whole for submission to the Board of Directors.
4. Assist the Board of Commissioners in performance assessment with the suitability of Remuneration received by each member of the Board of Directors and/or members of the Board of Commissioners.

KPI AND ACHIEVEMENTS IN 2019

The Nomination and Remuneration Committee performance indicators or criteria is measured from the achievement of work programs/work plans and budgets that has been prepared at the beginning of each year and the attendance of NRC members in each meeting. The NRC work program is designed to support the key success factors of the Board of Commissioners in executing the nomination process of the Company's management and its subsidiaries, evaluation of employees' remuneration and employment policies, remuneration of the Board of Directors and Board of Commissioners, as well as the overall management of human resources.

Broadly, all NRC KPIs has been achieved by the implementation of all NRC Work Plan and Budget 2019, in accordance with the set target and attendance level of NRC members, which fulfilled the requirement hence all NRC meeting can be executed with quorum in every decision.

NOMINATION AND REMUNERATION COMMITTEE ACTIVITIES IN 2019

Focus of NRC Work Programs

The realization of NRC Work Programs year 2019 are as follows:

1. Nomination of BRI Board of Directors

Pursuant to POJK No.55/POJK.03/2016 dated 07 December 2017 on Good Corporate Governance Practices for Commercial Banks, every appointment and/or replacement proposal for members of the Board of Commissioners and/or Directors by the Board of Commissioners to the GMS shall take into account the NRC recommendations. The nomination processes during 2019 are as follows:

- a. Nomination at the Annual GMS 2019.
The Nomination and Remuneration Committee has carried out the nomination process for candidates of Directors and Commissioners from the Internal Board of Commissioners to be proposed to the Board of Commissioners for further submission to the Dwiwarna Series A Shareholders for the decision making in the Company's Annual GMS 2019.

The Nomination Process for Board of Directors and NRC Recommendations are as follows:

Subject	Realisation	Output
Proposal of BOD Nomination	15 May 2019	NRC Recommendations on the stipulation of candidate members of the BOD and BOC as proposed in the Annual GMS 2019 NRC Official Memo R.07-KNR/05/2019

- b. Nomination at the Extraordinary GMS 2019.
The Nomination and Remuneration Committee has carried out the nomination process for candidates of Directors and Commissioners from the Internal Board of Commissioners to be proposed to the Board of Commissioners for further submission to the Dwiwarna Series A Shareholders for the decision making at the EGMS 03 January 2019 and EGMS 2 September 2019 according to SOE Ministry letter No.SR-742/MBU/11/2018 dated 05 November 2018 in which one of the agenda was the changes of the Company's management.



CORPORATE GOVERNANCE

Nomination and Remuneration Committee

Subject	Realisation	Output
Change of BRI Management at the EGMS 2019	28 December 2018	Proposal on Update of Top Talent PT. BRI (Persero) Tbk Proposal on Change of candidates PT. BRI (Persero) Tbk. submitted through NRC Official Memo R.17-KNR/12/2018 dated 28 December 2018
Nomination of BRI Management at the EGMS	02 January 2019	Proposal of Change of Management of PT BRI (Persero) Tbk submitted through NRC Official Memo R.01-KNR/01/2019
Nomination of BRI Management at the EGMS	02 September 2019	NRC recommendations on the stipulation of candidate members of the BOD and BOC proposed at the EGMS 2019 submitted through NRC Official Memo R.12-KNR/09/2019 Request for approval of candidate member of President Director submitted through NRC Official Memo R.13-KNR/09/2019

2. Nomination of Candidate Commissioners and Directors at Subsidiaries or Representatives assigned at Subsidiaries or Related Parties.

Pursuant to the clause in BRI's Articles of Association, one of the Board of Directors actions that requires the approval of the Board of Commissioners and the Dwiwarna A Series Shareholders is to propose the Company's Representatives as member of the Board of Directors or Board of Commissioners in a subsidiary that provides significant contributions to the company and/or strategic value. Considering this, during 2018 the Nomination and Remuneration Committee has carried out the Nomination process for the prospective representatives proposed by the Board of Directors for the assignment in subsidiaries and related Parties as follows:

Subject	Realisation	Output
Nomination of candidates President Commissioner and President Director for Utama Ventura Investama	11 February 2019	Proposal of nomination of candidates President Commissioner and President Director for Utama Ventura Investama was submitted through NRC Official Memo R.02-KNR/02/2019
Nomination of candidate members of BOC for PT Asuransi Jiwa Bringin Jiwa Sejahtera	11 February 2019	Proposal of nomination of candidate members of BOC for PT Asuransi Jiwa Bringin Jiwa Sejahtera was submitted through NRC Official Memo R.03-KNR/02/2019
Nomination of candidate members of BOC for PT BRI Life	11 February 2019	Proposal of nomination of candidate members of BOC for PT BRI Life disampaikan melalui Nota Dinas KNR SR.02-KNR/02/2019
Nomination of candidates President Commissioner and Director for BRI Syariah	10 April 2019	Proposal of nomination of candidates President Commissioner and Director for BRI Syariah was submitted through NRC Official Memo SR.06-KNR/04/2019
Proposal of approval of nomination of BOD and BOC for PT BRI Syariah	29 April 2019	Proposal of approval of nomination of BOD and BOC for PT BRI Syariah was submitted through NRC Official Memo SR.07-KNR/04/2019
Nomination of candidate management for BRI Agro	29 May 2019	Proposal of recommendation of of candidate management for BRI Agro was submitted through NRC Official Memo SR.08-KNR/05/2019
Recommendation of change of nomenklatur and re-assignment of BOD for PT BRI Multifinance Indonesia	04 July 2019	Proposal of recommendation of change of nomenklatur and re-assignment of BOD for PT BRI Multifinance Indonesia was submitted through NRC Official Memo SR.09-KNR/07/2019
Recommendation of candidate President Director for BRI Agro	20 November 2019	Nomination of President Director for BRI Agro was submitted through NRC Official Memo SR.12-KNR/11/2019

Nomination and Remuneration Committee

3. Board of Directors Performance Assessment

Pursuant to stipulation of SOE Minister Regulation PER-03/MBU/02/2015 regarding the Requirements, Appointment Procedures, and Termination of Members of the Board of Directors of State-Owned Enterprises as well as the Articles of Association of PT Bank Rakyat Indonesia (Persero) Tbk, the Nomination and Remuneration Committee shall carry out performance assessment of the Board of Directors based on the BOD KPIs. This is aimed at evaluating the performance achievements of the Directors and reviewing the competencies of each Director.

The performance assessment of Directors are as follows:

Subject	Realisation	Output
BOD Performance Assessment per Field	31 July 2019	Written letter of NRC/Board of Commissioners through BOC Leter SR.10-KNR/07/2019 on the Performance Assessment of the Board of Directors PT BRI (Persero) Tbk.

4. Review of the Remuneration Policies/Rules for the Board of Directors and Board of Commissioners

To ensure governance in the granting of remuneration to foster prudent risk taking by the Bank Executives according to POJK No. 45/POJK.03/2015 dated 23 December 2015 on the Governance Practices in Providing Remuneration for Commercial Banks, the Bank shall establish the remuneration governance policy.

To address this, the NRC has developed BRI Remuneration Governance Policy that has been set by the Joint Decree of the Board of Directors and Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk No: 09-KOM/BRI/11/2017 and No. 1023-DIR/KPS/11/2017 dated 30 November 2017 on the Remuneration Governance Policy of PT Bank Rakyat Indonesia (Persero) Tbk, and the Decree of the Board of Commissioners Nokep: 04-KOM/09/2018 dated 12 September 2018 on the Stipulation in Providing Deferred Variable Remuneration of PT Bank Rakyat Indonesia (Persero) Tbk.

In 2019 the Nomination and Remuneration Committee has reviewed the remuneration policy related to deferred variable remuneration for employee which has been set as material risk taker through the Joint Decree of the Board of Directors and Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk No: 08-KOM/BRI/06/2019 dated 20 June 2019.

5. Review of Remuneration Structure for the Board of Directors and Board of Commissioners

Following the resolution of AGMS 2019, the AGMS grants the authority to the Board of Commissioners to determine the remuneration structure and amount for the Board of Directors and Commissioners following the approval of Series A Dwiwarna shareholder.

Based on the decision, the NRC submits its reviews and recommendations to the Board of Commissioners regarding the remuneration proposal for the Directors and Commissioners which include proposal on honorarium/ salaries, benefits and facilities for 2019, proposal on tantiem for the performance of Fiscal Year 2018 for further submission to the Series A Dwiwarna Shareholder.



CORPORATE GOVERNANCE

Nomination and Remuneration Committee

Review and proposal of the Directors and Commissioners remuneration are as follows:

Subject	Realisation	Output
Remuneration Proposal for BOD and BOC Year 2019 and Tantiem/Performance Incentives Fiscal Year 2018	22 April 2019	Written proposal of the BOC to the Series A Dwiwarna Shareholder through BOC Letter SR.10-KOM/04/2019 Remuneration Proposal for BOD and BOC Year 2019 and Tantiem/Performance Incentives Fiscal Year 2018.

In formulating the remuneration proposal, the NRC is assisted by Willis Towers Watson's Independent Consultant. The Review was conducted by survey based on benchmarks with the world-class companies in the country or Southeast Asia region in accordance with Government Regulation No.06/MBU/2017 which among others has business scale criteria that considered equal, has a similar core business or the same complexity of business, and the transparency of performance indicators and the transparency of costs of the Board of Directors and Board of Commissioners in such companies.

6. Deferred Remuneration Payment

To implement remuneration policy for the Board of Directors and Board of Commissioners and to foster prudent risk taking, as manifestation of governance enhancement, some variable remuneration is deferred for a certain period of time. In 2019 the NRC has developed the Stipulation in Providing Deferred Variable Remuneration of PT. Bank Rakyat Indonesia (Persero) Tbk through BOC Letter Nokep: 04-KOM/09/2018 dated 12 September 2018 on the Stipulation in Providing Deferred Variable Remuneration of PT. Bank Rakyat Indonesia (Persero) Tbk.

Following the evaluation results with risk management unit and Internal Audit Unit, related to the above stipulation, the NRC requests the confirmation from the Head of IAU and Enterprise Risk Management (ERM) division to ensure the existence of such conditions thereby deferred variable remuneration for the Board of Commissioners and Directors shall be adjusted.

The Head of IAU informs the following:

- During 2018 no members of the Board of Commissioners and Directors that proven to conduct individual fraud.
- Currently, according to BRI Public Accountant Firm, there were no Re-Statement on BRI Financial Statements Year 2017.
- BRI Risk Profile Rating at Quarter IV year 2018 was 2 (Low to Moderate).

Based on these confirmations, the NRC and Board of Commissioners agreed that no adjustment required on the payment of deferred variable remuneration (malus) on the performance of year 2017.

Subject	Realisation	Output
Recommendations of Phase I Payment for the deferred performance bonus for 2017	28 May 2019	Phase I Payment for the deferred performance bonus for 2017 was submitted through letter R.20-KOM/05/2019 on Recommendations of Phase I Payment for the deferred performance bonus for 2017

7. Review on BRI Employment and Employee Remuneration Policy

The NRC presented recommendations to the Board of Commissioners on the results of Employment Policy Review. The recommendations are material for the Board of Commissioners in order to provide opinions and suggestions to the Board of Directors to ensure the Company always establishes employment policies in accordance with the Company's vision and mission. The review was conducted by evaluating the implementation of Human Capital Architecture, Human Capital Policy and reports and the presentation of the Director of Human Capital and the BRI Employee remuneration system.

Nomination and Remuneration Committee

The review and implementation results are as follows:

Subject	Timeline Target	Timeline Realisation	Output
Employment Policy Review	First Week of December 2018	15 October 2019	Written recommendation of opinions and suggestions of the BOC to the BOD was submitted through NRC Official Memo No: R.14-KNR/10/2019 on the Recommendation of Employment Policy and BRI Employee Remuneration which further submitted to BRI BOD.

The matters that became the concerns of the NRC and the Board of Commissioners related to BRI's Human Capital Policies and management are as follows:

- Recruitment for vacant positions, specifically for strategic position that impacted the Work Unit performances.
- Culture transformation, good development of working environment, clarity and transparency of career path for all employees, educational competency enhancement as well as BRI active roles in building the corporate culture.
- Employee management to address digital banking and branchless banking.
- More strategic development of education syllabus for Senior Managers above.
- Strengthen BRI employee's characters and leaderships, internalisation of corporate culture in every work culture action of BRI.
- Develop effective system or concept through big data to anticipate fraud from employee that are increasing.
- Develop human capital policy and integrated talent pool with the policy development of subsidiaries for every level of position.
- Re-mapping of certification requirements for employee according to the demand of skills and or regulators, this takes into account that most of employees do not yet acquire certifications according to their skills.
- Employee remuneration structure, specifically the remuneration amount received monthly, to be more attractive for best talents to join BRI.
- The employee remuneration in every position level is comparable with industry thereby fostering the employee productivity.

8. Others

Apart from main activities above, the NRC in 2019 has carried out various duties and activities, such as:

- Prepared plans and programs for the Nomination and Remuneration Committee for 2019 which is an elaboration of the NRC Charter.
- With the Audit Committee, Risk Management Oversight Committee, Secretary of the Board of Commissioners, and Staff of Secretary of the Board of Commissioners prepared the Board of Commissioners' plans and work programs in 2019.
- Provided recommendations to the Board of Commissioners regarding the terms of service of Committee of non-Commissioner members.
- Provided recommendations on the appointment and termination of Head of Internal Audit Unit (IAU) and Head of Corporate Secretariat Division.
- Provided input and recommendations to the Board of Commissioners on employment policies.
- With the Audit Committee, the Risk Management Oversight Committee, and the Secretariat of the Board of Commissioners conducted reviews in order to approve the Board of Commissioners on the proposal and revision of the Bank Business Plan and the Corporate Work Plan and Budget.



CORPORATE GOVERNANCE

Nomination and Remuneration Committee

7. With the Audit Committee, Risk Management Oversight Committee, the Secretariat of the Board of Commissioners reviewed the Company's monthly performance developments and provides suggestions and opinions to the Board of Commissioners to be clarified to the Board of Directors in the meeting forums of the Board of Commissioners and Directors.
8. Direct visits to work units.
9. Other duties as requested by the Board of Commissioners.

NOMINATION AND REMUNERATION COMMITTEE EDUCATION AND TRAININGS IN 2019

The training participated by members of NRC during 2019 can be found on the list of training/ education of the Board of Commissioners during 2019 in the Chapter 3 Company Profile.

NOMINATION AND REMUNERATION COMMITTEE MEETINGS

Meeting Policy

The Committee Meeting policy is as follows:

1. The meeting shall be held at least once every four (4) months or may be held at any time when deemed necessary.
2. The meeting may only be held when attended by at least 51% (fifty-one percent) of the number of members, including the Chairman of the Committee and Executive Officers in charge of human resources or employee representation.
3. The meeting shall be held at the place of domicile of the Company or other place as specified by the Committee
4. The Chairman of the Committee shall make the meeting invitations. The invitations of the Committee Meeting shall be made in writing and submitted or given directly to each member of the Committee with adequate receipt, or by e-mail no later than 5 (five) days prior to the meeting, excluding the date of the call and the date of the meeting, or in a shorter time if urgent.
5. The above-mentioned invitation is not required for scheduled meetings based on the decision of the previous meeting.
6. Meeting invitations should include the meeting agenda, date, time, and meeting place.
7. The meeting is led by the chairman of the Committee.
8. The decisions of Committee meetings shall be based on consensus deliberations. If deliberation is not reached, the decision shall be made by majority vote, provided that each member of the Committee shall only be entitled to grant 1 (one) vote.
9. If the agreed and disagreed votes are equal, then the chairman of the meeting is entitled to take the decision.
10. The results of Committee meetings shall be set forth in the minutes of meetings and shall be properly documented and shall be submitted in writing to the Board of Commissioners.
11. Dissenting opinions that occur in Committee meetings shall be clearly stated in the minutes of the meeting and the reasons for such dissent.
12. The Committee minutes of meetings shall be made by a person present at the meeting and appointed by the chairman of the meeting. All Committee members present at the meeting shall sign the minutes of meeting.
13. The Committee minutes of meetings are valid evidence of decisions taken at the meeting;
14. Meetings may invite the Board of Directors and/or Division Heads/Executives of the Company to request explanations, disclosures, and information related to the meeting agenda.
15. The chairman of the meeting shall present the conclusions and decisions at the end of the meeting.

Nomination and Remuneration Committee

16. The Committee may also adopt a lawful decision without a meeting, provided that all members of the Committee have been notified in writing and that all members of the Committee give their consent to the proposal submitted in writing and to sign the agreement. The decisions taken in such manner shall have the same power as the legally adopted decisions of the Committee Meetings.

Frequencies and Attendance Levels

The NRC meetings during 2019 are as follows :

No	Meeting Agenda	Date	NRC Minutes No.	NRC Members Attendance	Remarks
1	Nomination of BRI Management	Thursday, 3 January 2019	01 - KNR/01/2019	5	Quorum
2	Nomination of management of BRI Life and BRI Ventura	Tuesday, 29 January 2019	02 - KNR/01/2019	7	Quorum
3	Nomination of management of BRI Syariah	Tuesday, 2 April 2019	03 - KNR/04/2019	5	Quorum
4	Interview with candidate president director of BRI Syariah	Tuesday, 9 April 2019	04 - KNR/04/2019	5	Quorum
5	<ol style="list-style-type: none"> 1. Discussion on Nomination Policy of Subsidiaries Management. 2. Discussion on Management Evaluation Policy of. 3. Discussion on Performance Assessment Results of BOD BRI. 4. Discussion on Fit & Proper Test Results of Candidate Head of IAU. 	Tuesday, 30 April 2019	05 - KNR/04/2019	6	Quorum
6	Nomination of BRI Management candidates	Tuesday, 7 May 2019	06 - KNR/05/2019	6	Quorum
7	Nomination of BRI Management at the AGMS BRI 2019	Tuesday, 14 May 2019	07 - KNR /05/2019	7	Quorum
8	Nomination of BRI Management at the AGMS BRI 2019	Rabu, 15 May 2019		7	Quorum
9	Discussion on Nomination of Management of BRI Agro, Discussion on Employee Stock Option (ESOP), Discussion on Tantiem Malus Payment (deferred Tantiem)	Tuesday, 21 May 2019	09 - KNR/05/2019	7	Quorum
10	Fit & Proper Test of Candidate Head of Corporate Secretariat Division	Tuesday, 2 July 2019	08-KNR/07/2019	8	Quorum
11	Nomination for BRI Finance	Tuesday, 2 July 2019	10-KNR/02/2019	6	Quorum
12	BRI Performance Evaluation	Tuesday, 16 July 2019	11-KNR/07/2019	6	Quorum
13	<ol style="list-style-type: none"> 1. Discussion on Performance Evaluation of BOD BRI 2. Discussion on Selection of Candidate Members of Committee of Non BOC BRI 	Tuesday, 23 July 2019	13-KNR/07/2019	6	Quorum



CORPORATE GOVERNANCE

Nomination and Remuneration Committee

No	Meeting Agenda	Date	NRC Minutes No.	NRC Members Attendance	Remarks
14	Discussion of Talent Pool BRI	Tuesday, 30 July 2019	12-KNR/07/2019	5	Quorum
15	Selection and Interview of Candidate Members of Committee Non BOC	Wednesday, 31 July 2019	14-KNR/07/2019	7	Quorum
16	Nomination of BRI Management at the EGMS 2019.	Friday, 30 August 2019	15 - KNR/08/2019	8	Quorum
17	Nomination of BRI Management at the EGMS 2019.	Monday, 2 September 2019	16 - KNR/09/2019	8	Quorum
18	Fit and Proper Test of Management of PT Danareksa Sekuritas	Tuesday, 17 September 2019	18 - KNR/09/2019	7	Quorum
19	Review of Employment Policy & BRI Employee Remuneration	Tuesday, 1 October 2019	17- KNR/10/2019	7	Quorum
20	Review of Subsidiaries Management	Tuesday, 22 October 2019	19 - KNR/10/2019	6	Quorum
21	Candidate of Head of Division of CorpSec, Candidate RMOC from non BOC	Tuesday, 29 October 2019	20 - KNR/10/2019	7	Quorum
22	Discussion of candidate Head of Division of CorpSec, & RMOC member	Tuesday, 19 November 2019	21 - KNR/11/2019	8	Quorum
23	Discussion of Management of BRINS, and pending matters on follow up recommendations of BOC	Tuesday, 3 December 2019	22 - KNR/12/2019	7	Quorum
24	Fit & Proper test of candidate President Director of BRINS	Tuesday, 10 December 2019	23 - KNR/12/2019	7	Quorum

NRC Meetings Attendance

The NRC Meeting attendance during 2019 is as follows:

No	Name	Position	Total Meetings	Attendance	% Attendance
1	Andrinof A. Chaniago	Chairman	24	22	92%
2	Gatot Trihargo	Member	17	13	76%
3	Wahyu Kuncoro	Member	14	11	79%
4	A. Fuad Rahmany	Member	24	24	100%
5	A. Sonny Keraf	Member	24	24	100%
6	Mahmud	Member	8	8	100%
7	Rofikoh Rokhim	Member	24	22	92%
8	Nicolaus Teguh Budi Harjanto	Member	24	21	88%
9	Hadiyanto	Member	24	19	79%
10	Hendrikus Ivo	Member	17	17	100%
11	E.R.A Taufiq	Member	17	14	82%

Nomination and Remuneration Committee

Meeting Follow Ups

The NRC recommendations and results of policy review during 2019 are as follows:

No	Recommendations and Policy Review Results	Letter No.	Subject/Letters
1	Recommendation of management of PT BRI (Persero) Tbk	R.01-KNR/01/2019	Change of management of PT BRI (Persero) Tbk
2	Recommendation of candidate president commissioner and president director of ventura investama	R.02-KNR/02/2019	Proposal of candidate president commissioner and president director of ventura investama
3	Recommendation of approval for candidate members of BOC PT Asuransi Jiwa Bringin Jiwa Sejahtera	R.03-KNR/02/2019	Approval for candidate members of BOC PT Asuransi Jiwa Bringin Jiwa Sejahtera
5	Recommendation of Proposal and termination of BRI BOC Secretary	R.05-KNR/04/2019	Proposal and termination of BRI BOC Secretary
6	Recommendation of BOD and BOC Remuneration 2019 and tantiem/performance bonus fiscal year 2018	R.06-KNR/04/2019	Recommendation of BOD and BOC Remuneration 2019 and tantiem/performance bonus fiscal year 2018
7	Recommendation of NRC on stipulation of candidate member of BOD and BOC proposed at the AGMS 2019	R.07-KNR/05/2019	Recommendation of NRC on stipulation of candidate member of BOD and BOC proposed at the AGMS 2019
8	Recommendation of phase 1 payment of performance tantiem fiscal year 2017 that has been deferred	R.10-KNR/05/2019	Phase 1 payment of performance tantiem fiscal year 2017 that has been deferred
9	Recommendation of the appointment of BRI Non BOC Committees	R.11-KNR/08/2019	Proposal of the appointment of BRI Non BOC Committees
10	Recommendation of NRC on stipulation of candidate member of BOD and BOC proposed at the EGMS 2019	R.12-KNR/09/2019	Recommendation of NRC on stipulation of candidate member of BOD and BOC proposed at the EGMS 2019
11	Recommendation of prospective candidate President Director	R.13-KNR/09/2019	Request for approval of prospective candidate President Director
12	Evaluation of employment policy and remuneration	R.14-KNR/10/2019	Evaluation results of employment policy and remuneration
13	Recommendation of contract extension for member of Non BOC committees	R.15-KNR/11/2019	Recommendation of contract extension for member of Non BOC committees
14	Recommendation of candidate members of Non BOC Committees	R.16-KNR/11/2019	Recommendation of candidate members of Non BOC Committees
15	Recommendation of BOC and BOD of BRI Ventura	SR.01-KNR/02/2019	Recommendation of BOC and BOD of BRI Ventura
16	Recommendation of members of BOC PT BRI Life	SR.02-KNR/02/2019	Proposal of members of BOC PT BRI Life
17	Recommendation of candidate president commissioner and president director of BRI Syariah	SR.06-KNR/04/2019	Recommendation of candidate president commissioner and president director of BRI Syariah
18	Recommendation of approval nomination of BOD and BOC of PT BRI Syariah	SR.07-KNR/04/2019	Approval nomination of BOD and BOC of PT BRI Syariah
19	Recommendation of candidate management of BRI Agro	SR.08-KNR/05/2019	Recommendation of candidate management of BRI Agro



CORPORATE GOVERNANCE

Nomination and Remuneration Committee

No	Recommendations and Policy Review Results	Letter No.	Subject/Letters
20	Recommendation of change of nomenklatur and reassignment of BOD PT BRI Multifinance Indonesia	SR.09-KNR/07/2019	Recommendation of change of nomenklatur and reassignment of BOD PT BRI Multifinance Indonesia
21	Recommendation of BRI BOD performance assessment	SR.10-KNR/07/2019	BRI BOD performance assessment results
22	Recommendation of BRI top talent	SR.11-KNR/07/2019	Submission of BRI top talent
23	Recommendation of candidate president director of BRI Agro	SR.12-KNR/11/2019	Recommendation of candidate president director of BRI Agro

NRC Meeting Agenda Plans

No.	Meeting Agenda Plans in 2020	Target Timeline
1.	Nomination of BOD and BOC	Week I February 2020
2.	Performance Assessment of Directors per Field	Week I March 2020
3.	Nomination of Candidate Management of Subsidiaries	Tentative per BOD proposals
4.	Review of Remuneration Policy of BOD and BOC	Week II May 2020
5.	Review and formulation of Remuneration Structure of BOD and BOC for 2020	Week I June 2020
6.	Review of Human Capital Policy	Week I September 2020
7.	Review of Employee Remuneration Policy	Week I September 2020

REMUNERATION OF NOMINATION AND REMUNERATION COMMITTEE

The remuneration for committee members who are members of the Board of Commissioners is accumulated with honorarium given to the Board of Commissioners and no special honorarium for each member of the Committee.

PERFORMANCE ASSESSMENT OF NRC IN 2019

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Archievements	Weight	Scores
1	Learning & Growth Perspective	Committee Organization	Committee members composition according to the rules	Committee members composition according to POJK, SOE Ministry Regulations and Regulator	As per BOC Decree No: 08-KOM/10/2018 dated 30 October 2018 on the Stipulation of BRI NRC Chairman and Members. The NRC Members Composition has met POJK and SOE Minister rules.	5	5
			Committee Charter has been updated according to the rules	Review of NRC Charter in 2019	The NRC Charter has been reviewed and updated through Nokep Dekom No.: 13-KOM/11/ 2018 on NRC Charter.	5	5

Nomination and Remuneration Committee

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Achievements	Weight	Scores
		Committee Members Competence	Committee members has competency according to rules	All NRC Members have passed OJK Fit & Proper test and/ or participated in training during 2019	8 (Eight) NRC Members have passed the OJK Fit and Proper Test and always updated the training every year	5	5
			Committee members tenure according to rules	Decree of Committee Members are updated based on rules and tenure according to POJK and SOE Ministry Regulations	As per BOC Decree No: 08-KOM/10/2018 dated 30 October 2018 on the Stipulation of NRC Chairman and Members, the tenures are not exceeding the rules	5	5
2	Internal Process Perspective	Planning	Ratification of Committee Work Plan is on time	BOC Work Plan & Budget is ratified prior to the validity of its implementation in the Current Year (at the latest on 31 December)	The NRC Work Plan & Budget 2019 was ratified on 27 December 2019	5	5
		Implementation	Committee Meeting is convened according to rules and plans	As per rules, the Committee meeting is convened at least once in four months	15 NRC meetings were convened during 2019	10	10
			Nomination of BRI management	At least once in a year	Proposal of Nomination of BOD, BOC was submitted to the BOC to be delivered to the Series A Dwiwarna Shareholder which further being decided in the AGMS and EGMS 2019.	10	10
			Nomination of subsidiaries management	Tentative as per the proposal of BOD	The BOC carried out the nomination of all management of subsidiaries in 2019 at 9 times.	10	10
			Review and develop recommendation for remuneration structure of BOD and BOC	Periodically implemented once a year	Written proposal of BOC to the Series A Dwiwarna Shareholder through BOC Letter No: SR.10-KOM/04/2019 dated 22 April 2019 on the Proposal of BOD and BOC Remuneration 2019 and Tantiem/Performance Bonus 2018.	10	10



CORPORATE GOVERNANCE

Nomination and Remuneration Committee

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Archievements	Weight	Scores
			Review and develop the Remuneration Policy of BOD and BOC	Implemented periodically once a year	Review of remuneration policy is implemented in the year related to the stipulation of deferred variable remuneration for employees which is determined as a material risk taker which is subsequently approved in the BOC Decree No: 08-KOM/BRI/06/2019 dated 20 June 2019.	10	10
		Oversight	Periodical Review of Employment Policy and BRI Employee Remuneration	Implemented periodically once a year	Written recommendation of opinions and suggestions of the BOC to BOD through letter of NRC Official Memo No: R.14-KNR/10/2019 on the Recommendation of Employment Policy and BRI Employee Remuneration which further submitted to the BRI BOD.	10	10
3	Compliance Perspective	Corporate activities according to GCG	BOD performance evaluation	Implemented periodically once a year	Written letter of NRC/BOD through BOC Letter SR.10-KNR/07/2019 on the BOD Performance Evaluation of PT BRI (Persero) Tbk	5	5
			Self assesment of BOC performance	Implemented periodically once a year	Implemented one time with BOC self assessment result of 99.97%	5	5
			Performance assesment of BOC Organs	Implemented periodically once a year	Performance assesment of BOC's Committees and evaluation of Committee Members has been carried out at every end of the year and submitted in BRI Annual Report	5	5
Total						100	100

NRC OPINIONS ON THE COMPANY'S NOMINATION AND REMUNERATION IMPLEMENTATION

The Remuneration and Nomination Committee considers the selection and/or replacement system and procedures for members of the Board of Commissioners and/or Directors has complied with the applicable rules and fulfilled the GCG principles. For example, in the selection of the Board of Directors candidates, each candidate shall first pass an assessment conducted by an independent party and the Board of Commissioners recommends candidates for the Company's management based on BRI Top talent data from Executives one level below the Board of Directors or the Subsidiaries' Directors which then goes through the fit and proper test process by the Board of Commissioners with the direct interview method.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee considers the performance measurement for the Board of Commissioners and Directors currently carried out collectively collegially is considered sufficient. In addition an individual performance evaluation has been developed, particularly for Directors, which can measure the effectiveness of duties implementation of each Director without putting aside that there are individual performance of Directors who are collegial (influenced/influencing the performance of other Directors or must be done with other Directors).

On selection criteria and procedures for candidates one level below the Board of Directors, the Nomination and Remuneration Committee considers the Board of Directors has implemented prudent, transparent and accountable systems, criteria and procedures.

On remuneration, the Company is considered to have implemented remuneration for the Directors based on the performance achieved, benchmarks to the industry and peers group and based on a comprehensive evaluation assisted by competent independent parties. Likewise, the determination of remuneration for employees is applied properly, fairly and motivates the employees, while remain taking into account the company's financial capabilities and remuneration provided in the industry.

BOARD OF DIRECTORS AND COMMISSIONERS SUCCESSION POLICY

To implement sound business practices and fulfilling the GCG principles as well as the prudential principle within PT Bank Rakyat Indonesia (Persero) Tbk, the Board of Commissioners has stipulated the Nomination policy of members of the Board of Commissioners and Directors with a Decree of NOKEP: 07-KOM/BRI/07/2015 dated 28 July 2015. In general the Succession Policies of the Board of Commissioners and Directors are as follows:

1. Succession General Policies of Directors and Commissioners

- a. The Board of Commissioners is authorized to nominate candidates for members of the Board of Directors and/or the Board of Commissioners of the Bank.
- b. For prospective members of the Board of Directors, the nomination process is through internal candidates of the Bank, i.e.:
 1. Members of the Board of Directors who will end their tenures but may still be reappointed as members of the Board of Directors;
 2. Executives reporting directly to the Directors or executives with excellent performance;
 3. Board of Directors of a subsidiary or joint venture.
- c. For candidates of members of the Board of Commissioners, the Nomination process shall be conducted for prospective members of the Board of Commissioners who will end their tenures but may be reappointed as members of the Board of Commissioners;
- d. For prospective members of the Board of Directors and/or Board of Commissioners with the exclusion of Executives under the Board of Directors, and Subsidiaries' Board of Directors, the Nomination process shall be conducted jointly by a Team established by the Dwiwarna Series A Shareholder while simultaneously determining the prospective members of the Board of Directors and/or Board of Commissioners, which will be proposed to the General Meeting of Shareholders.
- e. In the Nomination process, the Chairman of the Committee shall represent the Committee, and if the Chairman of the Committee is absent, then it shall be replaced by one of the Committee members who are an Independent Commissioner.
- f. This decision also mandates the Chairman of the Committee or Independent Commissioner to:
 1. Represent the Committee as a member of the Assessment Team established by the Dwiwarna Series A Shareholder;
 2. Provide recommendations on candidates for members of the Board of Directors and/or Commissioners by taking into account the fulfillment of the applicant's requirements for the integrity, competence, and reputation;
- g. The Chairman of the Committee or Independent Commissioner who represents the Committee shall avoid any conflict of interest and shall maintain its independence.



CORPORATE GOVERNANCE

Nomination and Remuneration Committee

2. Nomination Procedures of Directors and Commissioners

The selection procedures of candidates for members of the Board of Commissioners and/or Directors is regulated as follows:

- a. The Nomination and Remuneration Committee selected Candidates that meet the specified qualifications. The Committee may request the proposal of Candidates to the Bank's Board of Directors with assessment from Professional Institute under competence indicators in accordance with applicable provisions for prospective candidates of the Executives under the Board of Directors or executives with excellent achievements, and the Board of Directors of a subsidiary or joint venture company.
- b. The Prospective Candidates of the Board of Commissioners and/or Board of Directors deemed eligible shall be proposed by NRC to the Board of Commissioners to take the Evaluation process.
- c. The NRC conducts an evaluation to obtain comprehensive information on the qualifications and competencies of Candidates, as follows:
 1. For prospective members of the Board of Directors who are currently a member of the Board of Directors who will finish his/ her tenure but may be reappointed, the evaluation shall be conducted, among others, by requesting an opinion from the President Director;
 2. The Nomination and Remuneration Committee shall nominate prospective members of the Board of Directors who meet the specified qualifications. The selection process involves professional/ external parties or Professional Search Firm, i.e.: PPM Management Assessment Center Indonesia (ACI) Telkom, DDI, Bina Potensia, SHL, and LMFE UI. Further, the assessment results are submitted to the Nomination and Remuneration Committee.
 3. For prospective members of the Board of Directors who are currently an Executive under the Board of Directors or executive with excellent achievements, or from the Board of Directors of a subsidiary/ joint venture company, the evaluation is conducted by:
 - I. Interviewing the recommended Prospective Candidates for the Board of Directors; and/or,
 - II. Requesting Prospective Candidates of the Board of Directors to provide presentations on a particular topic, which describes the ability of Prospective Candidate according to the requirements.
 4. For Prospective Candidates of the Board of Commissioners, evaluations to explore qualifications and competencies shall be made from the relevant resume.
- d. The information on Prospective Candidates of the Board of Commissioners and/ or Directors shall be discussed in the Committee meeting to decide the Prospective Candidate that is selected to become a Candidate of the Board of Commissioners and/or Board of Directors.
- e. The results of the Committee's discussion are set forth in the Committee's Memo to the Board of Commissioners. The Memo shall be a recommendation document of the Committee on the nomination of the Candidate for the Board of Commissioners and/or Directors concerned.
- f. The Board of Commissioners decides that the candidates for the Board of Commissioners and/or Directors in the Board of Commissioners' Meeting, simultaneously as the basis for the recommendation of the Board of Commissioners to the Dwiwarna Series A Shareholder to be submitted in the GMS.
- g. The GMS determines the composition and amendment to the members of the BRI's Board of Directors. In the event that the appointed member of the Board of Directors has not been approved by OJK, the appointment has not been effective until the member is approved by OJK. Candidate of the BRI's Board of Directors who has not received OJK approval are prohibited from performing his/her duties as member of the Board of Directors in the Bank's operational activities and/or other activities that have a significant impact on the Bank's financial policies and condition, even though

Nomination and Remuneration Committee

he/she has been approved and appointed by the GMS. The GMS dismisses the Board of Directors appointed at the previous GMS, if the concerned party is not approved by OJK.

- h. BRI submits a request to OJK to conduct the fit and proper test.
- i. OJK is authorized to provide the result of the fit and proper test of the selected Directors, which includes administrative research and interview. Approval or rejection of such application shall be provided by OJK no later than 30 (thirty) days after receipt of the candidate's complete application.

RISK MANAGEMENT OVERSIGHT COMMITTEE

The Risk Management Oversight Committee (RMOC) is one of the organs of the Board of Commissioners established in order to support the effectiveness of the implementation of duties and responsibilities of supervisory of the Board of Commissioners. RMOC work collectively, to be independent in the performance of its duties and in reporting and is directly responsible to the Board of Commissioners.

Legal References

1. SEOJK No. 13/SEOJK.03/2017 dated 17 March 2017 on Governance Practices for Commercial Banks.
2. SOE Minister Regulation No. PER-12/MBU/2012 dated 24 August 2012 on the Supporting Organs of the Board of Commissioners/Supervisory Board of State-Owned Enterprises.
3. POJK No. 33/POJK.4/2014 dated 8 December 2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies.

Committee Charter

In carrying out its functions and roles, BRI's Risk Management Monitoring Committee has in place the Charter that regulate the duties, authorities, obligations, responsibilities, work divisions, work hours, work ethics, meetings, organizational structure, and implementation of duties related to the RMOC. The Charter shall be learned and are binding for each RMOC member. The Charter is a guideline for the implementation of duties and responsibilities for RMOC in order to support the effectiveness of the implementation of duties and responsibilities of the Board of Commissioners in evaluating and ensuring the implementation of BRI's risk management.

The RMOC Charter are periodically reviewed to ensure the scope is always in line with the needs, Bank Indonesia Regulations, Financial Services Authority and/or other prevailing relevant regulations. The RMOC Charter was endorsed by the Board of Commissioners through the Official Memo of the Board of Commissioners' Secretariat No: B.41-Sekkom/05/2015 dated 12 May 2015 concerning the Charter for the Board of Commissioners and Supporting Organs of the Board of Commissioners of PT Bank Rakyat Indonesia (Persero) Tbk.



CORPORATE GOVERNANCE

Risk Management Oversight Committee

Appointment and Termination

The Risk Management Monitoring Committee is established by and responsible to the Board of Commissioners in an effort to support the duties implementation and responsibilities of the Board of Commissioners related to the Company's risk management. The Chairman and Members of the Risk Management Oversight Committee is determined through the Board of Commissioners Decree Nokep: 04-KOM/05/2019 dated 28 May 2019 on the Reappointment of the Chairman and Members of the Risk Management Oversight Committee.

COMMITTEE STRUCTURE AND MEMBERSHIPS

Committee Structure

1. The RMOC is under the coordination of the Board of Commissioners and structurally responsible to the Board of Commissioners;
2. Members of the RMOC is at least consisted of 3 (three) members. One of them is Independent Commissioner that serves as the Committee Chairman.

RMOC Structure and Memberships for the period of 2019:

No	Name	Position in the Committee	Period of Position	Remarks/Skills
1	Mahmud	Chairman	15 March 2017 - 15 May 2019	Independent Commissioner
2	Rofikoh Rokhim	Chairman	28 May 2019 - Present	Independent Commissioner
3	Andrinof A. Chaniago	Member	15 March 2017 - Present	President Commissioner/Independent
4	A. Fuad Rahmany	Member	June 2015 - Present	Independent Commissioner
6	Nicolaus T. Budi Harjanto	Member	15 March 2017 - Present	Commissioner
7	Suindiyo	Member	1 December 2015 - Present	Independent Party Finance Field
8	Sumaryo	Member	28 May 2019 - Present	Independent Party Finance Field
9	Indrayeti	Member	1 August 2014 – 10 Agustus 2019	Independent Party Risk Management Field
10	Tubagus A. Maulana	Member	1 February 2015 – 1 February 2019	Independent Party Risk Management Field

Committee Memberships

1. The Committee Members at least consist of:
 - a. An Independent Commissioner;
 - b. An Independent Party having expertise in finance; and
 - c. An Independent Party with expertise in risk management.
2. The Independent party that have expertise in finance must meet the criteria:
 - a. Have knowledge in economics, finance and/or banking; and
 - b. Have work experience of at least 5 (five) years in economic, finance and/or banking.
3. The Independent party that have expertise in risk management must meet the criteria:
 - d. Have knowledge in risk management;
 - e. Have at least 2 (two) years working experience in risk management in finance and/or banking.

Risk Management Oversight Committee

4. The Independent party shall meet the following requirements:
 - a. Not receiving compensation from the Company and its subsidiaries, or its affiliation, except wages, salaries and other facilities received in connection with the duties performed as members of the Risk Management Monitoring Committee;
 - b. Has no family or financial relationship with the Directors and Commissioners;
 - c. Do not hold multiple positions in the Company and other affiliated Companies;
 - d. Has no duties, responsibilities, and authorities that create a conflict of interest;
 - e. Should not be concurrently a member of the Board of Commissioners, Secretary of the Board of Commissioners, Staff of the Secretary of the Board of Commissioners and members of the Committee on SOEs or other companies; and
 - f. Not contrary to other provisions and legislation.
5. Former members of the Board of Directors or Executives of the Company or parties related with the Company that may affect their ability to act independently may not become Independent Party as a member of the Committee, prior to six-month period of cooling off. The terms of the waiting period (cooling off) to become an Independent Party shall not apply to former members of the Board of Directors or Executives whose duties only perform supervisory functions for at least 6 (six) months.
6. The appointment of Committee members of the Independent Party shall abide to the following rules:
 - a. Selected by the Board of Commissioners through recruitment and selection mechanisms;
 - b. The longest working period is 2 (two) years and may be renewed for subsequent periods of work with due consideration to the term of the Board of Commissioners and the applicable employment contract rules in the Company, without disabling the termination by the Board of Commissioners prior to the contract term expires.
7. Members of the Board of Directors are prohibited from becoming members of the Committee.

Risk Management Oversight Committee Profile

The profile of RMOC members as of 31 December 2019:

Rofikoh Rokhim Chairman/Independent Commissioner Period: 28 May 2019 - Present	Profile can be found on The Board of Commissioners Profile section.
Andrinof A. Chaniago Member/Independent Commissioner Period: 15 March 2017-Present	Profile can be found on The Board of Commissioners Profile section.
A. Fuad Rahmany Member/Independent Commissioner Period: June 2015-Present	Profile can be found on The Board of Commissioners Profile section.
Nicolaus T. Budi Harjanto Member/Commissioner Period: 15 March 2017-Present	Profile can be found on The Board of Commissioners Profile section.
Hendrikus Ivo Member/Independent Commissioner Period: 10 September 2019 - Present	Profile can be found on The Board of Commissioners Profile section.



CORPORATE GOVERNANCE

Risk Management Oversight Committee

Suindiyo

Member RMOC
Independent Party
Period: December 2015 - Present

Born in Blora, 27 April 1959. Serves as a member of RMOC PT BRI (Persero) Tbk since December 2015. Previously, he worked at Perumtel/PT. Telkom (1977-1986), PT BRI (Persero) Tbk in various positions including Inspector (Executive Vice President for Audit), Vice President of Loan Restructuring and Recovery, Vice President of Credit Administration and Vice President of Training & Education Center. He also served as Commissioner of Non-Bank Financial Institutions. Obtained a Bachelor of Economics degree from Jember University (1985) and a Master of Business Administration Finance degree from Virginia Polytechnic Institute and State University (Virginia Tech) (1994), and obtained Level IV Risk Management certification.

Sumaryo

Member RMOC
Independent Party
Period: 1 February 2019 - Present

Born in Kertosono, 10 February 1964. Serves as a member of RMOC PT BRI (Persero) Tbk since 28 May 2019. Previously worked for more than 20 years at Bank Indonesia as Bank Supervisor and Examiner and 6 years as Director at the Deposit Insurance Corporation (LPS). Obtained a Master of Finance & Accounting degree from Sebelas Maret University (2000).

Educational Qualifications and Experiences

Pursuant to the RMOC Charter, the Committee Members shall at least consist of an Independent Commissioner, an Independent Party with finance skills and an Independent Party with risk management skills.

The Independent Party with financial skills shall meet the criteria of knowledge in economics, finance and/or banking; and has working experience of at least 5 (five) years in the field of economics, financial and/or banking.

The Independent Party with risk management skills shall meet the criteria of knowledge in risk management and has working experience of at least 2 (two) years in the field of risk management of financial and/or banking.

Committee Members Independencies

All members of RMOC have no affiliations with the Directors, other Commissioners or controlling shareholders of BRI, not a shareholder with more than 5% shareholding that can influence its abilities to act independently, nor as Commissioner, Director or employees of companies or businesses, which are affiliated to BRI. The independence requirement of RMOC Members are as follows:

1. Not receiving compensation from the Company and its subsidiaries or affiliates, except wages, salaries and other facilities received in connection with the duties performed as members of the RMOC;
2. No family or financial relationship with the Board of Directors and Board of Commissioners;
3. Not holding multiple positions in the Company and other affiliated companies;
4. Not having the duties, responsibilities, and authorities that create a conflict of interest
5. Not concurrently as a member of the Board of Commissioners, Secretary of the Board of Commissioners, Staff of the Secretary of the Board of Commissioners and members of the Committee on SOEs or other companies.

Risk Management Oversight Committee

No	Independency Criteria	Rofikoh Rokhim	Andrinof A. Chaniago	A. Fuad Rahamny	Nicolaus T. Budi Harjanto	Hendrikus Ivo	Mahmud	Sunidiyo	Sumaryo	Tubagus NA. Maulana	Indra Yeti
1.	Does not have shareholding relationships with members of the Board of Commissioners, Directors and/or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√	√	√	√	√
2.	Does not have financial relationships with members of the Board of Commissioners, Directors and/or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√	√	√	√	√
3.	Does not have management relationships with members of the Board of Commissioners, Directors and/or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√	√	√	√	√
4.	Does not have family relationships with members of the Board of Commissioners, Directors and/or Controlling Shareholders or relations with the Bank, which can affect their ability to act independently.	√	√	√	√	√	√	√	√	√	√



CORPORATE GOVERNANCE

Risk Management Oversight Committee

Duties and Responsibilities

The RMOC assists the Board of Commissioners in carrying out duties and responsibilities to evaluate and ensure the implementation of the Company's risk management continues to meet the adequacy of risk management procedures and methodology, thereby the Company's activities can be controlled within the acceptable risk limits and profitable to the Company.

The following are RMOC duties and responsibilities:

1. Periodically evaluate and analyze the adequacy of risk management policy and provide opinions in the form of advise and/or recommendations to the Board of Commissioners for the adjustment and improvement of the required risk management framework and policy;
2. Evaluate and analyze the Company's risk profile report in quarterly basis and provide advice and/or recommendation to the Board of Commissioners for necessary improvements and enhancement;
3. Monitor and evaluate the adequacy of the identification, measurement, monitoring, control and risk management information system of the Company and provide advice and/or recommendation to the Board of Commissioners to improve the effectiveness and quality of risk management implementation of the Company;
4. Monitor and evaluate the performance of Risk Management Unit and to provide advice and/or recommendation to the Board of Commissioners to improve the effectiveness of duties implementation of the Risk Management Unit. The evaluation of duties of the Risk Management Unit shall be conducted at least once a year;
5. Evaluate and analyze the implementation of the Company's Compliance Function at least by mid-year and provide advice and/or recommendation to the Board of Commissioners to improve the quality of the Company's Compliance Function;
6. Evaluate and analyze the implementation of risk control of the fraud in the Company at least by mid-year and provide advice and/or recommendation to the Board of Commissioners to improve the quality implementation of the Company's Anti-Fraud Strategy;
7. Evaluate and analyze the implementation of the Company's Anti Money Laundering and Counter Terrorism Financing (AML & CTF) Program at least by mid-year and to provide advice and/or recommendation to the Board of Commissioners to improve the quality implementation of the Company's Anti Money Laundering Program;
8. Evaluate and analyze the implementation of risk management in the use of Information Technology and Information Technology Strategic Plan as well as the Company policy related to the use of Information Technology and provide advice and/or recommendation to the Board of Commissioners on the implementation of risk management in the use of Information Technology by the Company;
9. Evaluate and analyze the Bank Rating every semester and provide advice and/or recommendation to the Board of Commissioners in order to maintain the Bank Soundness Rating;
10. Evaluate and analyze the package proposals of the Board of Directors for funding to related parties that must be approved by the Board of Commissioners;
11. Provide opinion and/or recommendation on lending above certain amount which requires consultation with the Board of Commissioners;
12. Carry out other duties and responsibilities directed by the Board of Commissioners.

Authority

1. Obtain relevant information related to duties implementation from the Company's internal and or external parties;
2. Obtain inputs or recommendations from external parties related to its duties;
3. Provide opinions and recommendations to the Board of Commissioners for the improvement of risk management in the Company;

Risk Management Oversight Committee

4. Provide opinions and recommendations to the Board of Commissioners for the improvement of effectiveness of Risk Management Unit;
5. Provide opinions and recommendations to the Board of Commissioners for the improvement of Compliance Function implementation quality;
6. Provide opinions and recommendations to the Board of Commissioners for the improvement of Anti Fraud Strategy implementation quality;
7. Provide opinions and recommendations to the Board of Commissioners for the improvement of Anti Money Laundering and Counter Terrorism Financing Programs implementation quality in the Company;
8. Provide opinions and recommendations to the Board of Commissioners on risk management practices in the use of Information Technology; and
9. Provide opinions and recommendations to the Board of Commissioners in order to maintain and increase the Bank Soundness Rating.

Committee Education and Trainings in 2019

The RMOc members have competencies in their respective fields with a minimum of five years experience in the economic, financial and/or banking fields; or a minimum of two years in risk management in the financial and/or banking sector. The professional background of the members is quite diverse, which includes experience in strategic management, risk management, banking, finance and accounting thereby ensure the quality of recommendations and opinions for improvements to the Board of Commissioners.

The trainings participated by RMOc of Commissioners members can be viewed on the list of the Board of Commissioners Trainings 2019 in Chapter 3 Company Profile.

The trainings participated by RMOc of Non-Commissioners members during 2019 are as follows:

ROMC Members Non-BOC	Date	Venue	Organizers	Subject
Suindiyo	27-28 June 2019	Bali	BARA	PSAK 71 Impairment Deep Dive in Risk Management Perspective
Sumaryo	27-28 June 2019	Bali	BARA	PSAK 71 Impairment Deep Dive in Risk Management Perspective

COMMITTEE MEETINGS

Meeting Policy

The RMOc Meeting policy is as follows:

1. The Committee meetings are held at least once a month or may be held at any time as deemed necessary;
2. The Committee Meetings shall be convened at the place of domicile of the Company or other places established by the Committee;
3. The Chairman of the Committee shall make the meeting invitation. The meeting invitation shall be made in writing and delivered or submitted directly to each member of the Committee with adequate receipt, or by registered mail or courier service or by telex, facsimile or e-mail no later than 5 (five) days before the meeting, without taking into account the date of the call and the date of the meeting, or for a shorter period in urgency.



CORPORATE GOVERNANCE

Risk Management Oversight Committee

4. The abovementioned invitation is not required for the scheduled meetings based on the decision of the previous meeting.
5. The meeting invitation shall include the meeting agenda, date, time and place of meeting;
6. The meeting may only be held when attended by at least 51% (fifty-one percent) of the total members, including an Independent Commissioner and an Independent Party;
7. The meeting shall be chaired by the Chairman of the Committee and in the event that the Chairman of the Committee is absent or unable to attend, the meeting shall be chaired by one of the Committee members who are from the Independent Commissioner;
8. The meeting may invite the Board of Directors and/or the Head of Division/ Executives of the Company to request explanations, disclosures, and information related to the meeting agenda;
9. The decisions of Committee meetings shall be made based on consensus deliberations. If deliberation is not reached, the decision shall be made by majority vote, provided that each member of the Committee shall only be entitled to grant 1 (one) vote;
10. If the votes agree and who disagree as much, then the chairman of the Committee meeting shall decide;
11. The meeting Chairman shall present the conclusions and decisions at the end of the meeting;
12. The meeting results shall be set forth in minutes of meetings and properly documented;
13. The dissenting opinion that occurs in the Committee meeting shall be clearly stated in the minutes of the meeting and the reasons for the difference of opinion;
14. The minutes of meetings shall be made by a person present at the meeting and appointed by the chair of the meeting. The minutes of the meeting shall be signed by all Committee members present at the meeting;
15. The minutes of meeting shall constitute valid evidence of the decisions taken at the meeting; and
16. The Committee may adopt a legitimate decision without a meeting, provided that at least 51% (fifty one percent) of the total members, including an Independent Commissioner and an Independent Party, give their consent in writing.

RMOC Meeting Agenda 2019

No.	Meeting Schedules	Agenda	MHD	AAC	AFR	NTBH	RR	IVO	YET	INDY	SUM
1	Tuesday, 22 January 2019	Risk Profile Quarter IV 2018	1	0	1	1	1		1	1	
2	Friday, 8 February 2019	Bank Rating Semester II 2018, Compliance Function Semester II 2018, AML CTF Semester II 2018, Anti Fraud Strategy Semester II 2018	1	1	1	1	0		1	1	1
3	Tuesday, 12 March 2019	Control mechanism of loan write-off	1	1	0	1	1		1	0	1
4	Tuesday, 7 May 2019	Risk Profile Quarter I 2019	1	1	1	1	1		1	1	1
5	Tuesday, 25 June 2019	Discussion on PEP Portfolio Guidelines and Management.		1	1	1	1		1	1	1

Risk Management Oversight Committee

No.	Meeting Schedules	Agenda	MHD	AAC	AFR	NTBH	RR	IVO	YET	INDY	SUM
6	Tuesday, 25 June 2019	1. Proposal of Replacement of Credit Policy Committee Chairman BRI 2. Loan request for related party PT. BRI Finance (BRIF)		1	1	1	1		1	1	1
7	Tuesday, 9 July 2019	Stress Test of loan portfolio		1	1	1	1		0	1	1
8	Tuesday, 23 July 2019	Risk Profile Quarter II 2019		1	1	1	1		1	1	1
9	Tuesday, 6 August 2019	Discussion on Bank Rating, Compliance Function, AML CTF, Anti Fraud Strategy and GCG Policy.		1	1	1	1			1	1
10	Tuesday, 24 September 2019	Stres Test of Asset Management portfolio		1	0	1	1	1		1	1
11	Friday, 27 September 2019	Non performing loans restructuring		1	1	1	1	1		1	1
12	Tuesday, 29 October 2019	Risk Profile Evaluation Quarter III 2019		1	1	1	1	1		1	1
Attendance			4	11	10	12	11	3	7	11	11
Total Meetings			4	12	12	12	12	3	8	12	11
% Attendance			100%	92%	83%	100%	92%	100%	88%	92%	100%

Realisation of RMOC Work Plan & Budget 2019

No.	Subject	Realisation	Output	Remarks
1	Review of General policy for Risk Management & Credit Policy	5 November 2019 2 July 2019	BOC Letter No. B.311-KOM/11/2019 on the Evaluation of Risk Management General Policy BOC Approval Letter No. B.178-KOM/07/2019 on the Approval for the replacement of Credit Committee Chairman	Completed
2	Evaluation of DPLK Governance Guidelines Policy	23 April 2019	Evaluation result of DPLK BRI Governance practices through BOC Letter No. B.128-KOM/04/2019 on the Evaluation of DPLK BRI Governance practices	Completed
3	Evaluation of Risk Profile Quarter IV 2018	31 January 2019	Review of Risk Profile Report Quarter IV 2018 through BOC Letter to BOD No B.27-KOM/01/2019 dated 31 January 2019	Completed
4	Evaluation of Risk Profile Quarter I 2019	28 May 2019	Review of Risk Profile Report Quarter I 2019 through Official Memo B.15-KPMR/05/2019 dated 28 May 2019	Completed
5	Evaluation of Risk Profile Quarter II 2019	12 August 2019	Risk Profile Presentation Quarter II 2019 through Official Memo B.21-KPMR/08/2019 dated 12 August 2019	Completed



CORPORATE GOVERNANCE

Risk Management Oversight Committee

No.	Subject	Realisation	Output	Remarks
6	Review of Reports on Bank Rating, Compliance Function, Anti Fraud Strategy, and AML CTF Program Semester II tahun 2018	1 March 2019	Evaluation on Reports of Bank Rating, Compliance Function, Anti Fraud Strategy, and AML CTF Program semester II 2018 through letter No.B.63-KOM/03/2019 dated 1 March 2019	Completed
7	Review of Reports on Bank Rating, Compliance Function, Anti Fraud Strategy, and AML CTF Program Semester I tahun 2019	28 August 2019	Evaluation on Reports of Bank Rating, Compliance Function, Anti Fraud Strategy, and AML CTF Program semester I 2019 through letter No. B.223-KOM/08/2019 dated 28 August 2019	Completed
8	Control mechanism of loan write-off	26 March 2019	Evaluation of Loan Write-off and its Recovery year 2018 through Official Memo No. B.07-KPMR/03/2019 dated 26 March 2019	Completed
9	Review and Evaluation of Earnings Assets Portfolio and Guidelines Portfolio year 2019	9 July 2019	Presentation of Stress Test of Loan Portfolio dated 9 July 2019	Completed
10	Loans Consultation by BOD to BOC	16 April 2019 6 Sept 2019 8 November 2019 26 November 2019	<ul style="list-style-type: none"> • BOC Letter No: B.106-KOM/04/2019 dated 16 April 2019 on Loans Consultation • BOC Letter No: R.65-KOM/09/2019 dated 6 Sept 2019 on Loans Consultation • BOC Letter No: R.86-KOM/11/2019 dated 8 November 2019 on Loans Consultation • BOC Letter No: R.94-KOM/11/2019 dated 26 November 2019 on Loans Consultation 	Completed
11	Approval for Funding to Related Parties	9 July 30 August 30 August 19 December	<ul style="list-style-type: none"> • BOC Letter No:R.34-KOM/07/2019 dated 9 July 2019 • BOC Letter No: R.61-KOM/08/2019 dated 30 August 2019 • BOC Letter No: R.63-KOM/08/2019 dated 30 August 2019 • BOC Letter No: R.91-KOM/11/2019 dated 19 December 2019 	Completed
12	Review of Recovery Plan	30 January 2019 8 May 2019	<ul style="list-style-type: none"> • BOC Letter No: RR.34-KOM/07/2019 dated 30 January 2019 on Results of Recovery Plan Review PT Bank Rakyat Indonesia (Persero) Tbk 2018 • Official Memo No: B.14-KPMR/05/2019 dated 8 May 2019 on the Stipulation of bank systemic structure and capital surcharge period of March to September 2019 and mandatory implementation of Recovery Plan 2019. 	Completed

Committee Remuneration

The remuneration for committee members who are members of the Board of Commissioners is accumulated with honorarium given to the Board of Commissioners and no special honorarium for each member of the Committee.

Risk Management Oversight Committee

Performance Assessment of RMOC in 2019

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Achievements	Weight	Scores
1	Learning & Growth Perspective	Committee Organization	Committee members composition according to the rules	RMOC members composition according to POJK, SOE Ministry Regulations and Regulator	As per BOC Decree Nokep: 652.DIR/KHC/09/2019 dated 30 September 2019 on the Stipulation of BRI RMOC Chairman and Members. The RMOC Members Composition has met POJK and SOE Minister rules.	5	5
			Committee Charter has been updated according to the rules	Review of RMOC Charter in 2019	Has been reviewed in 2019 and no changes on the RMOC Charter	5	5
		Committee Members Competencies	Committee members has competency according to rules	All RMOC Members have passed OJK Fit & Proper test and/ or participated in training during 2019	RMOC members have passed the OJK fit & proper text and Independent Parties have the expertise according to the RMOC needs.	5	5
			Committee members tenure according to rules	Decree of Committee Members are updated based on rules and tenure according to POJK and SOE Ministry Regulations	As per BOC Decree Nokep: 652.DIR/KHC/09/2019 dated 30 September 2019 on the Stipulation of BRI RMOC Chairman and Members. The RMOC Members Composition has met POJK and SOE Minister rules.	5	5



CORPORATE GOVERNANCE

Risk Management Oversight Committee

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Achievements	Weight	Scores
2	Internal Process Perspective	Planning	Ratification of Committee Work Plan is on time	The RMOC Work Plan & Budget 2019 was ratified on 28 December 2019	The RMOC Work Plan & Budget 2019 was ratified on 28 December 2019	5	5
		Implementation	Committee Meeting is convened according to rules and plans	Minimum 4 meetings.	During 2019, 12 RMOC Meetings were held. RMOC also active in participating at the BOC meetings	5	5
			Evaluation on lending above certain numbers that requires consultation with BOC	All lending above certain numbers have been evaluated according to rules	During 2019, RMOC reviewed 4 loans consultations. The output can be found on RMOC Work Plan & Budget 2019 realization.	5	5
			Evaluation on funding to related parties	All funding to related parties been evaluated according to rules	During 2019, RMOC reviewed 4 funding approval to related parties. The output can be found on RMOC Work Plan & Budget 2019 realization.	5	5
			Evaluatio of corporate action (among others: capital injection for subsidiaries, acquisition of other companies, divstment of subsidiary, and BRI other strategic plans)	The corporate action plans that requires the BOC approval has evaluated according to rules	During 2019, RMOC reviewed 3 approval of corporate action plans. persetujuan rencana aksi korporasi. The output can be found on RMOC Work Plan & Budget 2019 realization.	10	10
		Oversight	Review of the adequacy of risk management general policy and Recovery Plan	Once a year	During 2019, RMOC reviewed the risk management general policy and Recovery Plan. The output can be found on RMOC Work Plan & Budget 2019 realization.	5	5
			Review of loan general policy and loan portfolio/guidelines evaluation	Once a year	During 2019, RMOC reviewed the loan general policy and loan portfolio/guidelines evaluation. The output can be found on RMOC Work Plan & Budget 2019 realization.	5	5
			Review of risk control implementation periodically	Every Semester	During 2019, RMOC reviewed the risk control implementation periodically. The output can be found on RMOC Work Plan & Budget 2019 realization.	5	5
			Review on Anti Money Laundering and Counter Terrorism Financing Program (AML & CTF)	Every Semester	During 2019, RMOC reviewed the Anti Money Laundering and Counter Terrorism Financing Program (AML & CTF). The output can be found on RMOC Work Plan & Budget 2019 realization.	5	5

Risk Management Oversight Committee

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Achievements	Weight	Scores
			Evaluation and analysis of risk control on fraud	Every Semester	During 2019, RMOC reviewed the evaluation and analysis of risk control on fraud. The output can be found on RMOC Work Plan & Budget 2019 realization.	5	5
			Monitor and evaluate the adequacy of risk identification, measurement, monitoring, controlling and ris management information system, improving risk management effectiveness and quality	Once a year	During 2019, RMOC conducted the evaluation of risk identification, measurement, monitoring, controlling and ris management information system, improving risk management effectiveness and quality. The output can be found on RMOC Work Plan & Budget 2019 realization.	5	5
3	Compliance Perspective	Oversigh function on Risk Management	Risk profile evaluation	Quarterly	During 2019, RMOC conducted the evaluation of risk profile quarterly. The output can be found on RMOC Work Plan & Budget 2019 realization.	10	10
			Evaluation of the Bank Rating and Compliance function periodically according to rules	Every Semester	During 2019, RMOC conducted the evaluation of the Bank Rating and Compliance function periodically according to rules. The output can be found on RMOC Work Plan & Budget 2019 realization.	5	5
			Evaluation of Good Pension Fund Governance.	Every Semester	During 2019, RMOC conducted the evaluation of the implementation of Good Pension Fund Governance periodically according to rules. The output can be found on RMOC Work Plan & Budget 2019 realization.	5	5
Total						100	100

RMOC Opinions on Risk Management Oversight

The Risk Management Oversight Committee ensures that BRI has in place the risk management system that provides protection against the risks encountered by BRI. Based on the results of active supervision throughout 2019 through meetings, work visits, consultations and reviews, the committee stated that the risk management has been carried out properly as reflected by the risks taken in accordance with the established risk appetite (low to moderate) until the third quarter of 2019, the Bank rating received a composite rating of 2 (Sound) in June 2019 and the Compliance Function and GCG that has been properly performed. Nevertheless, risk management shall be continually improved by taking into account the shareholders interests in coherent with business development in the digital era which becomes one of the basic for management decisions.



CORPORATE GOVERNANCE

INTEGRATED GOVERNANCE COMMITTEE

The Integrated Governance Committee (IGC) is one of the organs of BRI Board of Commissioners established in order to foster the effectiveness of the duties implementation and responsibilities of the Board of Commissioners oversight. The IGC works collectively, independent in performing its duties as well as in reporting and is directly responsible to the Board of Commissioners.

The IGC assists the Board of Commissioners' duties and responsibilities in evaluating and ensuring the governance practices with the principles of transparency, accountability, responsibility, independence or professional, and fairness, all are integrated in the Bank's Financial Conglomerate.

Legal References

1. Bank Indonesia Circular No. 15/15/DPNP dated 29 April 2013 on Good Corporate Governance Practices for Commercial Banks.
2. POJK No. 33/POJK.4/2014 dated 8 December 2014 on the Board of Directors and Board of Commissioners Issuers or Public Companies.
3. SOE Minister Regulation No. PER-12/MBU/2012 dated 24 August 2012 on the Board of Commissioners' Supporting Organs/Supervisory Board of State-Owned Enterprises.
4. POJK No.18/POJK.03/2014 on the Integrated Governance Practices for Financial Conglomerate.

Committee Charter

The Charter elaborates the duties, authorities, obligations, responsibilities, segregation of works, work periods, work ethics, meetings, organizational structure, and duties related to the Integrated Governance, ratified by the Board of Commissioners through the Official Memo of the Board of Commissioners Secretariat No: B.41-Sekkom/05/2015 dated 12 May 2015 on the Charter of the Board of Commissioners and its Supporting Organs of PT Bank Rakyat Indonesia (Persero) Tbk.

Appointment and Termination

The Integrated Governance Committee assists the Board of Commissioners to strengthen the oversight function in order to increase public confidence in the Company's integrated management. The IGC is responsible for monitoring the process of continuous improvement of policies, procedures and practices at all levels of the Company to ensure the implementation of internal control, compliance function and the application of risk management in an integrated manner. The IGC Chairman and Members are stipulated through BRI Board of Commissioners Decree No: 11-KOM/09/2019 dated 11 September 2019 on the Changes of Integrated Governance Committee Membership.

COMMITTEE STRUCTURES AND MEMBERSHIPS

Committee Structures

1. The Committee is under the coordination of BRI Board of Commissioners and structurally responsible to the Main Entity Board of Commissioners;
2. The Committee is led by Independent Commissioner that serves as Chairman in one of BRI committees.
3. In its daily activities, the Committee is assisted by Staffs and/or Secretary to the Committee, assigned from internal and or external of BRI.

Committee Memberships

1. Members of the Committee shall at least consist of one Commissioner of each member of the financial conglomerate of BRI, an independent party and member of the Sharia Supervisory Board.
2. Members of the Committee shall at least consist of:
 - a. An Independent Commissioner of BRI as both chairman and member;
 - b. Independent Commissioner of each member of the Financial Conglomerate of BRI as a member;
 - c. An Independent Party with expertise in accordance with the needs of the Integrated Governance Committee;
 - d. Member of the Sharia Supervisory Board of BRI syariah as a member.

Integrated Governance Committee

3. Each member of the Committee shall be independent in terms of:
 - a. Not receiving compensation from the Company and its subsidiaries, or affiliates, except wages, salaries and other facilities received in connection with the tasks performed as members of the Integrated Governance Committee;
 - b. Has no family or business relationship with the Directors and Commissioners;
 - c. Has no duplicate position in the Company and other affiliated Banks; and
 - d. Have no duties, responsibilities, and authorities that create a conflict of interest.
4. The appointment and replacement of members of the Committee shall be stipulated in the BOC Meeting, in particular to Committee members from Independent Party, the following rules shall apply:
 - a. Selected and stipulated by the Board of Commissioners through recruitment and selection mechanism;
 - b. The tenure shall be stipulated in the BOC Meeting for the contract period and the applicable contract workers' rules in the Company, with the possibility of dismissal by the Board of Commissioners prior to the term expires.
5. Members of the Board of Directors are prohibited from becoming members of the Committee; and
6. Members of the Committee shall be appointed by the Board of Directors based on the decision of the BOC meeting.

The Integrated Governance Committee Structures in 2019 is as follows:

No.	Name	Position	Profession	Period of Position
1.	Mahmud	Chairman	Independent Commissioner	15 March 2017 - 15 May 2019
2.	Rofikoh Rokhim	Chairman	Independent Commissioner	21 May 2019 - Present
3.	Andrinof A. Chaniago	Member	President Commissioner/Independent	19 July 2017 - Present
4.	Wahyu Kuncoro	Member	Vice President Commissioner	10 August 2019 - 18 November 2019
5.	Hendrikus Ivo	Member	Independent Commissioner	10 August 2019 - Present
6.	Hadiyanto	Member	Commissioner	21 September 2018 - Present
7.	Heru Sukanto	Member	President Commissioner/Independent PT BRI Agroniaga Tbk	19 May 2015 - 26 June 2019
9.	Hermanto Siregar	Member	President Commissioner/Independent PT Bank BRISyariah Tbk	7 August 2018 - 29 April 2019
10.	Eko Suwardi	Member	Independent Commissioner PT Bank BRISyariah Tbk	21 May 2019 - Present
11.	M. Gunawan Yasni	Member	Sharia Supervisory Board Member PT Bank BRISyariah Tbk	19 May 2015 - Present
12.	Mulabasa Hutabarat	Member	Independent Commissioner PT Asuransi Jiwa Bringin Jiwa Sejahtera	September 2017 - November 2019
13.	Boyke Budiono	Member	Independent Commissioner PT BRI Multifinance Indonesia	27 March 2017 - Present
14.	Suindiyo	Member	Independent Party	10 August 2019 - Present
15.	Indrayeti	Member	Independent Party	19 May June 2015 - 10 August 2019
16.	Tubagus A. Maulana	Member	Independent Party	19 May June 2015 - 1 February 2019



CORPORATE GOVERNANCE

Integrated Governance Committee

Profil Committee Profile

Profile of IGC Members as of per 31 December 2019:

<p>Rofikoh Rokhim Chairman/Independent Commissioner Period: 28 May 2019 - Present</p>	<p>Profile can be found on The Board of Commissioners Profile section..</p>
<p>Andrinof A. Chaniago Member/Independent Commissioner Period: 19 July 2017 - Present</p>	<p>Profile can be found on The Board of Commissioners Profile section..</p>
<p>Hadiyanto Member/Commissioner Period: 21 September 2018 - Present</p>	<p>Profile can be found on The Board of Commissioners Profile section..</p>
<p>Hendrikus Ivo Member/Independent Commissioner Period: 10 August 2019 - Present</p>	<p>Profile can be found on The Board of Commissioners Profile section..</p>
<p>Heru Sukanto Member IGC Independent Commissioner BRI Agro 7 August 2018 - 26 June 2019</p>	<p>Indonesian citizen, born in Surabaya on 5 September 1957. Obtained a Bachelor's degree from the Faculty of Law, Airlangga University (1982) and Master Marketing degree from STM PPM in 2000. Currently serves as Independent Commissioner of PT Bank Rakyat Indonesia Agroniaga Tbk based on the GMS dated 12 April 2017. He previously served as Head of BRI Jakarta Veteran Branch Office 1998-2001, Deputy Head of Retail BRI Surabaya Regional Office 2001-2002, Acting Head of General Business Division 2002-2004, Head of BRI Makassar Regional Office 2004-2005, Head of BRI Jakarta Special Branch Office 2005-2007, Head of BRI Jakarta 2 Regional Office 2007-2008, Head of BRI RPKB Division 2008-2009, Head of BRI Surabaya Regional Office 2009-2012, President Director of PT Bank Rakyat Indonesia Agroniaga Tbk 2012-2016 and Director of Bank Banten 2016.</p>
<p>Eko Suwardi Member IGC Independent Commissioner BRIsyariah Period: 21 May 2019 - Present</p>	<p>Indonesian citizen, born in Jember 23 March 1958. Earned Bachelor's degree in Accounting at Gajah Mada University, Indonesia (1987), Masters in Science in Accountancy from the California State University, Fresno, USA (1994), Doctorate in Philosophy in Business (Accounting) from Queensland University of Technology Australia (2005). Currently serves as Independent Commissioner of BRIsyariah (October 2017 - present), Chairman of ISEI Yogyakarta branch (2017 - present), Chairman of the Indonesian Tax Lecturer Forum (2015 - present), Chair of ASEN University Network: Business and Economics (2017 - present). Previously served as Dean of the Faculty of Economics and Business, Gajah Mada University (2016-2021), Deputy Dean of Planning and Information Systems at Gajah Mada University (2012-2016), Vice Dean for Finance, Assets and HR at the University of Gajah Mada (2008 - 2012), Head of Internal Audit at Gajah Mada University (2005 - 2008).</p>
<p>M. Gunawan Yasni Member IGC Supevisory Board BRIsyariah Period: June 2015 - Present</p>	<p>Indonesian citizen. Born in Jakarta on 17 September 1969. Earned Bachelor Degree at the Faculty of Economics, Department of Accounting, University of Indonesia (1993) and earned Master degree in Financial Management from Prasetya Mulya in (1995).</p> <p>In his career he previously served as Manager PT Pacific 2000 Investindo (Securities Financial Services), Deputy Head of Product Development PT Bahana Artha Ventura (Venture Capital) Jakarta (2000), Member of Sharia Supervisory Board PT Asuransi SIMAS Syariah (2004-2005), Member of Sharia Supervisory Board PT Jaminan Kredit Indonesia (2006), Advisor-Deutsche Bank Sharia Custodian & Investment Banking (2009), Member of Sharia Supervisory Board BRIsyariah (2008-present) and active as consultants and senior lecturer in economics and finance for various financial institutions, for Post Graduate.</p> <p>Holds the followin certifications: Certified Islamic Financial Analyst from Post Graduate of Middle East & Islamic Review, Universitas Indonesia, Fellow at Islamic Insurance Society (FIIS) and holds Advance Level IV Risk Management Certification and Has Bapepam License as Investment Manager, Underwriter & Broker-Dealer.</p>

Integrated Governance Committee

<p>Mulabasa Hutabarat Member IGC Independent Commissioner BRI Life Period: September 2017 - November 2019</p>	<p>Indonesian citizen. Born in Jakarta on 6 January 1954. Earned Bachelor degree in Economics in Development Studies, University of Indonesia (1982) and Master in Economics, Indiana University, USA.</p> <p>He has held various key positions in the Ministry of Finance including the Secretary of the Directorate General of Financial Institutions (2000-2006), Head of Pension Fund Bureau, Bapepam-LK (2006-2012), Head of Financing and Guarantee Bureau, Bapepam-LK (2012-2013), Secretary of Fiscal Policy Office (2013-2014). In addition he has served as Commissioner of PT Pelindo I Medan (2002-2007), Commissioner of PT Bank BTN (2008-2012), Chairman of Supervisory Board of Manpower Employment Social Security Management (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). He has participated in the trainings include 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 2012, Level I (One) Risk Management 2010, SPAMA 1998 Training, Job Evaluation Workshop 2001.</p>
<p>Boyke Budiono Member IGC Independent Commissioner BRI Finance Period: 27 March 2017 - Present</p>	<p>Indonesian citizen. Born in Jakarta 27 August 1957. Obtained Bachelor of Agriculture degree from Satya Wacana Christian University, Salatiga and MBA in Operation Management & Management Information System from University of Colorado, Boulder, USA. He previously served as Deputy Head of Consumer Banking Division PT Bank Rakyat Indonesia (Persero) Tbk (2005-2006), Deputy Head of BRI Bandung Regional Office PT Bank Rakyat Indonesia (Persero) Tbk (2007), Finance Director PT Perkebunan Nusantara VII (Persero) (2007-2012), Managing Director PT Perkebunan Nusantara VII (Persero) (2012-2103). Currently serves as Private Management Consultant, PT Makmur Jaya Kreasindo (2013-present) and Independent Commissioner of PT BRI Multifinance (2017-Present).</p>
<p>Suindiyo Member IGC Independent Party Period: 10 August 2019 - Present</p>	<p>Born in Blora 27 April 1959. Serves as member of Integrated Governance Committee of PT BRI (Persero) Tbk since 10 August 2019. Previously he worked at PT BRI (Persero) Tbk in various positions including Inspector (Executive Vice President of Audit), Vice President Loan Restructuring and Recovery, Vice President of Credit Administration and Vice President of Training & Education Center. He also previously served as Commissioner of Non-Bank Financial Institutions. Obtained a Bachelor of Economics degree from Jember University (1985) and a Master of Business Administration Finance from Virginia Polytechnic Institute and State University (Virginia Tech) (1994).</p>

Educational Qualifications and Experiences

7. Independent parties that meet the requirements of integrity, competence, financial reputation, and experience
8. Independent parties with knowledge of the Bank and Subsidiaries, among others, understanding of the main business activities and the main risks of Financial Services Institutions in the Financial Conglomerate.
9. Have an adequate understanding of GCG principles
10. Have an adequate understanding of the concept of risk and risk control in business activities and internal control of the company.
11. Independent Commissioner from each member of BRI's Financial Conglomerate as a member;
12. Member of the Sharia Supervisory Board of BRIsyariah as a member.

Committee Independencies

To ensure the independence of duties and the delivery of views, advice, and recommendations to the Board of Commissioners, all members of IGC shall have no affiliations with the Board of Directors, Board of Commissioners, or BRI's controlling shareholder, and are not shareholders, Commissioners, Directors, or employees of affiliates or in business relations with BRI.

Independence requirements of IGC's members are:

1. Does not receive compensation from the Bank and its subsidiaries, or affiliates, except wages, salaries, and other facilities in connection with the duties performed as members of the Integrated Governance Committee;



CORPORATE GOVERNANCE

Integrated Governance Committee

2. Does not have familial or business relationship with the Board of Directors and Board of Commissioners;
3. Does not serve concurrent position in the Bank and other Bank's affiliates; and
4. Does not have duties, responsibilities, and authorities that may create a conflict of interest.

No	Independencies Criteria	Rofikoh Rokhim	Andrinof A. Chaniago	Gatoto Trihargo	Hadiyanto	Heru Sukanto	Hermanto Siregar	M. Gunawan Yasni	Mulasaba Hutabarat	Boyke Budiono	Suindiyo
1.	Does not receive compensation from the Bank and its subsidiaries, or affiliates, except wages, salaries, and other facilities in connection with the duties performed as members of the Integrated Governance Committee	√	√	√	√	√	√	√	√	√	√
2.	Does not have familial or business relationship with the Board of Directors and Board of Commissioners	√	√	√	√	√	√	√	√	√	√
3.	Does not serve concurrent position in the Bank and other Bank's affiliates	√	√	√	√	√	√	√	√	√	√
4.	Does not have duties, responsibilities, and authorities that may create a conflict of interest	√	√	√	√	√	√	√	√	√	√

Duties and Responsibilities

1. Evaluate the implementation of integrated governance through an adequacy assessment of internal controls, compliance functions, and integrated risk management implementation;
2. Provide recommendation to the Main Entity's Board of Commissioners to refine the Integrated Governance Guidelines if deemed necessary;
3. Provide strategic input to BRI's Board of Commissioners to be submitted to the BRI's Board of Directors related to the implementation of Integrated Governance.
4. Deliver the evaluation result of the Self Assessment Report each semester to the BRI's Board of Directors.
5. Deliver the evaluation result of Integrated Governance Annual Report to the BRI's Board of Directors.

Integrated Governance Committee

Authority

1. Access to the records, employees, funds, assets, and other resources comprehensively, freely, and unlimited related to the performance of duties;
2. Obtain advice or suggestions from professionals outside the Bank relating to the duties; and
3. Provide opinions and recommendations to the Board of Commissioners for the improvement of integrated internal control;
4. Provide opinions and recommendations to the Board of Commissioners for the implementation of integrated compliance function; and
5. Provide opinions and recommendations to the Board of Commissioners for the implementation of integrated risk management.

Committee Education and Trainings in 2019

BRI IGC members have competencies in their respective fields with a minimum of five years experience. The professional background of IGC members is quite diverse, includes experience in strategic management, risk management, banking, finance and accounting thereby to ensure the quality of recommendations and suggestions for improvement to the Board of Commissioners.

The training participated by members of IGC during 2019 can be found in the List of The Board of Commissioners Training 2019.

The training participated by non-Commissioners members of IGC during 2019 is as follows:

IGC Non-BOC Members	Date	Venue	Organizers	Subject
Suindiyo	27-28 June 2019	Bali	BARA	PSAK 71 Impairment Deep Dive in Risk Management Prespective

KPI and Achievements in 2019

The Integrated Governance Committee (IGC) performance indicator or criteria is measured from the achievement of work programs/work plans and budgets that have been prepared at the beginning of each year and the attendance of IGC members in each meeting. The IGC's work program is structured to support Key Success Factors of the Board of Commissioners' duties in the supervisory function, and to provide input/suggestions on integrated risk management, integrated compliance function, and integrated audit in the main entity and subsidiaries.

Generally, all KPI of the Integrated Governance Committee have been achieved by the implementation of all IGC Work Plan and Budget 2019, in accordance with the set target and attendance level of IGC members, which fulfilled the requirement. Thus, all IGC meeting can be executed with quorum in every decision..

COMMITTEE MEETINGS

Meeting Policy

The IGC Meeting policy is as follows:

1. The Committee meeting may be held at any time as deemed necessary on the initiative of one or more members of the Committee by mentioning the agenda to be discussed. Committee meetings are held at least 1 (one) time per semester;
2. The Committee meeting shall be convened at the place of domicile of the Company or other places established by the Committee;



CORPORATE GOVERNANCE

Integrated Governance Committee

3. Scheduled Committee Meeting shall be made by a written invitation signed by the chairman and a member of the Board of Commissioners Committee of the Main Entity, whereas meetings made on the basis of urgent or unscheduled matters may be invited verbally or by video conference;
4. The Committee meeting shall include the agenda of the meeting, date, time and place of meeting;
5. Each Committee meeting is chaired by the Chairman of the Committee and in the event that the Chairman of the Committee is absent or unable to attend, the meeting is chaired by a member of the Committee which is from the Board of Commissioners of the Main Entity;
6. The decisions of Committee meeting shall be made on the basis of consensus with deliberations. In the event of dissenting opinion it must be clearly stated in the minutes of meeting and the reasons for the difference of opinion;
7. The results of Committee meeting shall be set forth in minutes of meetings and properly documented;
8. The Committee minutes of meetings shall be made by a person present at the meeting and appointed by the chairman of the meeting. The meeting minutes shall be signed by all Committee members present at the meeting;
9. The Committee's meeting minutes shall constitute valid evidence of the decisions taken at the meeting.

IGC Meeting Agenda in 2019

No	Meeting Schedule	Agenda	Rofikoh Rokhim	Andrinof A. Chaniago	Wahyu Kuncoro	Hadiyanto	Hendrikus Ivo	Indra Yetti	Suindiyo	Heru Sukanto	Eko Suwardi	M. Gunanan Yasni	Mulabasa Hutabarat	Boyke Budiono
1	Tuesday, 14 May 2019	Integrated Risk Profile Semester II 2018, Integrated Risk Management Semester II 2019, Integrated Governance Practices Semester II 2019, Integrated Governance Annual Report	1	1			-	1		1		1	1	1
2	Tuesday, 28 May 2019	Implementation of Integrated Compliance Function & Integrated Internal Control Semester II 2019	1	1				1		1	1	1	1	1
3	Tuesday, 27 August 2019	Integrated Compliance Function & Integrated Internal Control	1	1	1		1		1		1	1	1	1
4	Tuesday, 29 October 2019	Integrated Risk Profile Evaluation BRI Semester I 2019	1	1	1	1	1	-	1		1	1	1	1
Attendance			4	4	2	1	2	2	2	2	3	4	4	4
Total Meetings			4	4	2	1	2	2	2	2	3	4	4	4
% Attendance			100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Integrated Governance Committee

Integrated Governance Committee Activities in 2019

No	Duties & Responsibilities	Realisation	Output
1.	Changes and stipulation of IGC members of BRI Financial Conglomerate	Review on IGC members proposal from KJK.	Changes of IGC Members through BOC Decree Nokep: 07-KOM/BRI/05/2019 and Nokep: 11-KOM/BRI/09/2019
2.	Evaluation and recommendation of non-organic growth and recommendaiton of non organic/ LJK growth	Has been completed	<ul style="list-style-type: none"> Official Memo R.01-KPMR/05/2019 dated 9 May 2019 on the Increase of tier 1 capital through Rights Issue IX BRI Agro at maximum of three billion shares of maximum value of Pr700 billion. Official Memo B.13-KPMR/05/2019 dated 6 May 2019 on Obstacle due to high NPL of BRI Agro Official Memo R.02-KPMR/06/2019 dated 20 June 2019 on Increase capital for BRI Ventures at Rp200 billion and Rp800 billion Official Memo R.04-KPMR/07/2019 dated 12 July 2019 on Equity Investment at PT Asuransi Bringin Sejahtera Makmur (BRINS) through share buying of BRI Pension Funds in BRINS amounted to Rp1,041 billion representing 90% shares BRINS.
3	Evaluation and recommendation of IGC Charter		No proposal of changing the IGC Charter. However, the Committee will advice the Management to review the concerned charter to the Governacne Guidelines related to the merging of PT. Asuransi Bringin Sejahtera Artamakmur (BRINS) into the part of BRI conglomerate.
4	Assessment of the Adequacy of Integrated Internal Control and Integrated Compliance Function, conducted by semester by providing recommendations to the BOC for improvements	<p>Evaluation of internal control function with every LJK on internal audit (IAU organization, auditing, audit results and audit follow up) was carried out for:</p> <ul style="list-style-type: none"> Semester II/2018 Semester I/2019 	<p>IGC Meeting on 28 Mei 2019 IGC Meeting on 27 August 2019 Official Memo B.05-KTKT/10/2019 dated 08 October 2019 BOC Letter No B. 281-KOM/10/2019 dated 11 October 2019</p> <ul style="list-style-type: none"> There was some fines in LJK on compliance with certain regulatory Need to accelerate customer data update Compliance with reporting to PPATK particularly Danareksa Sekuritas



CORPORATE GOVERNANCE

Integrated Governance Committee

No	Duties & Responsibilities	Realisation	Output
5	Mid Year Report of Integrated Governance Implementation	Develop the Integrated Governance Annual Report of BRI Financial Conglomerate coordinated with Compliance Division. Has been reported to OJK with BOD Letter No. B.32-DIR/KPT/GCG /05/2019 dated 23 May 2019	Integrated Governance Annual Report has been uploaded in website bri.co.id
6	Integrated Risk Management General Policy Evaluation	Has been done with the review of Risk Management General Policy of BRI in December 2018	The development of Integrated Governance Annual Report of BRI Financial Conglomerate was coordinated with Compliance Division. Has been reported to OJK with BOD Letter No. B.32-DIR/KPT /GCG /05/2019 dated 23 May 2019
7	Implementation of Integrated Governance by semester and provide recommendations to the BOC for improvements Semester II/2018 and Semester I/2019	Evaluation of Semester II/2018 has been implemented on 28 May 2019 through the Meeting of Compliance Director with IAU to discuss action plan for improvements of the weaknesses in the implementation of integrated governance based on self assessment Semester II/2018.	BRI Financial Conglomerate was considered to have been implementing good Integrated Governance practices in general. BRI Integrated Governance received rating 2 in the Semester II/2018 and Semester I/2019, as reflected from the adequate fulfillment of Integrated Governance Practices. Areas that considers as weaknesses: Structure Aspect: Change of financial conglomerate that relatively fast with the acquisition of BRI Ventures and Danareksa Sekuritas requires coordination improvements between main entity and members LJK Financial Conglomerate.
8	Integrated Governance Implementation Annual Report	Integrated Governance Implementation Annual Report 2018 has been submitted to OJK as per BRI BOD letter: No.B.11 -DIR/KPT/GCG/ 02/2019 dated 14 February 2019 No.B.67- DIR/KPT/GCG/ 02/2019 dated 14 August 2019	BRI Financial Conglomerate was considered to have been implementing good Integrated Governance practices in general. BRI Integrated Governance received rating 2 in the Semester II/2018 and Semester I/2019, as reflected from the adequate fulfillment of Integrated Governance Practices. Areas that considers as weaknesses: <ul style="list-style-type: none"> Structure Aspect: Change of financial conglomerate that relatively fast with the acquisition of BRI Ventures and Danareksa Sekuritas requires coordination improvements between main entity and members LJK Financial Conglomerate. Process Aspect: Require improvement on reporting of Integrated Risk Management function. Result Aspect: There were sanctions to the compliance with regulatory.

Integrated Governance Committee

No	Duties & Responsibilities	Realisation	Output
9	Evaluation and Recommendation of Integrated Risk Management Practices - Semester II/2018 - Semester I/2019	Evaluation of integrated risk profile was carried out for: <ul style="list-style-type: none"> Semester II 2018 on 14 May 2019 Semester I 2019 was carried out on 29 Oktober 2019 	IGC Meeting Minutes: <ul style="list-style-type: none"> Semester II 2018 on 14 May 2019 Semester I 2019 was carried out on 29 Oktober 2019

Integrated Governance Committee Remuneration

The remuneration for committee members who are members of the Board of Commissioners is accumulated with honorarium given to the Board of Commissioners and no special honorarium for each member of the Committee.

Performance Assessment of Integrated Governance Committee in 2019

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Achievements	Weight	Scores
1	Learning & Growth Perspective	Committee Organization	Committee members composition according to the rules	Committee members composition according to POJK, SOE Ministry Regulations and Regulator	As per BOC Decree Nokep: 11-KOM/09/2019 dated 11 September 2019 on the Stipulation of BRI IGC Chairman and Members. The IGC Members Composition has met POJK and SOE Minister rules.	5	5
			Committee Charter has been updated according to the rules	Review of IGC Charter in 2019	The IGC Charter has been reviewed and updated through Nokep No.: 14-KOM/11/2018 on IGC Charter.	5	5
		Committee Members Competence	Committee members has competency according to rules	All IGC Members have passed OJK Fit & Proper test and/or participated in training during 2019	GC Members of BOC has passed OJK Fit & Proper test and Independent Parties have expertise according to IGC needs.	5	5
			Committee members tenure according to rules	Decree of Committee Members are updated based on rules and tenure according to POJK and SOE Ministry Regulations	As per BOC Decree Nokep: 11-KOM/09/2019 dated 11 September 2019 on the Stipulation of IGC Chairman and Members, the tenures are not exceeding the rules.	5	5
		Duties implementation	Other duties carried out according to BOC directives	Duties were carried out according to rules	All duties have been carried out properly according to rules	5	5



CORPORATE GOVERNANCE

Integrated Governance Committee

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Achievements	Weight	Scores
2	Internal Process Perspective	Planning	Ratification of Committee Work Plan is on time	The IGC Work Plan & Budget 2019 was ratified on 28 December 2019	The IGC Work Plan & Budget 2019 was ratified on 28 December 2019	5	5
		Implementation	Committee Meeting is convened according to rules and plans	At least 2 times	During 2019, 4 IGC Meeting were convened. The IGC also active in BOC meetings.	10	10
			Integrated Governance Annual Report	One time	During 2019, IGC reviewed the Integrated Governance Annual Report. The output can be found on IGC Work Plan & Budget 2019 realization.	5	5
			Evaluation of corporate action plan (among others: capital injection for subsidiaries, acquisition of other companies, divestment of subsidiary, and BRI other strategic plans)	Review is submitted at least 14 work days since the receipt of letter	During 2019, IGC has reviewed 4 times for the evaluation of corporate action plan (among others: capital injection for subsidiaries, acquisition of other companies, divestment of subsidiary, and BRI other strategic plans). The output can be found on IGC Work Plan & Budget 2019 realization.	10	10
		Oversight	Review of the assessment of adequacy of integrated internal control and integrated compliance function	Every semester	During 2019, IGC has reviewed the Annual Report of the assessment of adequacy of integrated internal control and integrated compliance function according to prevailing rules. The output can be found on IGC Work Plan & Budget 2019 realization.	10	10
		Review of integrated risk management general policy	One time	Has been done with the review of BRI risk management general policy on December 2018.	5	5	
		Evaluation on integrated governance practices	Every semester	During 2019, IGC has evaluated the integrated governance practices according to prevailing rules. The output can be found on IGC Work Plan & Budget 2019 realization.	5	5	

Integrated Governance Committee

No	Assessment Perspectives	Assessment Aspects	Indicators	Target	Ouput/Target Achievements	Weight	Scores
			Evaluation on relations of shareholding and/or controlling with other LJK to ensure the Company Financial Conglomerate	At least once a year	During 2019, IGC has evaluated the shareholding and/or controlling with other LJK to ensure the Company Financial Conglomerate according to prevailing rules. The output can be found on IGC Work Plan & Budget 2019 realization.	5	5
			Periodical evaluation of integrated risk management practices	Every semester	During 2019, IGC has evaluated the integrated risk management practices according to prevailing rules. The output can be found on IGC Work Plan & Budget 2019 realization.	10	10
3	Compliance Perspective	Oversight function on risk management	Periodical evaluation of integrated risk profile according to rules	Every semester	During 2019, IGC has evaluated the integrated risk profile according to rules. The output can be found on IGC Work Plan & Budget 2019 realization.	5	5
			Self Assessment of Integrated Governance Conglomerate according to rules	Every semester	During 2019, IGC has conducted Self Assessment of Integrated Governance Conglomerate according to rules. The output can be found on IGC Work Plan & Budget 2019 realization.	5	5
Total						100	100

IGC Opinions on Integrated Governance Practices

To support the Board of Commissioners oversight on the implementation of Integrated Governance in BRI Financial Conglomerate in order to comply with applicable laws and regulations, BRI as the Main entity has issued an Integrated Governance Guidelines. In general the Committee considers proper implementation of Integrated Governance. This is reflected in the self-assessment results which received a rank 2 (good) in semester II/2018 and semester I/2019. The Committee considers that there are some weaknesses in the structural aspects and the process of adjusting internal procedures related to the implementation of BRI's risk management and BRI's LJK KK. In addition, attention has to be given to HR management at BRI and LJK members of the financial conglomerate hence to reduce operational risks. As such, going forward the Committee will continue to ensure the improvement of weaknesses and strengthen the structures and processes required to produce better Integrated Governance outcomes.



CORPORATE GOVERNANCE

BOARD OF DIRECTORS' COMMITTEES

BRI Board of Directors established the committees to assist the duties implementation and responsibilities of the bank management. As of 31 December 2019, BRI has 12 committees responsible to the Board of Directors as follows:

1. Asset and Liability Committee (ALCO)
2. Risk Management Committee (RMC) & Operational Risk Management Committee (ORMC)
3. Credit Committee
4. Capital and Investment Committee
5. Credit Policy Committee
6. Information Technology Steering Committee
7. HR Policy Committee
8. Job Evaluation Committee
9. Project Management Office Steering Committee (PMO)
10. Product Committee

ASSET AND LIABILITY COMMITTEE

The Asset and Liability Committee (ALCO) is a Committee at the Head Office responsible to develop and establish the assets and liabilities policies and Fund Transfer Price (FTP) rates stipulation.

Membership Structures

ALCO Membership as of 31 December 2019:

Membership Structures	Position	Voting Rights
President Director	Chairman	√
Vice President Director	Substitute Chairman (and Permanent Member)	√
Division Head of Assets & Liabilities Management	Secretary (and Permanent Member)	√
Director of Finance	Permanent Member	√
Director of Micro Business	Permanent Member	√
Director of Small, Retail & Medium Business	Permanent Member	√
Director of Institutional & SOE Relations	Permanent Member	√
Director of Consumer	Permanent Member	√
Director of Network & Services	Permanent Member	√
Director of Digital, Information Technology & Operations	Permanent Member	√
Director of Risk Management	Permanent Member	√
Director of Human Capital	Permanent Member	√
Director of Compliance	Permanent Member	-
SEVP Treasury & Global Services	Permanent Member	√
SEVP Corporate Banking	Permanent Member	√
SEVP Fixed Assets Management and Procurement	Permanent Member	√
SEVP Change Management & Transformation Office	Permanent Member	√
SEVP Internal Audit Unit	Permanent Member	-

Board of Directors' Committees

Membership Structures	Position	Voting Rights
Division Head of Agribusiness	Permanent Member	√
Division Head of SOE 1 Business	Permanent Member	√
Division Head of SOE 2 Business	Permanent Member	√
Division Head of Corporate Business	Permanent Member	√
Division Head of Syndication and Financial Institution Services	Permanent Member	√
Division Head of Institution Relations	Permanent Member	√
Division Head of Transaction Banking	Permanent Member	√
Division Head of Social Entrepreneurship	Permanent Member	√
Division Head of Wealth Management	Permanent Member	√
Division Head of Consumer Loans	Permanent Member	√
Division Head of Briguna Loans	Permanent Member	√
Division Head of Mass Funding	Permanent Member	√
Division Head of Credit Card	Permanent Member	√
Division Head of Retail Payment	Permanent Member	√
Division Head of Treasury Business	Permanent Member	√
Division Head of Investment Services	Permanent Member	√
Division Head of International Business	Permanent Member	√
Division Head of Micro Business Policy & Strategy	Permanent Member	√
Division Head of Micro Sales Management	Permanent Member	√
Division Head of Program Business & Partnership	Permanent Member	√
Division Head of Small, Retail & Medium Business Policy & Strategy	Permanent Member	√
Division Head of Agriculture Business	Permanent Member	√
Division Head of SME Sales Management	Permanent Member	√
Division Head of Credit Policy	Permanent Member	√
Division Head of Enterprise Risk & Management Portfolio	Permanent Member	√
Division Head of Operational & Market Risk Management	Permanent Member	√
Division Head of Credit Risk Analysis	Permanent Member	√
Division Head of Credit Restructuring & Settlement	Permanent Member	√
Division Head of Corporate Development & Strategy	Permanent Member	√
Division Head of Management Accounting and Finance	Permanent Member	√
Division Head of Subsidiary Management	Permanent Member	√
Division Head of Corporate Transformation	Permanent Member	√



CORPORATE GOVERNANCE

Board of Directors' Committees

Membership Structures	Position	Voting Rights
Desk Head of Project Management Office	Permanent Member	√
Head of Regional Office Jakarta 1	Permanent Member	√
Head of Regional Office Jakarta 2	Permanent Member	√
Head of Regional Office Jakarta 3	Permanent Member	√
Head of Special Branch	Permanent Member	√

Duties and Responsibilities

- The Asset and Liability Committee (ALCO) has the following duties and responsibilities:
 - Evaluate the Company's performance and to determine the strategy and policy of optimum asset and liability management by considering the potential risk, optimum yield generation, and cost efficiency.
 - Determine the interest rates on deposit, lending rate, Prime Lending Rate (PLR), Fund Transfer Price (FTP), and other pricing that directly impact Net Interest Margin (NIM) achievement.
 - Determine the Decision Makers authority in deciding interest rate on deposits, loans and/or other bank products.
 - Defining the Net Open Position (NOP) policy.
 - Monitoring the asset and liability management in the company is carried out in accordance with ALCO Meeting's decisions.
- The Assets & Liabilities Management, Assets & Liabilities Management Division as ALCO Supporting has the following duties and responsibilities:
 - Analyse and provide recommendations on optimum assets and liability management strategy as a basis for determining the strategy by the Asset and Liability Committee (ALCO) by referring to the Company's performance targets
 - Formulate and develop the scenarios for interest rates on deposits, loans and other bank products.
 - With other relevant Work Units, conduct analysis and develop alternative recommendations in pricing in accordance with the developments of market interest rates and macroeconomic conditions.
 - With other relevant Work Units, develop funding strategy based on the bank work plan and budget, market conditions and/or other references.
 - Analyse and monitoring of net open position (NOP).
 - Analyse and provide data according to ALCO requirements.
 - Coordinate the ALCO Meetings according to rules and set forth work plans.
 - Distribute and administer the ALCO Meeting resolutions as well as monitoring the follow up from relevant Work Units.

Committee Charter

- Convene the ALCO Meeting at least once in a month.
- The ALCO Meeting is chaired by the Chairman of ALCO. In the event that the ALCO Chairman is unable to attend, the ALCO Meeting shall be chaired by the Substitute ALCO Chairman in sequence.
- The ALCO Meeting shall be attended by at least 2/3 (two thirds) of ALCO Members.
- ALCO Secretary coordinates and is responsible on the convention of ALCO Meetings.
- In the event that the Work Unit Head who is an ALCO Member is unable to attend, then he/she can appoint a representative at the level of Deputy Head of Division or at least the Head of Section level.
- The limited ALCO meetings can be held incidentally to discuss the assets and liabilities management relating to BRI's strategies and policies in the event of specific issues that requires immediate decision by ALCO Meeting.

Board of Directors' Committees

Limited ALCO Meetings

1. The Asset and Liability Committee (ALCO) incidentally can hold a Limited ALCO Meeting to discuss the assets and liability management on BRI's strategies and policies in the event of specific issues that requires immediate decision by ALCO Meeting.
2. Chairman of ALCO or Substitute Chairman of ALCO and Secretary of ALCO has the authority to determine the ALCO Members requested to attend the ALCO Limited Meeting in a separate Invitation Letter.
3. The ALCO Limited Meeting shall be attended by all ALCO Members as stipulated.

Committee Meetings

ALCO has convened 12 Meetings in 2019 with the following details:

No	Date	Agenda
1.	09.01.2019	
2.	07.02.2019	
3.	14.03.2019	
4.	11.04.2019	
5.	09.05.2019	
6.	20.06.2019	Economic Briefing of Assets & Liabilities Performance
7.	12.07.2019	BRI Shares Development Based on ALCO Meeting Decision
8.	08.08.2019	
9.	12.09.2019	
10.	11.10.2019	
11.	13.11.2019	
12.	12.12.2019	

Decision Making

The ALCO Meeting shall take the decision by deliberation and consensus. In the event of full disagreement, the ALCO Meeting's decision is considered valid with the approval of 50% (fifty percent) of the ALCO Members who have voting rights and 1 (one) other ALCO Member, including member of the Board of Directors whose one of them is ALCO Chairman or Substitute Chairman I or Substitute Chairman II.

RISK MANAGEMENT COMMITTEE (RMC)

The Risk Management Committee (RMC) is responsible to develop the Risk Management Policy and its amendment including the implementation of risk management policy and strategy.



CORPORATE GOVERNANCE

Board of Directors' Committees

Committee Membership

1. Risk Management Committee (RMC)

Membership Structures	Position	Voting Rights
Director of Risk Management	Chairman	√
Director of Finance	Substitute Chairman/ Permanent Member	√
Director of Human Capital	Permanent Member	√
All Directors or SEVP of Proposing Fields	Non Permanent Member	√
Director of Compliance	Permanent Member	-
Division Head of Enterprise Risk & Management Portfolio	Secretary	-
Head of Relevant Work Units	Non Permanent Member	-

2. Integrated RMC

Membership Structures	Position	Voting Rights
Director of Risk Management	Chairman	√
Director of Finance	Substitute Chairman/ Permanent Member	√
Director of Risk Management	Permanent Member	√
Director of Human Capital	Permanent Member	√
All Directors or SEVP of Proposing Fields	Non Permanent Member	√
Director of Compliance	Permanent Member	-
President Director of BRI Syariah	Permanent Member	-
President Director of BRI Agro	Permanent Member	-
President Director of BRI Life	Permanent Member	-
President Director of BRI Finance	Permanent Member	-
President Director of BRI Ventura	Permanent Member	-
President Director of Danareksa Sekuritas	Permanent Member	-
Director of Compliance BRI Syariah	Permanent Member	-
Director of Compliance BRI Agro	Permanent Member	-
Director of Compliance BRI Life	Permanent Member	-
Director of Compliance BRI Finance	Permanent Member	-
Director of Compliance BRI Ventura	Permanent Member	-
Director of Compliance Danareksa Sekuritas	Permanent Member	-
Division Head of Enterprise Risk & Management Portfolio	Secretary	-
Head of Relevant Work Units	Non Permanent Member	-

Board of Directors' Committees

Duties and Responsibilities

The Risk Management Committee has the following duties and responsibilities:

1. The Risk Management Committee (RMC) has the following duties and responsibilities:
 - a. Provide recommendations to the President Director on the formulation of Risk Management Policy and its changes including the risk management policies, risk management strategies and contingency plans if external conditions do not normally occur.
 - b. Provide recommendations to the President Director on methodology for risk measurements and its changes.
 - c. Provide recommendations on the limits and changes.
 - d. Submit the risk profile report and the risk monitoring results and if required the recommendations for any changes.
2. The Integrated Risk Management Committee (RMC) has the following duties and responsibilities:
 - a. Provide recommendations to BRI Board of Directors on the formulation of Integrated Risk Management Policies and its changes.
 - b. Provide recommendations on improvements to BRI Board of Directors and Directors of Subsidiaries based on the evaluation of Integrated Risk Management implementation.
 - c. Submit the Integrated Risk Profile report, Integrated Governance report, Integrated Audit report, Subsidiary Company's Individual Risk Profile report and the risk monitoring results to BRI Board of Directors.
 - d. Submit the integrated capital analysis and capital participation plans to members of the BRI Financial Conglomerate.
 - e. Submit the integrated and/or individual stress testing simulations and contingency plans to anticipate abnormal conditions to BRI Board of Directors.

Committee Charter

The RMC and Integrated RMC Terintegrasi has the organization charter as follows:

1. The RMC Meeting shall be convened periodically at least once per quarter, the Integrated RMC Meeting shall be convened periodically at least every six month.
2. In the event of important issues and in urgency, the RMC and Integrated RMC Meetings can be held whenever necessary, among others:
 - a. Significant changes in the BRI Risk Profile due to changes in business conditions, macroeconomic factors, violations of internal risk limits or other factors.
 - b. Regulatory changes that require fast and immediate responses or actions from the organization.
 - c. Force Major conditions occur due to natural factors, human factors, external disturbances and other disruptive factors.
 - d. Factors that can cause the Board of Directors to decide to hold the RMC and Integrated RMC Meetings.
3. The RMC and Integrated RMC discuss, review and approve the proposals and recommendations submitted in the meeting in accordance with applicable regulations. The suggestions and recommendations include risk management policies, strategies and procedures.
4. The RMC and Integrated RMC meetings are led by the Director of Risk Management. In the event that the Director of Risk Management is unable to attend, the meeting shall be chaired by the Substitute Chairman in the order as stipulated.
5. The RMC and Integrated RMC meetings can be held if at least 2/3 (two-thirds) of Committee Members are attended and attended by Committee Chairman.
6. The Committee Meetings decisions are taken by deliberation and consensus. In the event of disagreement, then the decision of the Committee Meeting is considered valid with the approval of 50% (fifty percent) of the Committee Members who have voting rights and 1 (one) Committee Member including the Chairman of the Committee.
7. The Board of Directors can annul the results of decisions at RMC and Integrated RMC through the Board of Directors Meeting.



CORPORATE GOVERNANCE

Board of Directors' Committees

8. The Secretary of RMC and Integrated RMC is responsible to coordinate the RMC and Integrated RMC Meetings.
9. The presence of President Director and or Vice President Director to add Permanent Member with voting rights.

Committee Meetings

The RMC has convened 4 Meetings during 2019 with the following details:

No	Activities	Date	Agenda
1	RMC I 2019	4 March 2019	<ol style="list-style-type: none"> 1. Risk Profile 2. Follow Up of RMC Decision-2018 3. Analysis of BRI Capital and Stress Test 4. Discussion of External Risk Issues and BRI Risk Profile 5. Discussion of Risk To Be Noticed in BRI 6. Recommendations and Decision of RMC I -2019
2	RMC II 2019	27 June 2019	<ol style="list-style-type: none"> 1. Risk Profile 2. Follow Up of RMC I Decision -2019 3. Analysis of Capital and Stress Test 4. Discussion of Risk Issues in BRI 5. Discussion of Risk To Be Noticed in BRI 6. Recommendations and Decision of RMC II -2019
3	RMC III 2019	25 September 2019	<ol style="list-style-type: none"> 1. Follow Up of RMC II 2019 2. Risk Profile and Bank Ratings 3. Monitoring of Capital 4. Leverage Ratio 5. Stress Testing 6. Discussion of Risk Issue in BRI 7. Discussion of Risk To Be Noticed in BRI 8. Recommendations and Decision of RMC III -2019
4	RMC IV 2019		<ol style="list-style-type: none"> 1. Follow Up of RMC III 2019 2. Risk Profile and Bank Ratings 3. Monitoring of Capital 4. Leverage Ratio 5. Stress Testing 6. Discussion of Risk Issue in BRI 7. Discussion of Risk To Be Noticed in BRI 8. Recommendations and Decision of RMC IV 2019

Decision Making

The Committee Meeting shall take the decision by deliberation and consensus. In the event of disagreement, the Committee Meeting's decision is considered valid with the approval of 50% (fifty percent) of the Committee Members who have voting rights and 1 (one) other Committee Member, including the Committee Chairman.

CREDIT COMMITTEE

The Credit Committee is an operational committee assisting the Board of Directors to evaluate and/or resolve credit applications for certain amount and/or types of credits as determined by the Board of Directors.

Board of Directors' Committees

Committee Structures

1. The Credit Committee at the Board of Directors levels, which are:
 - a. Credit Committee of BRI.
 - b. Credit Committee of the Board of Directors 1
 - c. Credit Committee of the Board of Directors 2
2. Credit Committee at the Division levels
3. Credit Committee of Regional Commercial Business (RCB)
4. Credit Committee at the Regional Offices/Special Branch Offices
5. Credit Committee of Overseas Units

Duties and Responsibilities

Duties

1. Provide credit approval or rejection with due observance on the limits of authority set forth by the Board of Directors.
2. Coordinate with the Asset & Liabilities Committee (ALCO) in the aspect of funding for loans of certain ceilings as set out by ALCO.

Responsibilities

1. Deliverance of duty in providing credit decision based on professionalism expertise with honesty, objectivity, accurate and prudent.
2. Shall not accept any request and or influence from concerned parties for the approval of credit under formality or not complying sound credit principles.
3. To sign the Loan Decision form as a proof of credit decision and as a form of responsibility of the Credit Committee.

Conflict of Interest

In providing credit decision, the Credit Committee shall decide with honest, objective and prudent assessment and free of conflict of interest to the Committee and its individual member. This mechanism is regulated as follows:

1. In the event that the decision-makers of BRI Credit Committee have the conflict of interest, then the credit decision shall be carried out by all Board of Directors and SEVP with decision making authority, member of BRI Credit Committee that has the conflict of interest are exempted. The decision-making is unanimously conducted from all the Decision Makers.
2. In the event that the conflict of interest is occurring on Credit Committee members other than BRI Credit Committee, then the credit decision shall be authorized to the decision makers of one level higher.
3. In the event that the conflict of interest is occurring on individual credit decision makers, then the credit decision shall be authorized to the decision makers of one level higher.
4. In the event that the conflict of interest is occurring then the credit decision shall be carried out as stated in point 2 and 3 above, which further shall be submitted through Credit Analysis Memorandum.

Committee Charter

1. Credit Committee Meeting may only be held if the quorum meets at least $\frac{1}{2}$ (one-half) + 1 of all members of the Credit Committee.
2. Credit Committee members who are unable to attend the Committee Meeting due to unavailability (but no later than five working days) shall not be taken into account in the quorum of Credit Committee meetings.
3. The Credit Committee implementation shall be held in the Credit Committee meeting forum with the relevant Credit Administration Units as the Secretary of the Committee.



CORPORATE GOVERNANCE

Board of Directors' Committees

Committee Meetings

The Credit Committee has convened 30 (thirty) meetings during 2019.

CAPITAL AND INVESTMENT COMMITTEE

The Capital and Investment Committee is responsible in particular to the corporate actions and management of subsidiaries.

Committee Structures

In implementing its duties, the Capital & Investment Committee is supported by the Committee Supporting Team.

Membership Structures	Position	Voting Rights
Director of Finance	Chairman	√
Director of Risk Management	Substitute Chairman (and Permanent Member)	√
Division Head of Assets & Liabilities Management	Secretary (and Permanent Member)	-
Relevant Directors or SEVPs	Non Permanent Member	√
Directors or SEVPs of Subsidiaries Supervisors	Non Permanent Member	√
SEVP Change Management & Transformation Office	Non Permanent Member	√
Director of Compliance	Permanent Member	-

In implementing its duties, the Capital & Investment Committee is supported by the Committee Supporting Team that are assigned to conduct review and analysis, which consists of:

- Division Head of Corporate Development & Strategy
- Division Head of Assets & Liabilities Management
- Division Head of Subsidiary Management
- Division Head of Management Accounting & Finance
- Division Head of Treasury Business
- Division Head of Legal
- Division Head of Compliance
- Division Head of Enterprise Risk & Management Portfolio
- Division Head/Desk Head of relevant Business

Duties, Authorities and Responsibilities

The Capital & Investment Committee has the following duties, authorities and responsibilities:

- Corporate Actions:
 - Review the analysis of corporate action proposed by the Committee Supporting Team.
 - Determine and recommend the corporate actions as stated in the Clause 2 paragraph (1) for the approval of President Director/Vice President Director through the Board of Directors Meetings or circulars.

Board of Directors' Committees

- b. Subsidiaries Management
 1. Review the analysis of business plan, corporate work plan and budget of Subsidiaries, including key performance indicators and Subsidiaries dividend plans.
 2. Review the performance of Subsidiaries and determine the performance improvement measures with the Board of Directors of Subsidiaries.
 3. Evaluate and recommend the Subsidiaries' corporate actions (Initial Public Offering, rights issue, acquisitions, merger, capital addition and divestment plans) for further approval by the President Director/Vice President Director through the Board of Directors Meetings or circulars.
 4. Shall take decision in the event of a deadlock of a synergistic initiative of Subsidiaries with BRI which is strategic in nature.

According to its respective scope, the Committee Supporting Team has the following duties, authorities and responsibilities:

- a. Provide supporting data on the proposals for implementation.
- b. Analyse the proposals for submission.
- c. Prepare presentation materials for the discussion in the Capital & Investment Committee meeting.

Committee Charter

1. The Committee Supporting Team prepares the study and analysis in accordance with their respective scope.
2. The study results shall be presented in the Committee meeting by the Committee members and/or members of Supporting Team and/or representatives of Subsidiaries in accordance with each scope.
3. The Committee shall convene at least one meeting quarterly to discuss proposals, reviews and analysis from the Committee Supporting Team.
4. The Meeting is quorum when attended by at least 50% of all Committee members and attended by the Committee Chairman.
5. The Committee meeting is led by the Chairman. If the Chairman is unable to attend, then the Committee meeting shall be chaired by the alternate Director as stipulated.
6. The Committee Chairman leads the Capital & Investment Committee Meeting and has the voting rights.
7. The Committee Secretary is responsible to coordinate the Capital & Investment Committee meeting, among others to:
 - a. Prepare the agenda, schedules and venues.
 - b. Prepare the Meeting Minutes.
 - c. Monitor the implementation of meeting decisions.
8. The Committee's recommendations are taken by deliberation and consensus. In the event of disagreement, the recommendation of the Committee meeting shall be considered valid with the approval of 50% (fifty percent) of the Committee Members with voting rights and 1(one) Committee Member including the Committee Chairman. The attendance of the President Director and/or Vice President Director aims to add Permanent Member with voting rights.

Committee Meeting

The Capital and Investment Committee has convened 18 meetings during 2019 with the following details:



CORPORATE GOVERNANCE

Board of Directors' Committees

No	Date	Agenda	Quorum
1	30 Jan 2019	Dividend proposal for fiscal year 2018, corporate action study for non M&A, progress of PSAK 71 implementation	Quorum
2	20 Feb 2019	Performance review and post acquisition plan of subsidiaries	Quorum
3	27 Feb 2019	Performance review and work plans of subsidiaries	Quorum
4	07 May 2019	Performance review and work plans of subsidiaries	Quorum
5	13 May 2019	Performance review and work plans of subsidiaries	Quorum
6	16 May 2019	Performance review and work plans of subsidiaries	Quorum
7	27 May 2019	Subsidiaries business pipelines	Quorum
8	13 June 2019	Revision of subsidiaries work plans	Quorum
9	17 June 2019	Revision of subsidiaries work plans	Quorum
10	03 July 2019	Revision of subsidiaries work plans	Quorum
11	31 July 2019	Revision of subsidiaries work plans	Quorum
12	20 Aug 2019	Progress of corporate action update	Quorum
13	18 Oct 2019	Subsidiaries performance and work plans	Quorum
14	21 Oct 2019	Subsidiaries performance and work plans	Quorum
15	24 Oct 2019	Corporate Action study and Capital Management Report	Quorum
16	25 Oct 2019	Subsidiaries performance and work plans	Quorum
17	11 Nov 2019	Subsidiaries performance and work plans	Quorum
18	29 Nov 2019	Subsidiaries performance and work plans	Quorum

Decision Making

The Committee recommendations are taken by deliberation and consensus. In the event of disagreement, the Committee Recommendation is considered valid with the approval of 50% of the Committee Members who have voting rights and 1 (one) Committee Member including the Committee Chairman.

CREDIT POLICY COMMITTEE

The Credit Policy Committee is a committee at the Head Office that assists the Board of Directors in formulating and provides recommendations for improvements to BRI credit policies.

Membership Structures

The Credit Policy Committee composition as of 31 December 2019 is as follows:

Board of Directors' Committees

Membership Structures	Position
President Director	Chairman
Division Head of Credit Policy	Secretary (and Member)
Vice President Director	Member
Director of Micro Business	Member
Director of Small, Retail, & Medium Business	Member
Director of Institutional & SOE Relations	Member
Director of Consumer	Member
Director of Network & Services	Member
Director of Digital, Information Technology & Operations	Member
Director of Risk Management	Member
Director of Finance	Member
Director of Human Capital	Member
SEVP Corporate Banking	Member
SEVP Treasury & Global Services	Member
SEVP Change Management & Transformation Office	Member
SEVP Fixed Assets Management & Procurement	Member
SEVP Internal Audit Unit	Member
Division Head of Credit Risk Analysis	Member
Division Head of Credit Restructuring & Settlement	Member
Division Head of Micro Business Policy & Strategy	Anggota
Division Head of Micro Sales Management	Member
Division Head of Program Business & Partnership	Member
Division Head of Small, Retail & Medium Business Policy & Strategy	Member
Division Head of SME Sales Management	Member
Division Head of Agriculture Business	Member
Division Head of Consumer Loans	Member
Division Head of Briguna Loans	Member
Division Head of Agribusiness	Member
Division Head of SOE 1 Business	Member
Division Head of SOE 2 Business	Member
Division Head of Corporate Business	Member



CORPORATE GOVERNANCE

Board of Directors' Committees

Membership Structures	Position
Division Head of Syndication and Financial Institution Services	Member
Division Head of Treasury Business	Member
Division Head of International Business	Member
Division Head of Investment Services	Member
Division Head of Corporate Development & Strategy	Member
Division Head of Legal	Member
Division Head of Credit Operations	Member

Duties and Responsibilities

1. Providing input to the Board of Directors in preparing the Bank Credit Policy, in particular the formulation of prudent principles in credit as stipulated in the Bank Credit Policy Formulation Guidelines of Bank Indonesia.
2. Overseeing consequent and consistent implementation of the Bank Credit Policy as well as formulate the alternative and application solutions in the event of obstacles.
3. Conduct periodical review on the Bank Credit Policy.
4. Monitoring and evaluating the following:
 - a. Overall development and quality of credit or financing portfolio.
 - b. Validity of authority to decide on credit or financing.
 - c. Validity of credit or financing disbursement process, development and quality to the Bank's Related Parties and Large exposure.
 - d. Proper implementation of Legal Lending Limits.
 - e. Compliance with the laws and other regulations in credit disbursement or lending,
 - f. Settlement of non performing loans in accordance with the Bank Credit Policy.
 - g. The Bank's efforts to meet the adequacy of allowance for credit or financing losses.
 - h. Certain major debtors and credit in credit lists In Special Attention.
5. Review the effectiveness of credit internal control system.
6. Submit a written report periodically and provide input to the Board of Directors with a copy to the Commissioners on the supervision results of implementation and application of the Bank Credit Policy.

Committee Charter

1. Changes or revision to the Bank Credit Policy must be first discussed in the meeting. The Credit Policy Committee shall conduct a final discussion meeting on the draft amendment or revision of the Bank Credit Policy prior to proceeding to obtain the decision of the Board of Directors.
2. The Credit Policy Committee Meeting is held to propose the preparation, amendment, and revision of the Bank Credit Policy and related to important and urgent issues that require a fast and immediate response from the company.
3. The Credit Policy Committee Meeting is held to propose the preparation, amendment, and revision of the Bank Credit Policy and related to important and urgent issues that require a fast and immediate response from the company.
4. The Credit Policy Committee Meeting is chaired by the President Director as the Committee Chairman. In the event that the Committee Chairman is unable to attend, the meeting will be chaired by the Substitute Chairman.

Board of Directors' Committees

5. The Credit Policy Committee meeting is valid if attended by at least 2/3 of the Committee members consisting of at least 3 (three) Directors, namely:
 - a. Director of Risk Management;
 - b. Director of Compliance;
 - c. Director of Business Fields;
 - d. SEVP Internal Audit Unit;
 - e. Head of Credit Policy Division; and
 - f. Head of Compliance Division.
6. If the Division Head who is a member of the Credit Policy Committee is unable to attend, the Substitute may be appointed.

Committee Meetings

No committee meetings during 2019.

Decision Making

The Committee Meeting decision is taken by deliberation and consensus. In the event of disagreement, the Committee Meeting decision is considered valid with the approval of 50% (fifty percent) of the Committee Members who have voting rights and 1 (one) Committee Member including the Committee Chairman.

INFORMATION TECHNOLOGY STEERING COMMITTEE

The Committee at the Head Office that is responsible to provide direction and recommendations to the Board of Directors on planning, governance, development and operations of Information Technology.

Membership Structures

Membership Structures	Position	Voting Rights
Director of Digital, Information Technology & Operations	Chairman	√
Director of Human Capital	Substitute Chairman (and Permanent Member)	√
Division Deputy Head of IT Strategy & Governance	Secretary (and Permanent Member)	-
Directors or SEVP Proposer Fields	Non Permanent Member	√
Director of Compliance	Permanent Member	-
Director of Network & Services	Permanent Member	√
Director of Risk Management	Permanent Member	√
SEVP Fixed Assets Management and Procurement	Permanent Member	√
Division Head of IT Strategy & Governance	Permanent Member	√
Division Head of Application Management & Operation	Permanent Member	√
Division Head of IT Infrastructure & Operation	Permanent Member	√
Division Head of Digital Center of Excellence	Permanent Member	√
Division Head of Technology Cooperation	Permanent Member	√
Division Head of Office Network	Permanent Member	√
Desk Head of Information Security	Permanent Member	√



CORPORATE GOVERNANCE

Board of Directors' Committees

Functions

1. Provide direction on long term and short term (annually) IT policy and management and refers to the IT Strategic Plan of BRI.
2. Controlling the IT development and implementation in BRI that are under and in an ongoing development by referring to the IT Strategic Plan of BRI.

Duties and Responsibilities

1. Provide recommendations of IT long term strategy plan that in line with the Bank Corporate Plan and Business Plan as stated in the IT Strategic Plan of BRI.
2. Formulate core IT policies, standards, and procedures.
3. Ensuring the alignment of the IT strategy plan with other IT projects as approved for implementation.
4. Monitoring and evaluation of IT project development so as to be in line with the set forth Project Charter.
5. Evaluating the IT conformity with the management information system required for Bank operations and business.
6. Monitor the effectiveness of risk management in IT investments so as to optimally contribute to the business goals achievement of BRI.
7. Monitor the performance of IT systems and provide recommendations for improvement efforts.
8. Provide recommendations on IT problems that cannot be solved by the Work Units and IT providers in an effective, efficient and timely manner.
9. Provide recommendations on the adequacy of IT resource allocation.

Committee Charter

1. The IT Steering Committee shall convene the meeting at least twice a year.
2. The IT Steering Committee Meeting shall be at least attended by:
 - a. Chairman
 - b. Secretary
 - c. 2/3 (two thirds) of Members of IT Steering Committee that are invited and related to the IT Steering Committee meeting agenda.
3. In the event that the Committee Chairman is absent, the IT Steering Committee Meeting is chaired by the Substitute Chairman 1 of the Committee.
4. In the event that the Committee Chairman and the Substitute Chairman 1 of the Committee is absent, the IT Steering Committee Meeting is chaired by the Substitute Chairman II of the Committee based on the Decree of the Board of Directors on the Determination of Substitute Directors.
5. The Committee Chairman leads the IT Steering Committee Meeting and has voting rights.
6. In the event that the IT Steering Committee Meeting is chaired by the President Director, the Director of Information Technology & Operations acts as a Committee Member with voting rights.
7. The coordination of Information Technology Steering Committee Meeting is the responsibility of the Committee Secretary with duties and responsibilities among others:
 - a. Prepare and invite the meetings.
 - b. Arrange and present the meetings.
 - c. Arrange and distribute Minutes of Meeting to Members of the Information Technology Steering Committee.
 - d. Monitor the decisions of the Steering Committee that are followed up by the relevant Work Units.

Committee Meetings

The Information Technology Steering Committee has convened 2 (two) meetings during 2019 with the following details:

Board of Directors' Committees

No	Date	Agenda	Quorum
1	23 May 2019	Review the Disaster Recovery Plan of Information Technology (DRP TI)	Quorum
2	27 August 2019	Switch Over AS400, Mainframe Cardlink and RTGS. CAMS (Card Management System) Upgrade and Proswitching Middleware (Linux-0).	Quorum

Decision Making

The decisions of Committee meetings are taken by deliberation and consensus. In the event that no agreement is reached, then the decision of the Committee meeting is considered valid if it is approved by 50% (fifty percent) of the number of Committee Members who have voting rights and 1 (one) member of the Committee including the Committee Chairman.

HUMAN CAPITAL COMMITTEE

The Human Capital Policy Committee is a committee at the Head Office with authority to establish strategic and operational policies in the field of Human Capital.

Membership Structures**HUMAN CAPITAL POLICY**

Membership Structures	Position	Voting Rights
President Director	Chairman	√
Vice President Director	Substitute Chairman (and Permanent Member)	√
Division Head of Human Capital Policy & Development	Secretary (and Permanent Member)	√
Director of Human Capital	Permanent Member	√
Directors or SEVP of relevant Fields	Non Permanent Member	√

Career 1 (for Executive Vice President, Vice President, Assistant Vice President and Senior Manager)

Membership Structures	Position	Voting Rights
President Director	Chairman	√
Vice President Director	Substitute Chairman (and Permanent Member)	√
Division Head of Human Capital Policy & Development	Secretary (and Permanent Member)	√
Director of Human Capital	Permanent Member	√
Director of Compliance	Permanent Member	√
Directors or SEVP of relevant Fields/Supervisors	Non Permanent Member	√



CORPORATE GOVERNANCE

Board of Directors' Committees

Career 2 (for Head of Sub Branch Office)

Membership Structures	Position	Voting Rights
Director of Human Capital	Chairman	√
Division Head of Human Capital Policy & Development	Secretary (and Permanent Member)	√
Director of Compliance	Permanent Member	√
Directors or SEVP of relevant Fields/Supervisors	Non Permanent Member	√

Career 3 (for Managers other than Head of Sub Branch Office)

Membership Structures	Position	Voting Rights
Division Head of Human Capital Policy & Development	Chairman	√
Section Head of Career Development	Secretary (and Permanent Member)	√
Division Deputy Head of Career Management & Culture of Human Capital Policy & Development	Permanent Member	√

TALENT MANAGEMENT

Sub Field of Talent Identification 1 (for Executive Vice President and Vice President)

Membership Structures	Position	Voting Rights
President Director	Chairman	√
Vice President Director	Substitute Chairman (and Permanent Member)	√
Division Head of Human Capital Policy & Development	Secretary (and Permanent Member)	√
Director of Human Capital	Permanent Member	√
Director of Compliance	Permanent Member	√
Directors or SEVP of relevant Fields/Supervisors	Non Permanent Member	√

Sub Field of Talent Identification 2 (for Assistant Vice President, Senior Manager and Manager)

Membership Structures	Position	Voting Rights
Director of Human Capital	Chairman	√
Division Head of Human Capital Policy & Development	Secretary (and Permanent Member)	√
Director of Compliance	Permanent Member	√
Directors or SEVP of relevant Fields/Supervisors	Non Permanent Member	√

Sub Field of Talent Development and Engagement 1 (for Executive Vice President, Vice President, Assistant Vice President and Senior Manager)

Membership Structures	Position	Voting Rights
President Director	Chairman	✓
Vice President Director	Substitute Chairman (and Permanent Member)	✓
Division Head of Human Capital Policy & Development	Secretary (and Permanent Member)	✓
Director of Human Capital	Permanent Member	✓
Director of Compliance	Permanent Member	✓
Directors or SEVP of relevant Fields/Supervisors	Non Permanent Member	✓

Sub Field of Talent Development and Engagement 2 (for Head of Sub Branch Office)

Membership Structures	Position	Voting Rights
Director of Human Capital	Chairman	✓
Division Head of Human Capital Policy & Development	Secretary (and Permanent Member)	✓
Director of Compliance	Permanent Member	✓

Sub Field of Talent Development and Engagement 3 (for Manager other than Head of Sub Branch Office)

Membership Structures	Position	Voting Rights
Division Head of Human Capital Policy & Development	Chairman	✓
Section Head of Career Development	Secretary (and Permanent Member)	✓
Division Deputy Head of Career Management & Culture of Human Capital Policy & Development	Permanent Member	✓

PERFORMANCE MANAGEMENT AND OBJECTIVE PERFORMANCE TARGET

Performance Management Sub Field

Membership Structures	Position	Voting Rights
President Director	Chairman	✓
Vice President Director	Substitute Chairman (and Permanent Member)	✓
Division Head of Human Capital Policy & Development	Secretary (and Permanent Member)	-
Director of Finance	Permanent Member	✓
Director of Human Capital	Permanent Member	✓
Directors or SEVP of relevant Fields/Supervisors	Non Permanent Member	✓



CORPORATE GOVERNANCE

Board of Directors' Committees

Objective Performance Target Sub Field

Membership Structures	Position	Voting Rights
Director of Human Capital	Chairman	✓
Division Deputy Head of Career Management & Culture of Human Capital Policy & Development	Secretary	✓
Director of Finance	Permanent Member	✓
Division Head of Human Capital Policy & Development	Permanent Member	✓
Division Head of Corporate Development & Strategy	Permanent Member	✓

ETHICS

Membership Structures	Position	Voting Rights
President Director	Chairman	✓
Vice President Director	Substitute Chairman (and Permanent Member)	✓
Division Head of Human Capital Policy & Development	Secretary (and Permanent Member)	✓
Director of Human Capital	Permanent Member	✓
Director of Compliance	Permanent Member	✓
Directors or SEVP of relevant Fields/Supervisors	Non Permanent Member	✓

Duties and Responsibilities

Human Capital Policy

1. Stipulate development strategy, policy direction and quality improvement of human capital of BRI.
2. Provide recommendations in the process of strategic policy determination, career management, and corporate culture in human capital for decision making in the Board of Directors Meeting.
3. Provide recommendations of Subsidiaries Commissioners and Directors.

Career

1. Stipulate employee's career development
2. Provide recommendations of Subsidiaries management

Talent Management

Stipulate the Talent and development program determination for Talents including Talent career development.

Performance Management and Objective Performance Targets

1. Stipulation of Employee performance assessment for Executive Vice President and Vice President levels.
2. Stipulation of Performance Management and Objective Performance Targets standar for Executive Vice President and Vice President levels.

Ethics

Decide on Discipline Violation cases by considering recommendations given by the Examining Team and/or Violation Case Discussion Forum (PKP Forum).

Committee Charter

1. The Human Capital Policy Committee meeting is chaired by the Committee Chairman. In the event that the Committee Chairman is unable to attend, the Human Capital Policy Committee Meeting is chaired by the Substitute Chairman of the Committee.
2. All members of the Human Capital Policy Committee have the same duties and responsibilities.
3. The convention of Human Capital Committee Meeting is the responsibility of the Committee Secretary among others:
 - a. Prepare and invite the meetings.
 - b. Arrange and present the meetings.
 - c. Arrange and distribute Minutes of Meeting to Members of the Information Technology Steering Committee.
 - d. Follow up and/or submit the meeting decisions to relevant Work Units as required
4. In the event of significant and urgent issues that require the outcome and/or action from the Human Capital Policy Committee, then the relevant Work Unit can propose a Committee Meeting to the Committee's Secretary.
5. The decision of the Human Capital Committee is determined by deliberation and consensus. In the event that no agreement is reached, the decision of the Human Capital Policy Committee is declared valid and binding if the Chairman of the Committee, Director of Human Capital and 50% (fifty percent) of the Committee Members are added by 1 (one) Committee Member at the Human Capital Committee meeting has voted in agreement.
6. The Committee approval is stated in documents signed by the Chairman and Committee Members present.
7. In the event that a Human Capital Committee meeting cannot be held, the Human Capital Committee may make a decision through the Circular Service Note with the approval of the Committee Chairman and other Committee Members.
8. If required the Human Capital Committee can invite Other Parties that are relevant as appraisers.

Committee Meetings

The Human Capital Committee has convened 8 (eight) meetings during 2019 with the following details:

HC Committee Meetings implementation:

1. Performance Assessment of EVP and VP for the assessment period of 2018 dated 23 April 2019
2. Decision of Employee Career Development dated 15 October 2019
3. Decision of Employee Career Development dated 29 October 2019
4. Decision of Employee Career Development dated 5 November 2019
5. Decision of Employee Career Development dated 19 November 2019
6. Decision of Employee Career Development dated 20 November 2019
7. Decision of Employee Career Development dated 3 December 2019
8. Decision of Employee Career Development dated 10 December 2019

Decision Making

1. The decision of the Human Capital Committee is determined by deliberation and consensus. In the event that no agreement is reached, the decision of the Human Capital Policy Committee is declared valid and binding if the Chairman of the Committee, Director of Human Capital and 50% (fifty percent) of the Committee Members are added by 1 (one) Committee Member at the Human Capital Committee meeting has voted in agreement.
2. The Committee approval is stated in documents signed by the Chairman and Committee Members present.
3. In the event that a Human Capital Committee meeting cannot be held, the Human Capital Committee may make a decision through the Circular Service Note with the approval of the Committee Chairman and other Committee Members.



CORPORATE GOVERNANCE

Board of Directors' Committees

JOB EVALUATION COMMITTEE

A committee at the Head Office that conducts an assessment process or rating of a position logically and fairly. This is carried out by comparing the position of one with another position based on a certain scale or criteria to determine the value/job size/score of a position and contribution and relationship with other positions in the Company.

Membership Structures

Membership Structures	Position	Voting Rights
Director of Finance	Chairman	✓
Director of Human Capital	Substitute Chairman (and Permanent Member)	✓
Division Deputy Head of Organization & Performance Management, Corporate Development & Strategy Division	Secretary (and Permanent Member)	-
Director of Risk Management	Permanent Member	✓
Division Head of Corporate Development & Strategy	Permanent Member	✓
Division Head of Human Capital Strategy & Policy	Permanent Member	✓

Duties and Responsibilities

To review, provide recommendations and/or stipulate the job groups allocation.

Committee Charter

- The Job Evaluation Committee Meeting is chaired by the Committee Chairman.
- The Job Evaluation Committee Meeting must be attended by at least 2/3 (two thirds) of the Committee Members. The presence of Members with Voting Rights at the Job Evaluation Committee Meeting cannot be represented. If a Member with Voting Rights is unable to attend then it can be replaced by the Director or Substitute Division Head in accordance with the stipulations of Substitute Director or Temporary Substitute Officer.
- All members of the Job Evaluation Committee have the same duties and responsibilities in the process of reviewing, recommending, and/or assigning job groups allocation.
- The convention of Job Evaluation Committee Meeting is the responsibility of the Committee Secretary among others:
 - Prepare and invite the meetings.
 - Arrange and present the meetings.
 - Arrange and distribute Minutes of Meeting to Members of the Information Technology Steering Committee
 - Follow up and/or submit the meeting decisions to relevant Work Units as required.
- The decisions of Job Evaluation Committee meetings are taken by deliberation and consensus. In the event that no agreement is reached, then the decision of the Committee meeting is considered valid if it is approved by 50% (fifty percent) of the number of Committee Members who have voting rights and 1 (one) member of the Committee including the Committee Chairman.
- In the event that a Job Evaluation Committee meeting cannot be held, the Human Capital Committee may make a decision through the Circular Service Note with the approval of the Committee Chairman and other Committee Members.
- The presence of President Director and/or Vice President Director is adding as Permanent Member with voting rights.

Committee Meetings

The Job Evaluation Committee did not held any meetings during 2019, the proposals were conducted in circulars.

Decision Making

1. The decision of the Job Evaluation Committee is determined by deliberation and consensus.
2. In the event that an agreement is not reached, then the decision of the Committee Meeting is considered valid if it is approved by 50% (fifty percent) of the number of Committee Members who have voting rights and 1 (one) member of the Committee including the Chairman of the Committee.
3. In the event that a Job Evaluation Committee meeting cannot be held, the Job Evaluation Committee may make a decision through the Circular Official Memo with the approval of the Committee Chairman and other Committee Members.

PRODUCT COMMITTEE

The Product Committee has a responsibility to provide decision on the proposed development of new products and services, the development and decision on existing products and services, decision on bundling products and services above the authority of the Director or, and providing recommendations to the Board of Directors on product and service development strategies.

Membership Structures

Membership Structures	Position	Voting Rights
Vice President Director	Chairman	√
Director of Finance	Substitute Chairman (and Permanent Member)	√
Division Head of Corporate Development & Strategy	Secretary (and Permanent Member)	-
Director of Digital, Information Technology & Operations	Permanent Member	√
Director of Network & Services	Permanent Member	√
Director of Risk Management	Permanent Member	√
Directors/SEVP/Product Owner Field Directorates	Non Permanent Member	√
Director of Compliance	Permanent Member	-

Functions

Evaluating the product performance and providing recommendations to the Board of Directors on BRI product development strategy.

Duties and Responsibilities

1. The Product Committee has the duties and responsibilities as stipulated in the Product General Policy and its amendments, including but not limited to the following:
 - a. Provide a decision on the proposal for new products/services development or the development of existing products/services, on the authority of the Director/SEVP of Product Owners.
 - b. Provide a decision on discontinue of existing products/services on the authority of the Director/SEVP of Product Owners.
 - c. Products and/or services development.
 - d. Coordinate the Pre-Committee meetings and Product Committee Meetings.
 - e. Coordinate the proposal for products and/or services discontinue.
 - f. Provide a decision on products and/or bundling services, on the authority of the Director/SEVP of Product Owners.
 - g. Provide opinion and recommendations to the Board of Directors on the products and/or services development strategy.



CORPORATE GOVERNANCE

Board of Directors' Committees

2. The Committee Secretary has the duties and responsibilities as stipulated in the Product General Policy and its amendments, including but not limited to the following:
 - a. Documenting the results of products and/or services planning
 - b. Documenting the evaluation of products and/or services
 - c. Conduct screening

Committee Charter

1. The Product Committee Meeting shall be held periodically at least once every six months.
2. Meeting outside regular meetings can be convened with the following criteria:
 - a. Significant changes in business condition that require immediate and urgent product development or annulment.
 - b. Changes in regulations that require immediate and urgent organization responds especially in product development or annulment.
 - c. Other factors that require Product Committee Meeting by the Board of Directors.
3. The Product Committee Meeting is chaired by the Vice President Director as the Committee Chairman. If the Vice President Director is absent, the Committee Chairman position can be replaced by the Substitute Director in accordance with the Substitute Director rules.
4. The Product Committee Meeting can be held if it is attended by the Chairman of the Committee and is attended by at least 3 (three) Members with the voting rights present at least 1 (one) Director/SEVP.
5. The decisions of Committee Meetings are taken by deliberation and consensus. In the event that no agreement is reached, the decision of the Committee Meeting is considered valid with the approval of 50% (fifty percent) of the Committee Members who have Voting Rights and 1 (one) Committee Member including the Committee Chairman.
6. Coordination of the implementation of Product Committee Meetings is the responsibility of the Committee Secretary.
7. The Product Committee Meeting minutes is signed by the Committee Secretary, and submitted to all Board of Directors/SEVP and Work Units at BRI Head Office that are relevant with the concerned decisions.

Committee Meetings

The Product Committee has convened 13 (thirteen) meetings during 2019 with the following details:

No	Date	Agenda	Quorum
1	27 February 2019	Pre Product Committee Meeting I of 2019 on product owners determination	Quorum
2	12 March 2019	Pre Product Committee Meeting I of 2019 on Product Taxonomy development	Quorum
3	13 March 2019	Pre Product Committee Meeting I of 2019 on Product Taxonomy development	Quorum
4	3 May 2019	The Product Committee Meeting I of 2019 with the agenda: <ol style="list-style-type: none"> 1. Board of Directors Elaboration 2. Elaboration of Brief and Progress on product/platform (KJT Division) 3. Decisions of Product Committee: <ol style="list-style-type: none"> a. Determination of Platform Owners b. Duties and responsibilities of Platform Owners c. Every platform owners shall implement marketing strategies that has been elaborated in the Product Committee 	Quorum
5	18 May 2019	Pre Product Committee Meeting II of 2019 on product decline determination	Quorum

No	Date	Agenda	Quorum
6	22 July 2019	Pre Product Committee Meeting II of 2019	Quorum
7	8 August 2019	Pre Product Committee Meeting II of 2019 on the determination of Product Owners on Bank Guarantee and Value Chain Application	Quorum
8	13 August 2019	Pre Product Committee Meeting II of 2019 on the determination of Product Owners on Bank Guarantee and Value Chain Application	Quorum
9	6 September 2019	The Product Committee Meeting II of 2019 with the agenda: <ol style="list-style-type: none"> 1. Board of Directors Elaboration 2. Decisions of Product Committee: <ol style="list-style-type: none"> a. Bank Guarantee Management b. Removal of Host to Host Feature c. BRIAPI Management d. EDC Merchant Management e. Product Type Management related to BRIFIRST Implementation 	Quorum
10	7 October 2019	Pre Product Committee Meeting III of 2019	Quorum
11	10 October 2019	Pre Product Committee Meeting III of 2019	Quorum
12	18 December 2019	Pre Product Committee Meeting III of 2019: Alignment of BRIFIST Project with STP Plan and Product Committee	Quorum
13	30 December 2019	Pre Product Committee Meeting III of 2019 (in scheduling process)	Quorum

Decision Making

1. The Product Committee Meeting can be held if attended by the Chairman of the Committee and attended by at least 3 (three) Members with the Voting Rights presence at least 1 (one) Director.
2. The decisions of Committee Meetings are taken by deliberation and consensus. In the event that no agreement is reached, the decision of the Committee Meeting is considered valid with the approval of 50% (fifty percent) of the Committee Members who have Voting Rights and 1 (one) Committee Member including the Committee Chairman.

GOODS AND SERVICES PROCUREMENT COMMITTEE

The Goods and Services Procurement Committee is a Committee at the Head Office with the duties and authority to conduct evaluation and provide decision on procurement request and results with certain values.

Procurement Committee I

Membership Structures	Position	Voting Rights
Vice President Director	Chairman	√
Director of Network & Services	Substitute Chairman (and Permanent Member)	√
Division Head of Fixed Assets Management or Goods & Services Procurement	Secretary	
All Members of BRI Board of Directors except Director of Compliance	Permanent Member	√



CORPORATE GOVERNANCE

Board of Directors' Committees

Membership Structures	Position	Voting Rights
SEVP Fixed Assets Management or Goods & Services Procurement	Permanent Member	√
Director of Compliance	Permanent Member	-
SEVP Relevant Users	Non Permanent Member	√

Procurement Committee II

Membership Structures	Position	Voting Rights
Wakil Direktur Utama	Chairman	√
Direktur Jaringan & Layanan	Substitute Chairman I (and Permanent Member)	√
Kepala Divisi MAT atau PBJ	Secretary	
Direktur Keuangan	Permanent Member	√
Direktur Manajemen Risiko	Permanent Member	√
SEVP Manajemen AT dan Pengadaan	Permanent Member	√
Direktur Bisnis Mikro/ Direktur Bisnis Kecil, Ritel & Menengah/Direktur Jaringan dan Layanan/ Direktur Digital Teknologi Informasi & Operasi	Non Permanent Member	√
Direktur/SEVP User Terkait	Non Permanent Member	√

Komite Pengadaan III

Membership Structures	Position	Voting Rights
Direktur Manajemen Risiko	Permanent Member	√
SEVP Manajemen AT dan Pengadaan	Permanent Member	√
Direktur/SEVP User Terkait	Non Permanent Member	√
Direktur Keuangan/ Direktur Bisnis Mikro/ Direktur Bisnis Kecil, Ritel & Menengah/ Direktur Jaringan dan Layanan/ Direktur Digital Teknologi Informasi & Operasi	Non Permanent Member	√

Komite Pengadaan IV

Membership Structures	Position	Voting Rights
SEVP Manajemen AT dan Pengadaan	Permanent Member	√
Direktur/SEVP User Terkait	Non Permanent Member	√

Duties and Responsibilities

1. Conduct procurement decisions professionally, honestly, responsibly, objectively, accountably and thoroughly.
2. Avoid conflicts of interest in the provision of procurement decisions.
3. Evaluate, provide input or propose the procurement.
4. Provide the decision of approval or refusal on the procurement in accordance with the limit of its authority.
5. Provide the procurement decisions, through:
 - a. The Board of Directors Meeting Minutes, or
 - b. The Procurement Committee Meeting Minutes, or
 - c. Circulars Official Memo.

Committee Charter

1. The decisions of the Committee shall be taken at a meeting of the Procurement Committee. The Goods and Service Procurement Meeting is conducted in the Head office or other places related to the Procurement Unit as facilitator.
2. The decisions of the Procurement Committee shall be taken unanimously and shall be deemed approved if all Members of the Committee with legitimate voting are presence or through proxy render an approval.
3. In the event that the Procurement Committee Member is not present, the duties and authorities of the Procurement Committee Members shall be replaced by the Substitute Director or SEVP. The Substitute Director or SEVP may act within the Committee as two capacities as the Substitute Officer and in his capacity as a Procurement Committee Member.
4. Decision making through Circular Official Memo with the approval of the Committee Chairman and other Committee Members.
5. In the event of decision approval has been taken by the Board of Directors through the Board of Directors Meeting, then decision then shall be aligned with the decision of the Procurement of Goods and Services Committee with the proof of the Board of Directors Meeting Minutes.
6. The duties and responsibilities of the Committee meeting facilitators conducted by the Secretary of Procurement Committee are as follows:
 - a. Coordinate the Committee meetings material preparation.
 - b. Prepare the meeting agenda, schedules, and venues.
 - c. Conduct the correspondence, documents duplications, and filing of the Committee documents.
 - d. Prepare the Meeting Minutes and Meeting Summary of the Procurement of Goods and Services Committee
 - e. Distribute the Committee decisions for follow up by the relevant Work Units.

Committee Meetings

The Procurement of Goods and Services Committee has convened 2 (two) meetings during 2019 with the following details:

No	Date	Agenda	Quorum
1	16 January 2019	Request of Decision for Network & Service Enhancement Project	Quorum
2	29 January 2019	Decision on Update of Attendance NSE Project	Quorum



CORPORATE GOVERNANCE

CORPORATE SECRETARY

The Corporate Secretary has the responsibility to assist the Board of Directors and Board of Commissioners in implementing corporate governance in accordance with the capital market regulations, particularly in the disclosure to the public through the reporting to the government agencies and announcement on website as well as printed media (if mandatory), including the implementation of the GMS. The Corporate Secretary serves as a liaison between the Company and external parties such as capital market regulators, shareholders, media and other stakeholders.

As of 31 December 2019, Hari Purnomo serves as BRI Corporate Secretary.

Corporate Secretary Profile



Indonesian Citizen, currently domiciled in Jakarta. 53 years old.

Serves as BRI Corporate Secretary since 2 September 2019 pursuant to the Board of Directors Decree Nokep: 140.e-DIR/KHC/07/2019 22 July 2019 and the Approval Letter of the Board of Commissioners No. SR.20-KOM/07/2019 dated 2 July 2019 on the Approval of the Replacement of Division Head of Corporate Secretariat. The new appointment of BRI Corporate Secretary has been reported to OJK and published in BRI website and Indonesia Stock Exchange. He obtained Bachelor of Protection degree from the University of Jenderal Sudirman, Purwokerto. In his career experience, he has served several positions among others Division Head of Small Business and Partnership, Deputy Head of Regional Operations, Deputy Head of Regional Business in various regions as well as Head of Branch.

Hari Purnomo

Corporate Secretary

Legal References

The establishment of Corporate Secretary refers to the following rules and prevailing laws:

1. POJK No. 35/POJK.04/2014 on the Corporate Secretary of Issuers or Public Companies.
2. SOE Minister Regulation No.: PER-01/MBU/2011 in lieu of PER-09/MBU/2012, Section Nine on the Corporate Secretary.

Organizational Structure

BRI's Corporate Secretary is responsible to the President Director. In performing its functions and duties, the Head of Corporate Secretary Division, which also concurrently serves as Corporate Secretary, is assisted by the Officials of Echelon 2, which supervises the Secretariat and Protocol, Investor Relations, Public Relations, CSR and Community Development. The organizational structure of the BRI's Corporate Secretariat Division is as follows:

Corporate Secretary



Trainings and Competencies Development Programs 2019

In competencies development, the Corporate Secretary and the personnel of Corporate Secretariat can attend training and education both held by the Company and by external professionals. The trainings and competencies development programs for 2019 can be found in the Chapter 3 Company Profile of this Annual Report.

Duties and Responsibilities

The Corporate Secretariat Division is responsible in managing the public relations/media relations; CSR management and community development; as well as the management of the corporate secretariat function, protocol, and internal services functions to the Board of Commissioners, Board of Directors and SEVPs in order to realize BRI's performance targets and corporate image in accordance with the Company's vision, mission and strategy with the following responsibilities:

- Preparation of public relations implementation and evaluation of strategies and activities, such as but not limited to the disclosure of information to the stakeholders directly or through print or electronic media, managing issues that are expected to have a negative impact on the Company and managing the programs/events/exhibitions, granting sponsorship to improve BRI's corporate image.
- Preparation, implementation and evaluation of CSR and Community Development strategies and activities as a manifestation of BRI engagements to environmental social community development and to enhance BRI corporate image.
- Organizing the Annual GMS and or Extraordinary GMS, Joint Board Meetings, Board of Directors Meetings, internal and external forums.
- Preparation, analysis and evaluation on the policies related to the delivery of rights and facilities to the Board of Commissioners, Board of Directors and SEVPs as well as secretariat activities to ensure the fulfillment of such rights and facilities, as well as the implementation of corporate secretariat.
- Governing and administering the secretariat activities, corporate administration and documentation (Government Regulation, Capital Market Regulation and other Regulations related to the Company's Articles of Association)
- Implementation and evaluation of protocol of all activities of the Board of Commissioners, Board of Directors and SEVPs.
- As the Company's spoke person.

The duties and responsibilities of BRI Corporate Secretary has complied with the POJK No. 35/POJK.04/2014 on the Corporate Secretary of Issuers or Public Companies.



CORPORATE GOVERNANCE

Corporate Secretary

Corporate Secretariat Duties Implementation Report 2019

Mass Media Relations

The corporate communication is carried out by involving various media as strategic partners which include print, electronic, and online media. The communication is delivered through press releases which reached 212 press releases in 2019. Moreover, the Corporate Secretary also acted as a spoke person to answer various queries from the journalists, accompanied BRI Board of Directors in conducting interviews with the media, organized press conferences to improve the corporate image, as well as monitoring and clarification of negative coverage or issues that may impact on BRI reputation.

In establishing media relations, the Corporate Secretary carried out various activities among others:

- Gathering with the Press Media - *Sahabat Pers* BRI held in Bogor, April 2019.
- Gathering with Editor in Chief in Jakarta, June 2019.
- Breaking fast with the journalists in Jakarta, June 2019.
- Homecoming program for *Sahabat Pers* BRI, June 2019.
- Regumat Media Visit, more than 10 visits to the national media during 2019.
- Watching movie together with *Sahabat Pers*, such as Captain Marvel and Avengers End Game.
- In creating good relations, other informal activities with the press were also organized such as lunch gathering with the Editors as well as Editor in Chief.

Deliverance of Capital Market Development to the Board of Directors and Commissioners

1. Regular monthly update to the Board of Directors at ALCO Forum.
2. Quarterly update on the company performance and capital market development in the Joint Board Meetings.
3. Communication material update to the Board of Directors and internal parties on the capital market and BRI shares performance.

Communication Programs to the Capital Market Communities

1. Organized the public expose as elaborated in this sub chapter.
2. Organized the Analyst Meeting for the presentation of quarterly corporate performance.
3. Organized the Capital Market School in Solo, 27 November 2019
4. Go Public Workshop with BRI Group by inviting customers of BRI Corporate and Medium Business from representatives across Indonesia with the theme of "Acceleration of Corporate Sustainable Growth through Shares IPO".

Report Submission Transparency

Report Types	Period	Total	Address To
Annual Report	Annual	1	OJK and Indonesia Stock Exchange
Consolidated Financial Statements of the Company and Subsidiaries	Quarter	4	OJK, BI Finance Ministry, SOE Ministry
Shareholding Composition Report	Monthly	12	OJK and Indonesia Stock Exchange
Foreign Currency Payable Report	Monthly	12	OJK
IPO Proceeds Allocation Realization Report	Monthly	12	OJK and Indonesia Stock Exchange
Securities Holders Registration Report	Monthly	12	OJK and Indonesia Stock Exchange
Information Transparency Report	Incidental	7	OJK and Indonesia Stock Exchange

The GMS Implementation

The GMS implementation by Corporate Secretary as elaborated in the sub chapter of the General Meeting of Shareholders (GMS), annual or extraordinary GMS. During 2019, the Company has convened 3 GMS, which were the EGMS on 3 January 2019, AGMS on 15 May 2019, and EGMS on 2 September 2019.

Board of Directors and Joint Board Meetings Organization and Documentation

The arrangement of schedules, organization and documentation of the Board of Directors Meetings and Joint Board Meetings have been carried out in compliance with the Articles of Associations and applicable regulations. The GMS report is as stated in the GMS sub chapter. The organization and documentation of meetings can be found on the sub chapter of the Board of Directors Meetings and Board of Commissioners Meetings.

Organization of Orientation Programs for New Directors and Commissioners

The Corporate Secretary Coordinates the orientation programs for members of the Board of Directors and Commissioners by presenting their duties and responsibilities, rights and obligations, relevant regulations and rules. The orientation program is as follows:

- a. Presentation of the company profile and various aspects as necessary in relations with the requests/needs of concern members.
- b. The Board of Directors Orientation Program is conducted through the Board of Directors Meeting forum, and meetings with the Corporate Secretary, among others:
 - Duties and responsibilities according to the Board of Directors Field
 - Corporate Vision and Mission
 - Rights and Facilities of the Board of Directors and Commissioners
- c. The Orientation Program for new members of the Board of Commissioners is carried out through work visits and/or the Board of Commissioners meetings.
- d. The Board of Directors and Board of Commissioners appointed at the AGMS of 2018 have been introduced to the orientation programs on the company according to the requests of concerned members.

Analyst Meetings

BRI holds the analyst meetings quarterly to present quarterly performance. The analyst meeting is held at the BRI office, BRI Building 1, 21st Floor. The analyst meeting was simultaneously held with information disclosure such as press conference with the media.

BRI Analyst Meeting during 2019:

Analyst Meeting	Date	Venue
Quarter I of 2019 Performance	24 April 2019	Hall Room of BRI 1
Quarter II of 2019 Performance (audited)	14 August 2019	Hall Room of BRI 1
Quarter III of 2019 Performance (unaudited)	24 October 2019	Hall Room of BRI 1



CORPORATE GOVERNANCE

Corporate Secretary

Public Expose 2019

The Corporate Secretary held 1 (one) Public Expose with the following details:

Subject	Date	Remarks
Public Expose Plan Notification	05 August 2019	IDX Website and Company Website
Public Expose Presentation	19 August 2019	The Public Expose has been reported to the Indonesia Stock Exchange according to the prevailing Regulations.
Public Expose Report	22 August 2019	

Information Disclosures

During 2019, 7 (seven) information disclosures were submitted to the Indonesia Stock Exchange and have been uploaded in the Company website and IDX website, as follows:

No	Date	Remarks	Subject
1	12 March 2019	Corporate information disclosure	Disclosure on rating report
2	1 April 2019	Corporate information disclosure	Capital addition in BRI Ventura Investama
3	21 June 2019	Corporate information disclosure	Equity investment plan in PT Asuransi Bringin Sejahtera Artamakmur (BRINS)
4	30 July 2019	Corporate information disclosure	Capital addition in BRI Ventura Investama
5	22 August 2019	Corporate information disclosure	Disclosure on rating report
6	27 August 2019	Corporate information disclosure	Capital addition in PT BRI Multifinance Indonesia
7	27 September 2019	Corporate information disclosure	Take over of 90% shares of PT Asuransi Bringin Sejahtera Artamakmur (BRINS)

Apart from disclosures, the corporate secretary also provides confirmation and respond/clarification in mass media news related to the corporate actions or news on corporate actions that are not clear or requiring the affirmation.

Press Releases 2019

No	Subject
1	EGMS Convention, BRI New Management
2	3,9 Million of MSME Communities Enjoys BRI KUR of Rp80.2 Trillion
3	Fantastic! BRILink Agent Transactions Reached the Rp.512.7 Trillion during 2018
4	DPLK BRI Assets Management Grew 25% During 2018
5	BRI Fosters the Farmers and MSME Coffee in Banyuwangi for an Upgrade
6	MSME and People's Economy Continue to Become BRI Business Backbones
7	Emphasizing on MSME Segment, BRI Profit Reached Rp.32.4 Trillion
8	BRI dan Pupuk Indonesia Invite Millennial of Eco-Friendly Lifestyle
9	BPN Grants Authority of Assets to BRI

Corporate Secretary

No	Subject
10	Bank BRI Successfully Launch of Special KUR for Animal Husbandry
11	BRI and HIMBARA Organize Customer Gathering in Surabaya
12	BRI Supports National Development Plans Through Collaboration with the Ministry of Energy and Mineral Resources
13	In the Presence of Thousands of UNPAD Students, Bank BRI Managing Director Shares Leadership Tips
14	BRI Agro Launches PINANG, the First Digital Banking Lending in Indonesia
15	Consistently Encouraging MSME Exports, BRI Holds BRICRAFT 2019
16	Targeting Millennial, BRI Launches BRImo Application
17	Bank BRI Supports People's Economy through the Disbursement of KUR Food Security
18	Held in the Mandeh Tourist Area, Thousands of Runners Enthusiastically Join BRI Mandeh Run 2019
19	Using Gethok Tular Ways, This Mother Earns 2,000 BRILink Agent Transactions Every Month
20	BRI Strengthens Banking Cooperation with Ministry of Home Affairs
21	BRI Offers Discount Promo at Traveloka through BRI Online Travel Fair
22	BRI Vice President Director Sharing Public Relations Knowledge at the Congress and National Conference of the BUMN Public Relations Forum
23	Bank BRI Distributes Assistance for Flood Victims in Sentani
24	BBRI Continues to Post the Highest Record in History
25	Supporting the Agriculture Entrepreneurship Program, BRI Realizes Organic Rice Reserves in West Java
26	Investment Education for the Young Generation, BRI Holds 2019 Bancassurance Expo for 3 Days
27	BRI Strengthens Cooperation with Army Banking Services
28	Bank BRI Receives 2 Prestigious Awards from The Asian Banker
29	BRI Signs Cooperation in Banking Services with the National Police Education and Training Center
30	Market Cap Reaches Rp.500 Trillion, BBRI Sets New Records This Week
31	Promote LinkAja, BRI Provides Cheap Food Packages
32	Bank BRI Issues The First Global Sustainability Bond in Indonesia
33	BRI continues to expand its strategic alliance with BPD
34	BRI President Director Greet Students of the University of Muhammadiyah Sukabumi at the BUMN Goes to Campus Event
35	BRI Promotes BRI SiMuda and BRImo Savings in the 2019 Young On Top National Conference Uniting Indonesia Event
36	Supporting the Bali Spirit Festival, BRI Offers an Interesting Program
37	BRI Ventures Capital Addition
38	Boosting BRIZZI Sales, BRI Launches Official Store and BRIZZI Tahilalats Edition at Tokopedia
39	To Increase Credit Card Business, BRI Launches BRI Agro Credit Card
40	BRI Invites Its Debtors To List on The Exchange
41	Supporting Green Environment, BRI Launches Financing for Environmentally Friendly Vehicles



CORPORATE GOVERNANCE

Corporate Secretary

No	Subject
42	Organizes Multifinance Gathering, BRI Addresses Future Financial Industry Challenges
43	Supporting the Government to Boost Halal Tourism, Bank BRI Promotes MSMEs in Halal Park
44	Taking the Spirit of Kartini, BRI Holds an Inspirational Talk Show
45	Digitizing the Micro Segment, BRI Earns Rp. 8.20 Trillion
46	BRI Disbursed KUR of Rp 25.32 Trillion in 3 Months
47	Bank BRI Held Trampoline Championship and Launched BRIZZI Special Edition
48	Implementing the Open Banking Platform, BRI won ISO 27001 with BRI-API
49	Student Education for Saving Early, BRI and OJK hold SimPel Day 2019
50	Receives the Best of the Best Company Award, BRI Takes 7 Awards at the 2019 BUMN Marketeers Awards
51	Enhance the Auction Participation, BRI Holds "BRI Auction Day"
52	BRI Prepares the Best Service for the Indonesian Ministry of Defense
53	Encouraging the Halal Industry to Go Online, BRI Launches Halal Mall in Tokopedia
54	Bank BRI Prepares Rp. 48.2 Trillion To Anticipate 2019 Lebaran Holidays
55	Supporting Equitable Education, BRI Holds Smart Indonesian Scholarships
56	Bank BRI Distributes Dividends of IDR 16.17 Trillion
57	Sharing Happiness in Ramadan, Bank BRI Distributes 64 Thousand Basic Food Packages
58	Strengthening Bancassurance Business, BRI Launches Davespro and Davestera Optima Syariah
59	Forbes Again Honoring BRI as the Largest Public Company in Indonesia
60	Taking a Happy Ramadan Theme with Indonesian Children, BRI Embraces 3,500 Orphans Breaking Fasting Together
61	Ahead of Eid, BRI Invites Customers to do Non-Cash Transactions
62	BRI and Pertamina Give Cash Back on Non-Subsidized Fuel Purchases
63	Strengthening Hospitality, President Director of BRI Opens Fast With Santri Ponpes Singo Ludiro Solo
64	Sharing Happiness, BRI Shares Al Quran, Santuni Orphans To Give Free Basic Food in Papua and West Papua
65	15 Thousands Join Homecoming Trips With BRI
66	Aiming Remittance Business, BRI Records Rp 218 Trillion
67	Asian Banker Awarded BRI CEO As The Asian Banker CEO Leadership Achievement Award for Indonesia
68	BRI Banking Services Stay Active During Idul Fitri Holidays
69	Community Trust with BRI Continues to Increase
70	BRI Helps the Floods in the South-East Sulawesi and East Kalimantan
71	Targeting Millennial, Bank BRI Launches Mobile Credit Card
72	One More Step for BRI to Acquire General Insurance
73	Bank BRI Facilitates BPKH, Provides Bank Notes for the 2019 Hajj Pilgrim Living Cost

Corporate Secretary

No	Subject
74	BRI President Director Talks About MSMEs Empowerment at the UN Forum
75	BRI Provides Custodian Facilities to BPD Bali
76	BRI Receives Special Award for MSME Sector from Investor Magazine
77	Corporate Governance Asia Awarded BRI 3 Prestigious Award
78	BRI's Agriculture Entrepreneurship Program Has Been Successful in 286 Regions
79	Supporting 2019 Prambanan Jazz Performance, BRI Gives Ticket Discounts Up to 50%
80	BRI Market Capitalization Reaches Rp 551 Trillion
81	BRI Holds BritAma Concert "Inspiring Love of Yovie and His Friends"
82	Fosters Financial Inclusion, BRILink Agent Transactions Reach Rp 331 trillion
83	Bank BRI Receives Two Awards as the Best Bank Corporation and CEO of The Year 2019
84	2.3 Million People Enjoy BRI KUR Throughout the First Half of 2019
85	BRI Worker Unions Celebrate 20th Anniversary (unblasted)
86	Disaster Response, BRI Distributes CSR Assistance for Halmahera Earthquake Disaster Victims
87	Growign the DPLK Business, Bank BRI Educates Communities on the Needs of Retirements
88	BRI Bank is rewarded as the Best Performance Issuer in the CSA Award Event
89	When the Bank Kapal Performs Humanitarian Mission in South Halmahera
90	Developes MSME, BRI Launches BRIncubator again in 2019
91	BRI Prepares to Launch the Teras BRI Kapal Bahtera Seva IV
92	Supports Textile and Garment Exports to the United States, BRI New York Agency
93	One More Step to Open an Account through Branchless (unblasted)
94	Weekend Arrives, Time to Hunt the Latest New Car
95	Encourage Young People to Save, OJK Partners with BRI to Hold 2019 Youth Action
96	Apply for a Loan at a Bank Can Be Disbursed in a Matter of Hours
97	Junio Smart, BRI Breakthrough Strengthens Educational Ecosystem in Indonesia
98	LPG 3 Kg Non-Cash Practical Transaction Solutions
99	This is BRI's Way to Keep Normal Banking Services
100	The Role of BRIsat to Keep BRI Efficient Services
101	BRI Celebrates the Archipelago Market 2019
102	BRI Bank has lowered interest rates
103	Fantastic! 1.1 Million MSMEs Upgraded Through BRI
104	Impact of Demo, BRI Hong Kong Branch Implements Limited Service Operations (unblasted)
105	BRI's MSME Loans Grew 13% in Semester I 2019
106	Bank BRI received 4 Awards at the IDX Channel Innovation Award



CORPORATE GOVERNANCE

Corporate Secretary

No	Subject
107	Bank BRI Builds the Spirit of Youth Nationalism
108	Celebrating Republic of Indonesia Anniversary, BRI Provides CSR Assistance to 57 SLB Throughout Indonesia
109	Bank BRI Launches Gundala Design BRIZZI Card
110	Again! BRI Appreciates the Achievements of National Paskibraka
111	Together with BRI, 5,000 Healthy Walk Participants Celebrate the 74th Anniversary of the Republic of Indonesia in the National Papuabraka
112	Organizes Public Expose, BRI Presents Strategy to Become The Most Valuable Bank in Southeast Asia
113	Supporting Education, BRI Increases Collaboration in Certified Student Internship Program
114	BRI'sat satellites, today and in the future
115	BRI Presents Strategy to Boost KUR Production Sector v2
116	BRI and Investree Strengthen Online Platform Loans
117	Empowering MSMEs Amid the Industrial Revolution 4.0 v2
118	Cooperating with Pelindo III, BRI Expands Non-Cash Movement in Port Area v2
119	BRI Presents Nusantara Coffee in the Indonesian Music Talents
120	BRI Mortgages has been named the Best Mortgages in Indonesia by The Asian Banker
121	BRI Literacy with BI and IETO Taipei Holds Literacy for Migrant Workers in Taiwan
122	Supporting the Golf Industry, BRI once again sponsors Indonesia Open
123	BRI Becomes the SOE Company with the Biggest Brand Value v2
124	BRIlink Agencies Accelerate Financial Inclusion and Literacy in Indonesia
125	Sunarso was appointed as President Director of BRI
126	Hari Purnomo Appointed as Corporate Secretary of BRI
127	Celebrate National Customer Day, BRI Board of Directors
128	After the Riots, Bank BRI Distributes Assistance to Accelerate the Recovery of Papua
129	BRI Bank Presents Big Data, BRIAPI and Pinang at the Google Cloud Summit Event
130	BRI Facilitates Mekaar Customers Up Grades to Get KUR Financing
131	Clustering, BRI Moves to Empower Ultra Micro Customers
132	BRI Improves the Ecosystem on Mount Semeru
133	BRI Receives Award at IDC Digital Transformation Awards 2019
134	Developing MSME, BRI Disbursed Rp 67.6 Trillion KUR
135	BRIimo Users Reach 1.9 Million People v2
136	The MSME Assistance Program from BRI Receives Indonesia's Best Corporate Social Initiative Award
137	Supporting New Economic Growth in Sulawesi, BRI Inaugurates Morowali Branch Office
138	BRI and POLRI Synergy, Successful Online SIM Registration and SMART SIM
139	BRI receives the Best Performance Bank Award from Bisnis Indonesia

Corporate Secretary

No	Subject
140	Building Digital Ecosystem BRI Supports the 2019 Indonesia Fintech Summit Expo
141	BRI Invites Corporate Debtors to Implement Sustainable Financial Practices
142	BRI Banking Services in Wamena Remain Normal
143	After the Ambon Earthquake, BRI Operations Perform Efficiently
144	BUMN Synergy, BRI - Pegadaian Signs Strategic Cooperation
145	Implementing Sustainable Financial Practices, BRI Named Asiamoney as the Best Bank for CSR
146	BRI Bank Welcomes the Commemoration of National Batik Day
147	BRI Issues Rp 5 Trillion Bonds
148	Bank BRI Supports MSMEs through the Amed Salt Festival in Bali
149	Supporting Batik Preservation, BRI Held Batik Music Festival in Yogyakarta
150	Easy Transaction for Users, Now Users Can Refill BRIZZI Through the Traveloka Application
151	BRI and BJB Strengthen Strategic Cooperation
152	Growing Rapidly, BRI Micro Insurance Policy Holders Increase to 4 Million
153	Fosters the Development of the Fisheries Sector, BRI Establishes Synergy with the Ministry of Maritime Affairs and Fisheries
154	Fosters the Financial Inclusion To Generation Z, BRI Presents BRILink
155	BRI Builds Public Facilities of Jetty and Education at 1.3 Billion on Messah Island
156	Creating Green Business Areas, BRI Invites Employees to Use GrabWheels
157	Prizes at the Simpedes BRI Folk Festival
158	Business Synergy of Bank BRI and BPD Throughout Indonesia
159	Digital Banking is increasingly popular, BRIimo users reach 2.2 million people
160	BRI Holds BritAma Concert "Inspiring Love of Yovie and His Friends"
161	BRI Presents Digital Innovations at the 2019 Habibie Festival
162	Continue Inviting Millennial to Save Early, BRI was Named by OJK as the Best Bank in Supporting Financial Inclusion
163	Micro Loans Grew 13%, Becoming the Main Pillar of BRI's Performance Growth
164	Welcoming the 124th BRI Anniversary, Bank BRI Held Sports and Art (unblasted)
165	Social Assistance Through Bank BRI Reaches Rp 11 Trillion
166	BRI Supports the Grand Opening of Tulola Outlets at Plaza Indonesia
167	BRISPOT, BRI Supports People's Economy through Digitalization (unblasted)
168	Foster the People's Economy Movement, Bank BRI - Kospin Jasa Sinergized in Transaction Services
169	How BRI Educates the Youth through Financial Literacy (unblasted)
170	BRILink Agents Reach 49 Thousand Villages Across Indonesia
171	Commemorating 124th Anniversary, BRI Holds 10,000 MSME Training, River Conservation To Renovation of Hundreds of Houses (unblasted)



CORPORATE GOVERNANCE

Corporate Secretary

No	Subject
172	Bank BRI Invites Millennial Generation to Stay Away from Drugs
173	BRI Builds Educational Ecosystem through Digital Platforms
174	BRI Bonds are Chosen by Investors
175	Encouraging MSMEs to Upgrade, BRI Holds Training in 100 Cities
176	Mosques and Schools in Aceh Receive CSR from BRI
177	Fosters Deposit Growth, BRI Adds Priority Service Centers in Padang
178	Supporting the Music and Creative Industry, Bank BRI Held NOAH Concert "an Intimate Night at BRI"
179	Bank BRI Supports BRIsyariah to Accelerate Qanun in Aceh
180	Supporting the Regional Economy, Bank BRI Held a Work Intensive Program
181	Celebrate the First Anniversary, BRI Institute Collaborates with MIT
182	Welcoming the 124th Anniversary, Bank BRI Held BRILian Run Surabaya Series
183	BRIZZI Top Up in Tokopedia Is More Practical With NFC
184	Encouraging the Creation of Young Entrepreneurs in Islamic Boarding Schools, BRI Holds Santripreneur
185	Supporting the Arts and Creative Industries, Bank BRI Holds La La Love Musical Theater Stage v3
186	Celebrating 124th Anniversary, BRI Bank Holds Golf Tournament With Customers
187	BRI's Role Increases Indonesian and US Trade Through the "Macthmaking Business What Indonesia Has, BRI Has It" Program
188	Bank BRI has been named the Best MSME Bank and the Best Supporting Bank in Money Market Deepening at the Bank Indonesia Annual Meeting
189	Celebrating 124th Anniversary, BRI Bank Renovates Hundreds of Houses (unblasted)
190	Go Smaller, Go Shorter and Go Faster, BRI Kick of SME Loans Acceleration
191	10,000 Runners Celebrate BRILian Run Surabaya Series
192	Enhancing Financial Inclusion and Literacy, BRI Launches Fisherman Cards
193	Inviting Start Up, BRI's Strategy Realizes Integrated Financial Solution
194	Energy Saving Campaign, BRI Provides Special Electric Motor Financing Scheme for PLN Employees
195	BRI President Director Sunarso Receives 2019 Indonesia Humane Entrepreneurship Award
196	Cooperating with ICMI, BRI Issues Co-Branding Card BRIZZI - ICMI (unblasted)
197	Creating Future Leaders, BRI Provides BRILian Scholarship Program Scholarships
198	Bank BRI Gives Appreciation to Honorary Teachers through Benihbaik.com
199	Organizes Innovation Lab Program, BRI's Real Efforts in Fostering MSMEs' Upgrade
200	Launching CERIA, BRI Becomes the First SOE Bank to Have an Online Loan Application

Corporate Secretary

No	Subject
201	BRI Receives Award in Corporate Governance from IICG (unblasted)
202	BRI Prepares Rp 34.64 Trillion Ahead of Christmas Holidays
203	BRI Prepares Prime Services For High Net Worth Individual Customers
204	MSME BRILian Preneur 2019 Export, BRI Breakthrough Encourages MSMEs to Upgrade
205	BRI Receives Appreciation as the Best SUN Dealer with the Best Performance and the Best Retail SUN Distribution Partner
206	Various Series of CSR Programs Organized by BRI in Commemorating the 124th Anniversary
207	More than 328 Thousand MSME Communities Join the Digital Economy Ecosystem through the BRI RKB
208	President Jokowi Inaugurates the Opening of the 2019 MSME BRILian Preneur Export
209	65,000 People Join BRIFFEST, the Peak of BRI Bank's 124th Anniversary Celebration
210	Three Days Program, BRILian Preneur Record Transactions
211	Encouraging Exports Improvement, Bank BRI Provides Trade Finance Services for LPEI Customers
212	BRI Holds a Series of CSR Programs for Christmas and New Year

Details of the Press Release can be accessed at the BRI News channel on the BRI Bank website (<https://bri.co.id/news>)

DIVIDEND

Policy

In deciding the Dividends distribution to the Shareholders, BRI will consider future business growth factors, fulfillment of capital adequacy ratios and sustainable factors of return on equity in the next three years and consider BRI contribution to the government for the development and taking into account the minority and ultimate shareholders. BRI has a policy of granting Dividends to shareholders historically with a ratio of 40% of the consolidated net income attributable to owners of the parent, unless the decision of the General Meeting of Shareholders is stated otherwise on certain considerations.

Dividend Payout Implementation

The dividend payments are made based on the GMS resolution under the agenda of the use of profit. The dividend payout is carried out with the following details:

GMS Date	GMS Results Announcement Date	Payout Date	Dividend Payout Ratio
23 March 2016	25 March 2016	22 April 2016	30%
15 March 2017	17 March 2017	13 April 2017	40%
22 March 2018	26 March 2018	25 April 2018	45%
15 May 2019	17 May 2019	13 June 2019	50%



CORPORATE GOVERNANCE

INVESTOR RELATIONS

BRI Investor Relations Division has a specific role to assist the Board of Directors and Board of Commissioners in carrying out corporate communication activities to Investors. In addition, BRI Investor Relations Division has a role in assisting the Board of Directors and Board of Commissioners in implementing corporate governance in accordance with the Capital Market regulations.



Indonesian citizen, 43 years old, Achmad Royadi obtained MBA Finance in 2009 from A.B Freeman School of Business, Tulane University, USA and obtained a Bachelor of Economics and Development Studies from Padjdjaran University, Bandung in 1998. Some of the certifications that have been followed include Risk Management Certification and Treasury Dealer Certification.

Serves as Head of Investor Relations since June 2018, and began his career at BRI in 1999.

In his career, he served as Vice President of Corporate and Development Strategy, Head of Economist Group, Head of Global Market Group, and Head of Liquidity Management Division, Treasury Division.

Achmad Royadi

Head of Investor Relations

Investor Relations Contact

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 Website : www.ir-bri.com

Duties and Responsibilities

The main responsibilities of Head of Investor Relations are to formulate strategies and perform the communication functions related to the Bank's performance and strategy to shareholders, securities holders, analysts and rating agencies of BRI.

To meet the responsibilities and comply with regulations as well as improve effective communication, BRI Investor Relations Division conducts various activities, as follows:

Analyst Meeting

A quarterly activity for the exposure of BRI performance to the analyst/ securities company so that they can present an updated report with the latest data to investors.

Company Visit - Field Visit

Receive visits from investors/analysts aim to update the latest performance and to directly view the Bank's operations both at the head office and in operating units.

Conference Call

Conducting tele-conference activities to accommodate the needs of investors/analysts in obtaining corporate information and economic conditions that affect the business and operations of the company.

Investor Newsletter

Update the latest information by publishing a newsletter at the BRI investor relations website.

Investor Relations

Investor Conference dan Non-deal Roadshow

Conducting communication activities through one-on-one meetings and group meetings with investors both at home and abroad, particularly in the global financial centers in Asia, Europe and America.

Rating Review

Conducting the communication and data delivery activities on rating conducted by rating agencies used by BRI, both international rating agencies (Moody's, Fitch Rating, S&P) as well as domestic rating agencies (Pefindo).

Investor Relations Website Management

Manage the information on investor relations website for easy access to shareholders, bonds holders, analysts, rating agencies and the general public on the latest information of the company. The website managed by the Investor Relations Division is also connected to the company's website, www.bri.co.id.

Advisory Report

Preparing the advisory material that contains the results of valuation of BRI shares and the results of identifying gaps between intrinsic value and target price analysts and other analysis results to be communicated internally to the Board of Management.

Market Update Advisory

Preparing the material such as updating stock market conditions, BRI stock prices and peers to be communicated internally to the Board of Management.

Financial Update

Preparing the financial performance material every quarter in order for the exposure of BRI's performance to analysts/ securities companies in the Analyst Meeting.

Financial Brief

Preparing the quarterly summaries of financial performance material in order to communicate BRI's performance to BRI employees.

BBRI News

Conducting the material preparation on the issues update relating to the company interests to be communicated internally to either the Board of Management or BRI employees.

Competencies Training Programs

In supporting the implementation of duties, the Head of Investor Relations can attend training for the competency enhancement. Several trainings attended by the Head of Investor Relations are as follows:

1. Risk Management Certification Refresher Program "Risk Management Main Challenges 2019", BARa, Batam, 2018.
2. Training Strategic Marketing "Competing in the Digital Age Program" - Ross School of Business, University of Michigan, 2017.
3. Living Wills, Planning for Bank Recovery and Resolution- BSMR and PWC, Jakarta, 2017.
4. ASEAN RISK CONFERENCE 2017- Asia Risk, Incisive Media, Kuala Lumpur, 2017.
5. ACI (The Financial Market Associate) World Congress, 2016.
6. Bond Market Analysis - School of Bonds and Fixed Income (IBPA), Jakarta, 2016.
7. ASEAN Conference "Connecting ASEAN" - Bank of America Merrill Lynch, Singapore, 2015.
8. Enrichment Reksadana - Infovesta, Jakarta, 2015.
9. Key Risk Management Challenge - BARa, Denpasar, 2014.
10. Hedge Accounting by Deloitte, Jakarta, 2014.
11. Treasury Derivative Course - HSBC, Jakarta, 2013.
12. IR and Stake Holder Management - Marcus Evans, Singapore, 2012.
13. Basic Training of Islamic Bank - LPPI, Jakarta, 2011.
14. Corporate Action and Equity Analysis - Indonesia Investor Relations Institute, Jakarta, 2010.
15. Risk Management Certification, LSPP, Jakarta, 2019.
16. Becoming a Leader of Leaders, ACT Consulting, Jakarta, 2019.



CORPORATE GOVERNANCE

Investor Relations

In addition, several trainings were also attended by the Head of Section and staff of the Investor Relations Division in 2019 including:

1. Green Bonds
2. VBA Excel
3. Business Writing
4. Mini-MBA
5. Bonds Market & Instrument
6. Strategic Business Analysis

Activities in 2019

Several communication activities for shareholders, bonds holders, analysts and BRI rating agencies carried out by the Investor Relations Division during 2019 include:

1. Organizing quarterly Analyst Meeting
2. Communication activities such as 161 company visits, 15 field visits, 16 overseas roadshows, 5 domestic roadshows and 61 conference calls.
3. Annual Rating Review for Fitch, Moodys, S&P and Pefindo.
4. Public Expose, GMS, EGMS and Investor Newsletter.
5. Management of the latest information on Investor Relations website (www.ir-bri.com) covering:
 - a. Corporate Information.
 - b. Financial Performande and Corporate Presentation.
 - c. Corporate Governance.
 - d. GMS Information.
 - e. Disclosures (Regulatory Filings, Events Calender, Release. Shares Performance and Issued Bonds Information.

INTERNAL AUDIT UNIT

Internal Audit Unit

BRI as the largest bank in Indonesia, reflects the large scale of business that shall be supervised and monitored. To ensure efficient, effective implementation of the Company operations and in accordance with the principles of good governance, the role of auditors becomes critical. SEVP Head of Internal Audit Unit ensures the achievement of more effective and efficient internal audit by applying innovative audit methodologies and devices as well as supervising and monitoring the follow-up of internal and external audit findings.

Profile of SEVP Internal Audit Unit (IAU)



Hari Siaga Amijarso
SEVP Internal Audit Unit

Born in Surabaya, 9 October 1965. Graduated from University of Brawijaya 1989.

Professional Background:

- Head of Regional BRI Jakarta 1 (July 2018 – 1 July 2019)
- Head of Regional BRI Yogyakarta (January 2018 – June 2018)
- Division Head of Corporate Secretariat (2015-2017)
- Head of the Board of Directors of the Corporate Secretariat Division (August 2012-October 2015)
- Branch Head of BRI Gresik (2010-2012)
- Branch Head of BRI Sragen (2008-2010)
- Branch Head of BRI Wonosari (2007-2008)
- Branch Head of BRI Kabanjahe (2005-2007)
- Branch Head of BRI Sidrap (2002-2004)

And since 2 July 2019 he serves as Senior Executive Vice President Internal Audit Unit.

Trainings

Actively participated in various training and seminars including Education and QIA Certification Test in Jakarta (2019), and Risk Management (BMSR) in London (2017)

Certifications

He received Qualified Internal Auditor certification (2019) and Level 4 Risk Management Certification.

Legal References

Satuan Kerja Audit Intern (SKAI) dibentuk dengan dilandaskan ketentuan dan regulasi yang berlaku, antara lain:

1. POJK No.55/POJK.03/2016 dated 7 December 2016 on the Governance Practices of Commercial Banks
2. POJK No.1/POJK.03/2019 dated 29 January 2019 on the Internal Audit Function Practices in Commercial Banks
3. POJK No.18/POJK.03/2014 dated 18 November 2014 on the Integrated Governance Practices for Financial Conglomerate.
4. POJK No.38/POJK.03/2016 dated 1 December 2016 on the Risk Management Practices in the Use of Information Technology by Commercial Banks.
5. SEOJK No.35/SEOJK03/2017 dated 7 July 2017 on the Internal Control System Standard Charter for Commercial Banks.



CORPORATE GOVERNANCE

Internal Audit Unit

As the strategic business partner, IAU provides value for the company by aligning all audit and consultation activities with the company's direction and strategy. The Company Vision to become The Most Valuable Bank in South East Asia and Home to the Best Talent in 2022 which is translated into the 2020 destination statement as Integrated Financial Solution, to support this IAU applies agility audit approach in order to improve performance, quality and meet the needs of stakeholders. In carrying out its roles and functions, the Internal Audit Unit is supported by an independent organizational structure, adequate structure and competence of the Auditors, development of audit methodologies and devices that are in accordance with best practices. In carrying out its functions, IAU also continuously improves synergy with the functions of the 1st line of defense and 2nd line of defense in order to align risk priorities.

IAU Composition

Structurally BRI IAU is directly responsible to the President Director and has a communication line with the Board of Commissioners through the Audit Committee, thereby it can foster independent and objective implementation of audit and consultation activities. The Internal Audit Unit is led by SEVP Internal Audit Unit.

SEVP IAU Appointment and Termination

SEVP Internal Audit Unit is appointed and terminated by the President Director following the approval of the Board of Commissioners by taking into account the recommendations of the Audit Committee. The appointment of SEVP IAU has been reported to the Financial Services Authority.

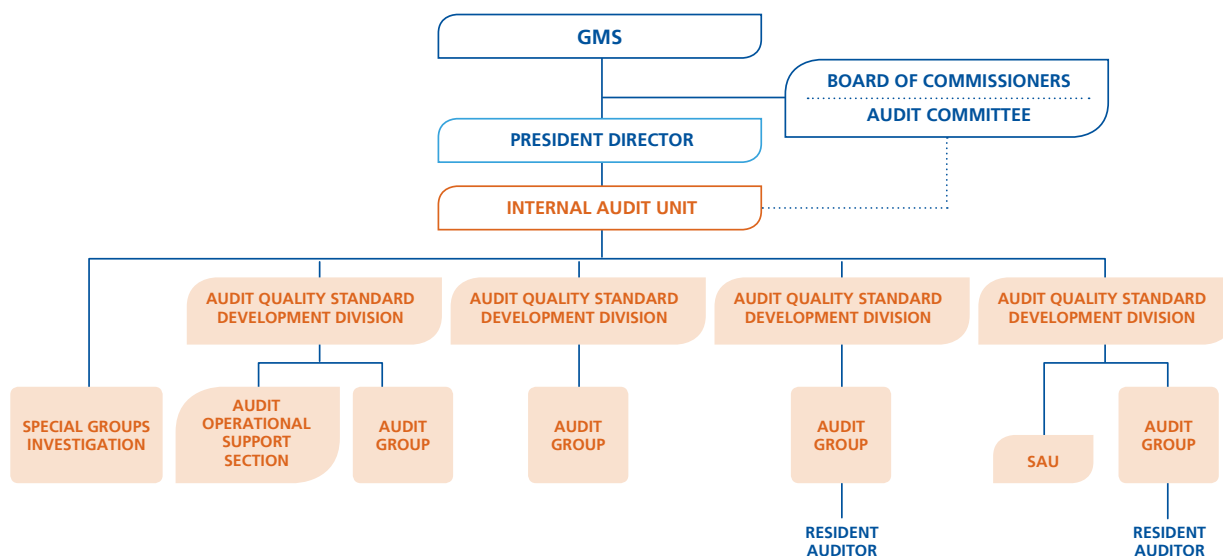
Internal Audit Charter

The IAU has in place the Internal Audit Charter according to the Joint Decree of BRI Board of Commissioners and Directors No: 05-KOM/BRI/05/2019 and S.348-DIR/SAI/05/2019 dated 31 May 2019, by referring to the POJK No. 1/POJK.03/2019 dated 29 January 2019 on Internal Audit Function in Commercial Banks and refers to the International Standards for Professional Practice of Internal Auditing (ISPPA) from The Institute of Internal Auditors (IIA). BRI Internal Audit Charter is a guideline for the implementation of the internal audit function for the audit carried out by the Internal Audit Unit (IAU), initiation of IAU communication with inspected work units, inspection of bank activities and IAU's authority in accessing the bank records, documents, and physical assets. On integrated IAU function in the financial conglomerate, the IAU has the Integrated Internal Audit Charter of the Financial Conglomerate as the main guideline for integrated governance that must be obeyed by all Integrated IAU in the Financial Conglomerate.

IAU Organization

In conducting its roles and functions, the Internal Audit Unit is supported by an independent organizational structure, an adequate number of Auditors, the development of audit methodologies and devices in accordance with best practices. BRI IAU is led by SEVP IAU which oversees the Audit Quality & Standards Development Division, Head Office Internal Audit, Information Technology Internal Audit, 19 (Nineteen) Regional Internal Audit and Investigation Special Group. Following is the IAU Organizational Structure:

Internal Audit Unit



Structurally, the IAU consists of the Work Units that carry out audit activities and Work Units that carry out the development of audit standards & quality as follows:

1. Work Units that carry out the audit activities are as follows:
 - a. Regional Internal Audit

Conducts all audit activities and provides consulting services as a strategic business partner with audit objects for Regional Offices, Branch Offices, Sub Branch Offices, Cash Offices and BRI Operating Units.

BRI currently has 19 (nineteen) Regional Internal Audits which are adjacent to 19 Regional Offices. The existence of the Regional Internal Audit adjacent to the Regional Office is one of BRI's strategies hence the role of Internal Audit Unit as a Strategic Business Partner and assurance function can be more effective and efficient given the organizational structure, authority, duties and responsibilities of BRI's decentralized business management and assets.

In the Regional Internal Audit organization there are also Resident Auditors (RA) who are assigned in Branch Offices and BRI Units. The assignment of RA in all Work Units is expected to play a role in providing early detection of increased risk in Operating Units. To improve the effectiveness and efficiency of the audit carried out by the Regional Internal Audit and RA, in determining the scope of the audit, the Regional Internal Audit puts attention to the scope and results of the audit, as well as periodic monitoring of the RA Branch Offices and RA Units. And vice versa. The synergy and communication that is built between Regional Internal Audit and RA is a major factor in creating effectiveness and efficiency in conducting audits.



CORPORATE GOVERNANCE

Internal Audit Unit

- b. Internal Audit of Head Office
To carry out audits and provide consulting services as a strategic business partner with audit objects from Head Office Work Units, Special Branch Offices, Overseas Units, BRI Financial Conglomerate LJK (Subsidiary Companies and Related Companies), and Subsidiaries outside the BRI Financial Conglomerate LJK that owned by BRI of more than 50%. The Head Office Internal Audit also conducts reviews on regulatory scope, including those related to Risk Management, Anti-Fraud Strategies, and AML CTF.
 - c. Information Technology Internal Audit
To carry out audits and provide consulting services as a strategic business partner to work units involved in the management and use of TSI (covering the development and operational process of Core and Non Core Banking applications; TSI infrastructure operations on Data Centers, Disaster Recovery Centers & all Work Units; information security, application, TSI infrastructure, strategy & development policies for TSI, IT risk management, TSI support (asset & logistics management, procurement of IT goods and services carried out by BRI Head Office) and End User Computing).
 - d. Special Investigation Group
To investigate indications of fraud and complaints of whistleblowing systems with the authority of the audit object of all BRI Work Units. The Special Investigation Group is under the SEVP Internal Audit Unit and is directly responsible to the SEVP Internal Audit Unit.
2. The Audit Standards & Quality Development Division prepares the IAU's vision, mission and strategy, implements audit quality evaluation by IAU and independent parties including the implementation of internal quality assurance for IAU of subsidiaries; assessment and design of software and hardware to support the implementation of audits; conduct analysis and preparation of audit reports for BRI management and external parties; and to develop and manage data audit analytical tools.

The following are 19 (nineteen) positions of BRI Internal Audit throughout Indonesia:



Internal Audit Unit

IAU Authorities

1. Access all relevant information on the Bank related to the duties and functions of the Internal Audit Unit.
2. Communicating directly with the Directors, the Board of Commissioners, and the Audit Committee.
3. Hold regular and incidental meetings with the Directors, the Board of Commissioners, and the Audit Committee.
4. Coordinate activities with external auditors.
5. Attending strategic meetings without voting rights, such as ALCO meetings, Risk Management Committee meetings, etc.

Principal Duties of Internal Audit Unit

1. Assisting the duties of the President Director and the Board of Commissioners in oversight by describing operationally both the planning, implementation and monitoring of audit results.
2. Make independent, objective and professional analyzes and assessments on finance, accounting, operations, and other activities through audits at all levels of BRI Work Units, and conduct special examinations if necessary.
3. Identify all possibilities to improve and enhance the efficient use of resources and funds.
4. Provide suggestions for improvements and objective information on the activities examined at all levels of management.
5. Prepare standards for the implementation of internal audit functions that at least cover the matters stipulated in the Internal Audit Professional Standards as a guide for Internal Auditors in carrying out their duties.
6. Become a Liason Officer for BRI external parties in relation to the audit function.

Responsibilities of IAU Head

1. Ensuring the implementation of the internal audit function in accordance with the Internal Audit Professional Standards and the Internal Audit Code of Ethics.
2. Select competent human resources according to the needs in carrying out the IAU duties.
3. Ensure the internal audit function is supported by adequate resources, methodologies, tools and audit techniques.

4. Ensure that all insurance and consultancy activities are carried out in compliance with Internal Audit Professional Standards.
5. Ensuring members of Internal Audit Unit to participate the ongoing professional development and other training in accordance with the development of the complexity and business activities of the Bank.
6. Periodically prepare and review internal audit charter.
7. Prepare an annual audit plan and budget allocation for the implementation of the internal audit function.
8. Ensuring the implementation of internal audit in accordance with the internal audit plan.
9. Report significant findings to the Board of Directors for immediate corrective action.
10. Monitor improvements on significant findings.
11. Report the monitoring results on the improvements follow-up of significant findings to the Directors and Board of Commissioners, with a copy to the Audit Committee and the Director in charge of the compliance function.
12. In the event that external services being used for internal audit activities, to ensure that:
 - a. The transfer of knowledge is held between external parties to IAU members by considering the temporary use of expert services of external parties.
 - b. The use of external services does not affect the independence and objectivity of IAU function.
 - c. The external parties complu with the Bank internal audit charter.
13. BRI IAU as the holding company:
 - a. Determine internal audit implementation of subsidiaries
 - b. Formulate internal audit principles covering audit methodologies and measures of quality control.
14. Ensuring for any requests on expert witnesses to the IAU staff, they can assign certain auditors to become expert witnesses by considering competencies, knowledge, expertise, and experience in accordance with the case.
15. Ensuring for any requests on audit documents by external parties (on litigation) has been coordinated with Legal Division or Legal Officer.



CORPORATE GOVERNANCE

Internal Audit Unit

BRI Internal Audit Code of Ethics

BRI Internal Audit Unit has a code of ethics in the form of basic principles of personal and professional behavior that shall be adhered to by the Internal Auditors both individually and in conducting audit activities to improve the ethical culture in the Internal Audit Professional. The BRI Auditor's Code of Ethics consists of 4 principles, namely:

- 1. Integrity principle**
Honest, building trust which is the basis of professional internal auditors in implementing duties and responsibilities.
- 2. Objectivity principle**
Internal Auditors conduct a balanced assessment of all matters that are relevant and are not unduly affected by personal interests or other parties in giving consideration;
Auditor Internal shall practice objective behavior in collecting, evaluating and communicating information on the activities/processes being tested.
- 3. Confidentiality principle**
Respect the value and ownership of information received and do not disclose that information without legal authority, except as required by law or profession;
- 4. Competency principle**
Applying knowledge, skills, and experience required in providing internal audit services.

The Internal Auditor's commitment to the Code of Ethic is stated by signing the Internal Audit Code of Ethic Declaration and renewed annually. This is done so that each Auditor is reminded of the Code of Ethics that must be upheld and adhered to.

BRI IAU Independencies

The IAU as the 3rd line of defense is structurally independent towards the function of the 1st line of defense as well as the function of the 2nd line of defense (Risk Management and Compliance). The position of IAU in the company is under the direct supervision of the President Director, and has access to communication (communication line) with the Board of Commissioners (in this case with the Audit Committee), hence it supports the independence and objectivity of the audit implementation and reporting, thereby it can express the views and thoughts without influence or pressure from the management or other parties related to BRI.

The communication of the Internal Audit Unit with the Audit Committee is through coordination and regular submission of audit results. To maintain the objectivity of the Internal Auditor, periodic changes to the assignments are carried out.

Audit Information Management System

The IAU has in place the adequate Audit Information Management System known as BRI Audit Management System (BRISMA). BRISMA is a suite of applications for Audit Management that facilitates the setting of audit standards at all stages of the internal audit process at BRI from the Planning to Monitoring stages. BRISMA has been used by the Internal Audit Unit since 2012, and in 2018 up to now the BRISMA Version 2 application enhancement has been carried out including the development of electronic working paper modules, references, monitoring, catalogs, plans and human resources. The development supports the improvement of the quality and effectiveness of the audit of the Internal Audit Unit.

Audit Methodologies

The Internal Audit Unit applies the risk based audit (RBA) method in carrying out the audit function by focusing on high risk areas. The determination of universe audit is carried out by taking into account the company's objectives, risks evaluation that potentially may hamper the achievement of Company objectives and ensuring the existing internal control system can mitigate risks. With this methodology, the audit implementation is focused on areas with high risk potential that can affect the Company's goals achievement. To support the efficiency and effectiveness of risk based audits, IAU uses the Computer Assisted Audit Technique (CAAT's) as an analytical audit device to determine audit priorities, audit scope and sample of audits.

In addition to audit activities, the Internal Audit Unit carries out early warning signals of potential fraud risks through off site monitoring activities carried out by Regional Internal Audit as well as through periodic monitoring activities carried out by Resident Auditors. The role of the audit in the Early Warning Signal is expected to provide early detection of increased risk that occurs in the Work Units.

Internal Audit Unit

To realize Internal Audit Unit role as a Strategic Business Partner, several matters have been carried out including the submission of suggestions, ideas and input to improve the draft and policy; conduct a communication forum between the Regional Internal Audit and the Regional Office; Learning Auditor Program; consulting activities; and knowledge sharing; specifically related to internal control, risk management and GCG. The activity is the IAU's vision as a strong and trusted SBP to be able to provide added value to the Company in order to achieve BRI vision. Through these activities it is hoped that risk awareness culture, compliance culture and GCG culture can be improved at all work unit levels.

IAU Personnel Profiles

The IAU is committed to continue developing the quality, knowledge, skills and competencies of the Auditors through continuous professional development. In 2019, the Internal Audit Unit has established an IIA-based Auditor competency standard, which is then used as a reference to identify the need for future Auditor competency development. Going forward, the education is carried out through on the job training, development and enhancement education (Inclass, In House Training, Public Courses and Seminars) and Auditor professional certification.

1. Total Auditors & Position

No	Position	Total
1	SEVP	1
2	Internal Audit Heads Regional/KP/TI	20
3	Division Head	1
4	Deputy Head of Internal Audit Regional	19
5	Deputy Division Head	1
6	Group Head	76
7	Section Head	1
8	Auditors (Senior Auditors to Associate Auditors)	545
9	Resident Auditors Branch Office	391
10	Resident Auditor Units	1082
11	Junior Staffs	1
Total		2156

2. IAU Profession Certifications

The Internal Audit Unit has obtained an ISO 9001:2015 certificate from the SGS Indonesia Certification Institute which is valid from 20 May 2018 to 4 December 2020. The certification is given to all work units of the Internal Audit Unit including the Audit Quality Standards Development Division, Internal Audit at Head Office, Internal Audit Information Technology and 19 BRI Internal Audits throughout Indonesia. This indicates BRI IAU has implemented a quality management system in conducting audits thereby able to realize the IAU vision of being a reliable strategic business partner in order to achieve BRI vision and become a benchmark of best practices for the Internal Audit Unit in Indonesia.

To ensure the implementation of quality audit duties, BRI SKAI is supported by professional audit personnel, including national and international certified as follows:



CORPORATE GOVERNANCE

Internal Audit Unit

A. International Certifications

No	Certifications	Total
1	Certified Fraud Examiner (CFE)*	22
2	Certified Information System Auditor (CISA)*	5
3	Certified Ethical Hacker (CEH)	2
4	Certified Data Center Professional (CDCP)*	1
5	Certified in the Governance of Enterprise IT (CGEIT)*	1
6	Computer Hacking Forensic Investigator (CHFI)	3
7	COBIT 5 Foundation Certificate	2
8	Certified Financial Planner (CFP)	1
9	Certified Statement Analysis	1
10	Certified Blockchain Business Foundations (CBBF)	1
11	Certified Investment Banker (CIB)	1

B. National Certifications

No	Certifications	Total
1	Certified Qualified Internal Auditor (QIA)*	35
2	Certified Bank Internal Audit (CBIA)	75
3	Certified Forensic Auditor	1
4	Lead Auditor ISO 9001:2015 IRCA Approved	2
5	Big Data Administrator	4
6	Lead Auditor ISO 27001:2013 and ISO 19011:2011	1
7	Certified Wealth Management (CWM)	3
8	Certified Securities Analyst (CSA)	1
9	Certified Risk Professional (CRP)	1
10	Compliance Certification	1
11	Certified Forensic Security Specialist (CFSS)	1
12	Level 1 Risk Management Certification	68
13	Level 2 Risk Management Certification	74
14	Level 3 Risk Management Certification	28
15	Level 4 Risk Management Certification	14

Internal Audit Unit

3. Formal Education Qualifications

IAU Formal Education Qualifications



4. BRI Internal Audit Trainings & Competencies Development

The training, public course and seminar (conducted internally or externally) was organized for 7,811 participants with the following details:

a. Participation of BRI IAU in external organizations

No	Trainings	∑ Participants
1	In House Training	7406
2	Domestic Public Course	302
3	Audit Training (Development)	188
4	Certification	95
5	Overseas public course	13
TOTAL		8004

5. Participation in Internal Audit Professional Association

To expand the horizons and competencies of the internal audit professional, IAU has participated in the Internal Audit Professional Association, including:

a. Participation of BRI IAU in external organizations

Activities/Organization	Jabatan
Bank Internal Auditor Association (IAIB)	SEVP IAU BRI period January – March 2019 as Chairman of IAIB. One of AVP and Senior Manager of BRI PSKA Division as General Treasury of IAIB and Member of Organization and Membership.



CORPORATE GOVERNANCE

Internal Audit Unit

b. Institutions that benchmarking to BRI IAU during 2019:

No	Institutions	Benchmarks
1	PT Indonesia Power	Governance, Risk and Compliance
2	PT PLN (Persero)	Resident Auditor Function Duties and Mechanisms
3	Direktorat Jendral Pajak	Internal Control System
4	Otoritas Jasa Keuangan	Continuous Monitoring

BRIEF REPORT OF IAU FUNCTIONS IMPLEMENTATION

1. IAU Work Programs

Following up on POJK No. 1/POJK.03/2019 dated 28 January 2019 on the Implementation of Internal Audit Function at Commercial Banks, BRI has updated the Internal Audit Charter and prepared the Internal Audit Charter of BRI Financial Conglomerate as a general guideline for the Internal Audit Unit incorporated in BRI Financial Conglomerate. Moreover, various work programs have been carried out in 2019 that support the audit of Internal Audit Unit, including:

- a. Updating Internal Audit Policies and Procedures
- b. Preparation of Audit Procedures for Subsidiaries
- c. Audit program update
- d. Risk & Control Matrix update
- e. Continuous auditing development through periodic monitoring of indicators update.
- f. Development of BRI Audit Management System (BRISMA)
- g. Development of audit tools such as BRI Data Extractor (BRIDEX), Periodic Monitoring of Generator and EJ Reader.
- h. Quality Assurance Review in all Audit Units including Subsidiaries.
- i. Internal Audit Hard Competency Framework development.
- j. IAU HR development through sustainable trainings.
- k. Integrated IAU implementation.

2. Audit Activities/Duties Implementation

Audit activities are carried out in accordance with the Annual Audit Planning which has been approved by the President Director and President Commissioner and based on the assessment results of potential risks. During 2019, the Internal Audit Unit conducted regular audits, special audits and thematic audits. In detail, the realization of audit activities that have been carried out include:

- a. Regular Audit
The object of IAU regular audit activities is divided into 3 (three) groups, namely: Work Units, Electronic Channels and applications as well as non-applications. The realization of regular audit activities towards the Work Unit is as follows:
:

Internal Audit Unit

Audit Realization to Work Units

No	Audit Objects	Regular Audit
1	Divisions	55
2	Overseas Units	3
3	Subsidiaries	1
4	Regional Offices	22
5	Special Branch Offices	1
6	Branch Offices	458
7	Sub Branch Offices	605
8	Cash Offices	358
9	BRI Units (including Teras BRI)	2.334
10	SAU	19

Realization of regular audit activities to electronic channel is as follows:

Audit Realization to Electronic Channel

No	Audit Objects	Target	Realisation	%
1	Electronic channel	44,298	75,715	170.9%

Realization of regular audit activities in information technology to application and non application audit objects is as follows:

Audit Realization in Information Technology to Application and Non Application

No	Audit Objects	Target	Realisation	%
1	Application	21	23	109.5%
2	Non Application	10	10	100%

b. Special Audit

Special audits are carried out with a specific scope and objectives (either on the initiative of the Internal Audit Unit, management, auditee or carried out for the purpose of complying with regulatory). In 2019 the Internal Audit Unit conducted 817 special audits.

No	Audit Objects	Special Audits
1	Divisions	12
2	Subsidiaries	3
3	Regional Offices	39



CORPORATE GOVERNANCE

Internal Audit Unit

No	Audit Objects	Special Audits
4	Special Branch Offices	3
5	Branch Offices	344
6	Sub Branch Offices	51
7	Cash Offices	7
8	BRI Units (including Teras BRI)	359
9	SAU	1

c. Thematic Audit

Thematic audits are carried out to obtain a profile of the adequacy and effectiveness of overall internal control. The thematic audit in 2019 was focused on the following:

1. Thematic Audit of Reports with Potential Fines
2. Thematic Audit of Credit Resegmentation.

EVALUATION OF INTERNAL AUDIT IMPLEMENTATION IN 2019

1. Audit Duties Implementation

BRI IAU conducts a review program to evaluate the quality of audit activities for continuous improvements.

a. Internal Review

The IAU carries out a continuous review on the audits quality conducted by the BRI Audit Unit. The aim is to ensure the achievement of predetermined quality targets. The review was carried out with 3 methods, namely Quality Assurance (QA), Peer Review and Supervision:

1. QA activities are carried out on all Delivery Function Audit Units, RA Branch Offices and RA Units.
2. Assessment of peer review is the assessment of audits quality carried out between the audit teams.
3. Supervision is the audit quality assessment conducted by the auditor's supervisor on each project audit.

The audit quality evaluation is one of the Key Performance Indicators in the performance assessment.

b. External Review

ISO 9001:2015

The IAU has successfully obtained ISO 9001:2015 Quality Management System certification, and the surveillance has been carried out for the Indonesian Audit Unit. From the evaluation, there were no major findings.

Bank's Internal Audit Function Implementation Standards (SPFAIB)

The independent external parties reviews the internal audit activities by BRI Internal Audit Unit (SKAI) every 3 (three) years. Based on the results of the latest review, the Internal Audit activities are generally Compliant with the Bank's Internal Audit Function Implementation Standards (SPFAIB). Furthermore, a review will be carried out in 2020 to assess compliance with the SPFAIB as stipulated in POJK No.1/POJK.03/2019 regarding the Implementation of the Internal Audit Function at Commercial Banks.

Internal Audit Unit

OJK Regulations and Circulars

Review of the suitability on internal audit activities carried out by BRI's Information Technology Internal Audit to POJK No. 38/POJK.03/2016 and SEOJK No. 21/SEOJK.03/2017 concerning Standards Implementation of the Bank's IT Internal Audit Function to improve BRI TSI Audit work processes with the conclusions that in General Comply with the POJK No. 38/POJK.03/2016 and SEOJK No. 21/SEOJK.03/2017 (Chapter VIII-IT Internal Audit).

International Standards for the Professional Practice of Internal Auditing (ISPPIA)

Review of the suitability of BRI Internal Audit activities toward the International Standards for Professional Practice of Internal Auditing (ISPPIA) issued by the Institute of Internal Auditors (IIA) with the conclusions that Generally comply with International Standards of Internal Audit Professional Practice from The Institute of Internal Auditors, and IAU has carried out their duties in accordance with the Internal Audit Charter.

c. Customer Satisfaction Survey (CSS)

The internal audit function implementation according to the quality management system continues to focus on customer/stakeholder satisfaction. One of IAU's main customers is the Auditee. As such, the Auditee's satisfaction will remain one of the considerations in assessing the quality of audit implementation.

2. Coordination with External and Audit Committee

An audit on BRI is also carried out by external auditors namely Bank Indonesia (BI), the Financial Services Authority (OJK), the Audit Board of the Republic of Indonesia (BPK), the Financial and Development Supervisory Agency (BPKP) and the Public Accountant Firm (KAP). In the audit activities carried out by the external auditor, the Internal Audit Unit acts as a liaison officer to coordinate the efficient audit implementation as well as to monitor the follow-up improvements of the external auditor's findings by the relevant work units. Monitoring aims to ensure the management has made improvements to internal control weaknesses found by external auditors.

BRI IAU as the Liason Officer for External Auditors and External Parties related to audit activities carries out the following:

- a. Continuous communication and coordination
- b. Fulfillment of data as required (related to its capacity to carry out inspection and supervision activities)
- c. Assistance to BRI External Parties (related to their capacity to conduct inspection and supervision activities)
- d. Following up on any responses submitted by BRI External Parties (related to their capacity to carry out inspection and supervision activities).
- e. Adequate monitoring of follow-up improvements to external parties' findings.

To assist the duties of the Board of Commissioners in supervising and monitoring the implementation of follow-up improvements on Internal Audit Unit findings, BRI Internal Audit Unit conducts regular communication with the Audit Committee through the submission of Internal Audit Report.



CORPORATE GOVERNANCE

Internal Audit Unit

AUDIT FINDINGS AND FOLLOW UPS

The IAU routinely monitors the management's commitments to improve internal control weaknesses and provides an opinion on the adequacy of the follow-up improvements carried out by the management. The monitoring results of the management commitments implementation as of 31 December 2019 are as follows:

Monitoring Results of the Management Commitments

No	RPM Monitoring Results	Average Q III / 2019
1	Adequate	92.87%
2	Not Adequate	0.94%
3	Ongoing Monitoring Process	6.19%
Total		100.00%

In addition to monitoring the follow-up on Internal Audit Unit findings, monitoring of the follow-up progress and improvement is based on the findings of the External Auditor and Supervisor. The monitoring results of management's commitment to the findings of the External Auditors and Supervisors as of 31 December 2019 are as follows:

Follow Up on External Auditor Findings

No	Auditors	Σ Recommendation	Follow Up Until Q IV/2019			
			Finalized	%	Ongoing Monitoring	%
1	Financial Services Authority	467	412	88.2%	55	11.8%
2	Audit Board of the Republic of Indonesia	256	221	86.3%	35	13.7%
3	Bank Indonesia	164	162	98.8%	2	1.2%
4	Public Accountant Firm Ernst & Young	238	232	97.5%	6	2.5%

PUBLIC ACCOUNTANT

External Auditor Functions

The POJK No. 32/POJK.03/2016 concerning the Amendment to POJK.6/POJK.03/2015 on the Transparency and Publication of Bank Report regulates that bank is required to state the name of Public Accountant that audit the annual financial statements along with name of Public Accountant that responsible for the audit (partner in charge) accompanied by the opinion given.

Appointment Procedures of External Auditor

The procurement procedures for the Public Accountant Firm is as follows:

1. The procurement process of Public Accountant Firm audit services is carried out by the Technical Team, HPS Preparation Team, and Procurement Team.
2. The Audit Committee is in charge of the Technical Team Coordinator, HPS Preparation Team, and Procurement Team, and is responsible for reporting all Public Accountant Firm audit service procurement activities to the Board of Commissioners.
3. The procurement method of Public Accountant Firm audit services is undertaken by Direct Selection Method based on the requirements and procedures for the procurement of goods and services that apply at BRI.

Public Accountant Firm, Public Accountant and Audit Services Fees

Accountant Name and Address

Name of Accountant Firm:

Drs. Hari Purwantono (Public Accountant Registration No. AP.0684) / Danil Setiadi Handaja,
 CPA (Public Accountant Registration No. AP.1008)

Office Address:

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

Name of Public Accountant Firm and Address

Public Accountant Firm Name:

Purwantono, Sungkoro & Surja (Ernst & Young)

Public Accountant Firm Address:

Indonesian Stock Exchange Building Tower 2, Lantai 7
 Jl. Jend. Sudirman Kav. 52-53
 Jakarta 12190
 Telp. (62-21) 5289 5000
 Fax. (62-21) 5289 4100
www.ey.com/id



CORPORATE GOVERNANCE

Public Accountant

Public Accountant Firm, Name of Accountant and Fee for the Last 5 Years

Year	Public Accountant Firms	Accountant	Fees
2014	Purwantono, Sungkoro & Surja	Sinarta	6,775,000,000,-
2015	Purwantono, Sungkoro & Surja	Sinarta	6,950,000,000,-
2016	Purwantono, Sungkoro & Surja	Sinarta	6,950,000,000,-
2017	Purwantono, Sungkoro & Surja	Danil Setiadi Handaja, CPA	7,300,000,000,-
2018	Purwantono, Sungkoro & Surja	Danil Setiadi Handaja, CPA	8,200,000,000,-
2019	Purwantono, Sungkoro & Surja	Danil Setiadi Handaja, CPA	10,700,000,000,-

Other Services Fees

Other audit services used are audits of the consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and its subsidiaries on the audit as of 30 June 2019.

The audit fee for 30 June 2019 to the Public Accountant Firm was Rp14,300,000,000 (fourteen billion three hundred million rupiah).

Opinion on Audit Results of Financial Statements

Opinions on the auditing results of BRI financial statements for the past 5 years are as follows:

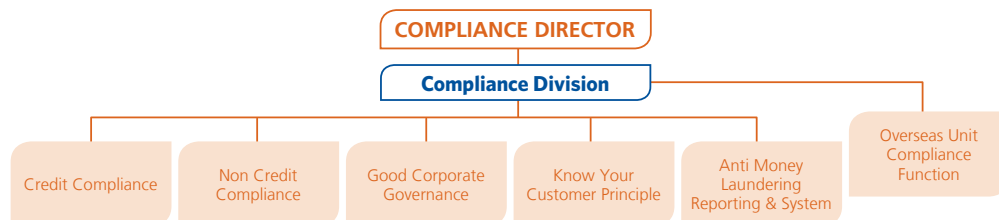
Year	Opinion on Audit Results of Financial Statements
2014	The Consolidated Financial Statements present fairly, in accordance with Financial Accounting Standards in Indonesia
2015	The Consolidated Financial Statements present fairly, in accordance with Financial Accounting Standards in Indonesia
2016	The Consolidated Financial Statements present fairly, in accordance with Financial Accounting Standards in Indonesia
2017	The Consolidated Financial Statements present fairly, in accordance with Financial Accounting Standards in Indonesia
2019	The Consolidated Financial Statements present fairly, in accordance with Financial Accounting Standards in Indonesia

COMPLIANCE FUNCTION

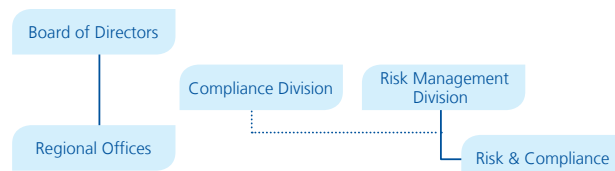
To mitigate risks with preventive (ex-ante) efforts and manage Compliance Risk in line with the implementation of current risk management in the bank as a whole, BRI has implemented the Compliance function by referring to the POJK No. 46/POJK.03/2017 dated 12 July 2017 on the Implementation of Compliance Function of Commercial Banks.

The Compliance Function in BRI is carried out by a compliance unit consisting of the Compliance Director, the Head Office Compliance Division and the regional office compliance function under the supervision of the Regional Office's Risk & Compliance Management and the Overseas Unit's compliance function under the coordination line of Head Office Compliance Division. The compliance unit is independent and separate from business functions, operational functions and other supporting functions in BRI's business activities.

BRI Compliance Organizational Structure



Organizational Structure of BRI Regional Office Compliance Function



Duties and Responsibilities of Compliance Director

The BRI Compliance Director is currently served by Azizatun Azhimah since 2 September 2019 (based on the GMS appointment), replacing A. Solichin Lutfiyanto which served as Compliance Director since 22 March 2018. The Compliance Director has fulfilled the independency requirement and other criteria as determined by the Financial Services Authority.

The duties and responsibilities of BRI Compliance Director in carrying out the Compliance Function refer to the POJK No. 46/POJK.03/2017 dated 12 July 2017 on the Implementation of Compliance Function of Commercial Banks, which are:

1. Formulate a strategy to encourage the creation of a Compliance Culture;
2. Propose the compliance policies or compliance principles that will be determined by BRI Board of Directors;
3. Establish the compliance systems and procedures used to develop BRI's internal rules and guidelines;
4. Ensure that all policies, provisions, systems and procedures, as well as business activities carried out by BRI are in accordance with the Financial Services Authority rules and laws and regulations;
5. Minimizing Compliance Risk faced by BRI;
6. Take preventive measures so that the policies and/or decisions taken by the BRI Board of Directors do not deviate from the Financial Services Authority rules and laws and regulations;
7. Perform other duties related to the Compliance Function.



CORPORATE GOVERNANCE

Compliance Function

Independency of Compliance Director

The independency of the Compliance Director shall meet the independence requirements with reference to POJK No. 46/POJK.03/2017 dated 12 July 2017 as follows:

1. No multiple positions and affiliations.
2. Has no financial relationship, management relationship, share ownership, and/or family relationship with members of the Board of Commissioners, Board of Directors, and controlling shareholder.
3. The Compliance Director does not oversee the functions of:
 - a. Business and operations.
 - b. Risk management that makes decisions for the Bank's business activities.
 - c. Treasury.
 - d. Finance and Accounting.
 - e. Logistics and procurement of goods & services.
 - f. Technology and information.
 - g. Internal Audit.

Compliance Unit

The Compliance Unit is independent and separate from business, operational and other supporting function in BRI's business activities. The compliance unit shall be free from influence or pressure from other work units, free from conflict of interest, acting professionally and objectively.

Duties and Responsibilities of Compliance Unit

The duties and responsibilities of the BRI Compliance Division include:

1. Developing measures to support the creation of a Compliance Culture in all BRI business activities at every level of the organization.
2. Identifying, measuring, monitoring and controlling the Compliance Risk by referring to the Financial Services Authority Regulation concerning the Implementation of Risk Management for Commercial Banks.
3. Assess and evaluate the effectiveness, adequacy and conformity of policies, regulations, systems and procedures owned by BRI with the laws and regulations.
4. Conducting a review and/or providing recommendation on the update and refinement of policies, regulations, systems and procedures owned by BRI in accordance with the Financial Services Authority rules and laws and regulations.
5. Make efforts to ensure that BRI's policies, rules, systems and procedures and business activities are in accordance with the provisions of the Financial Services Authority rules and/or prevailing laws and regulations.
6. Perform other duties related to the implementation of the Compliance Function, including:
 - a. Ensure BRI's compliance with commitments made by BRI to Bank Indonesia and/or other authorized regulators.
 - b. Disseminate information to all BRI personnel regarding matters related to the Compliance Function, especially on the applicable regulations.
 - c. Acting as a contact person for the Bank compliance issues for internal and external parties.

Compliance Function

Profile of BRI Compliance Division Head



**Johanes Kuntjoro
Adisardjono**

Compliance Division Head

Born in Surakarta 11 June 1964. Graduated from Accounting Economics, University of Indonesia and Master in Agribusiness Management, Bogor Agricultural University.

Professional Background

- Head of Budget Planning & MIS Division of BRI Accounting & Financial Management Division (2005-2008)
- Head of Branch BRI Cikampek, Regional Office Jakarta 2 (2008-2012)
- Deputy Inspector Internal Audit BRI Medan (2012-2016)
- Deputy Inspector Internal Audit BRI Denpasar (2016-2017)
- Inspector Internal Audit BRI Manado (2017-2018)
- Executive President in BRI subsidiary - PT Bahana Artha Ventura (2018-2019)
- BRI Compliance Division Head (2019 - present)

Trainings

- Strategic For Increasing & Maximising Profit
- Kuala Lumpur Valuation and Performance Measurement Techniques for banks
- London UK Financial Modeling Masterclass
- Melbourne PAT Stipulation 2015 & Legal
- Grand Kanaya Risk Based Internal Audit School
- HONG KONG Executive Education Program 2019 with the theme of "Corporate Governance"

Certifications

- Level 3 Risk Management Certification (BSMR)
- Qualified Internal Audit (YPIA)

Compliance Charter

To ensure the performance of compliance function and compliance unit, BRI has in the place the guidelines for the Compliance Function implementation in BRI as stated in the Compliance Charter. The scope of Compliance Charter is as follows:

1. Bank Compliance Function and General Rules regarding the Compliance Unit, including the Compliance Unit Independence, Authority and Composition.
2. Duties and Responsibilities of the Board of Commissioners, Board of Directors, Compliance Director and Compliance Division.
3. The Compliance Function Reporting.

Education/Competency Development

Throughout 2019, the compliance unit regularly attend the educational programs for competencies development, including:

1. Trainings, short courses, seminars and/or workshops in supporting the compliance function implementation of duties.
2. In house trainings for the Regional Offices' compliance function.
3. Compliance certification held by the Banking Professional Certification Institute (LSPP).



CORPORATE GOVERNANCE

Compliance Function

Compliance Certification

During 2019, 21 Compliance Functions of BRI have participated in the Compliance Certification to improve the competency of the new compliance function unit.

Compliance Function Work Programs in 2019

In accordance with the 2018-2020 Bank Business Plan the Compliance Division has 8 (eight) main work programs, which are:

- a. Development of Anti Money Laundering & Countering Terorisme Financing systems
- b. Development of Risk Based Approach (RBA) customer integrated with data Beneficial Owner (BO)
- c. Review of BPO AML & CTF of Operating Units
- d. Initiate application development of Product Reporting and New Activities and One Door Co-Branding.
- e. GCG Online System Enhancement
- f. System development that can provide the following data:
 - i. Total incoming and outgoing customers
 - ii. Total transactions including incoming and outgoing total transactions
 - iii. Total PEP customers including its total transactions
 - iv. Total customers that carry out e-banking, mobile banking, phone banking, teller etc.

In 2019, the Compliance Division has implemented several main work programs to support the realization of an effective and efficient compliance function, among others:

1. Development of alert system for Anti Money Laundering & Countering Terorisme Financing to enable work units in monitoring customer transactions
2. Development of application system for Product Reporting and New Activities and One Door Co-Branding to enable product owner in applying new products and activities.
3. Development of GCG online system application use by employee in all work units to submit the reports on conflict of interest, code of conduct, commitment and gratuities.

Compliance Risk Management

The management of compliance risk includes:

1. Review and update the internal bank policies in order to synchronize with the applicable regulatory.
2. Identification of compliance risk with the policies and decrees of the Board of Directors is not deviated from the prevailing OJK/ regulator/ laws and regulations through prudential principle testing.
3. Risk measurement and monitoring based on the Incident Management data on the violations of rules.
4. Monitoring and follow-up of Bank compliance on the commitments to the regulators and/or other regulators in charge.

Implementation of Other Compliance Activities

Prudential Principle Test Implementation

To prevent deviations from the prudential rules in both the credit and non-credit, the BRI Compliance Director has tested the Prudential Principle on the Policy, Decisions and Agreements Plans with the third parties determined by the Board of Directors.

Compliance Function

Test Results Follow-Up Monitoring

A follow up of the Prudential Principle Testing activities carried out to ensure that there are no deviations in the follow-up of policy plans and/or decisions that have been stated to fulfill the compliance principle.

Compliance Aspect Response

The Compliance Division submits responses/opinions on the compliance aspects to the relevant work units. The response to compliance aspects can be provided in the event that there is a policy plan/ decision of the Board of Directors, a plan to change the operational mechanism, a plan to issue new products and/or activities and other matters that have issues related to the compliance risk.

External Policies Resume

Both the resume and the continuation of external policies are carried out on new policies and policy changes determined by the external regulators. This activity is carried out as part of policy socialization so that the intended external policy can be immediately used as a reference by the relevant work units in their field of work.

External Policies Impact Analysis

Conducted to determine the influence of external rules applicable to BRI's current internal policies while ensuring that BRI's current internal policies are in accordance with external regulations.

New Products and/or Activities Reporting

New products and/or activities reporting to the regulators (ie the Financial Services Authority and Bank Indonesia) to obtain a one door regulatory approval through the Compliance Division.

Commitment Monitoring

Monitoring of BRI's commitment to regulators/ other authorized regulatory authorities. The Compliance Division monitors the fulfillment of all commitments from the work unit according to a predetermined time limit.



CORPORATE GOVERNANCE

ANTI MONEY LAUNDERING & COUNTER TERRORISM FINANCING PROGRAM

The current national, regional and global dynamics and the increasingly complex products, activities and financial services including marketing (multi channel marketing) and information technology, has led to the increase of Anti Money Laundering (AML) and Counter Terrorism Financing (CTF) risk encountered by the Company. In response to these conditions and in accordance with the laws and regulatory, the Company undertakes the adequate AML and CTF Program.

Legal References

External Stipulations

1. Republic of Indonesia Law No.8 of 2010 dated 22 October 2010 concerning the Prevention and Eradication of Money Laundering Crime.
2. Republic of Indonesia Law No. 9 of 2013 dated 13 March 2013 on the Prevention and Eradication of Criminal Acts of Terrorism Financing.
3. POJK No. 12/POJK.01/2017 ated 21 March 2017 on the Implementation of Anti-Money Laundering and Counter Terrorism Financing Program in the Financial Services Sector.
4. POJK No. 23/POJK.01/2019 dated 18 September 2019 on the Amendment of POJK No. 12/ POJK.01/2017 on the Implementation of Anti-Money Laundering and Counter Terrorism Financing Program in the Financial Services Sector.
5. The Joint Regulation of the Minister of Foreign Affairs of the Republic of Indonesia, the Chief of the Indonesian National Police (Kapolri), the Head of the Financial Transaction Reporting and Analysis Center (Head of PPATK), and Head of the Nuclear Energy Supervisory Agency (Bapeten Head) No. 4 of 2017, No. 1 of 2017, No. 9 of 2017, No. 5 of 2017 dated 16 May 2017 Concerning the Inclusion of Person and Corporate Identity in the Proliferation of Mass Destruction Weapons and the Immediate BlockingFunding List on the People or Corporate Owned Funds Stated In the List.
6. POJK No. 32/ SEOJK.03/2017 dated 22 June 2017 concerning the Implementation of Anti Money Laundering and Counter Terrorism Financing Program in the Banking Sector.
7. SEOJK No. 38/SEOJK.01/2017 dated 18 July 2017 concerning the Guidelines for Immediate Blocking of Customer Funds in the Financial Services Sector whose Identity Is Listed In the Alleged Terrorist and Terrorist Organization List (DTTOT).
8. Head of Financial Transaction Reporting and Analysis Center (PPATK) Regulation No: PER- 11/1.02/ PPATK/09/2012 dated 4 September 2012 regarding the Cash Advance Transactions that are Excluded from the Reporting Obligations.
9. Head of Financial Transaction Reporting and Analysis Center (PPATK) Regulation No. PER- 11/1.02/PPATK/06/2013 dated 26 June 2013 on the Identification of Suspicious Financial Transactions for Providers of Financial Services Jo. Regulation of the Head of Financial Transaction Reporting and Analysis Center (PPATK) No PER-04/1.02/PPATK/03/2014 dated 28 March 2014 on the Identification of Suspicious Financial Transactions for the Financial Services Providers.
10. Head of Financial Transaction Reporting and Analysis Center (PPATK) Regulation No. PER- 12/1.02/PPATK/06/2013 dated 26 June 2013 on the Procedures for the Submission of Financial Transaction Reports of Fund Transfers from and to Abroad for the Financial Services Providers.
11. Head of Financial Transaction Reporting and Analysis Center (PPATK) Regulation No: PER-21/1.02/ PPATK/11/2013 dated 29 November 2013 on the Cash Financial Transaction Identification for the Financial Services Providers.
12. Head of Financial Transaction Reporting and Analysis Center (PPATK) Regulation No. PER-02/1.02/ PPATK/02/2014 dated 26 February 2014 on the Integrated Services User Information System.
13. Head of the Financial Transaction Reporting and Analysis Center (PPATK) Regulation No. PER-14/1.02/ PPATK/11/2014 dated 19 November 2014 on the Imposition of Administrative Sanctions for Reporting Obligations.

Anti Money Laundering & Counter Terrorism Financing Program

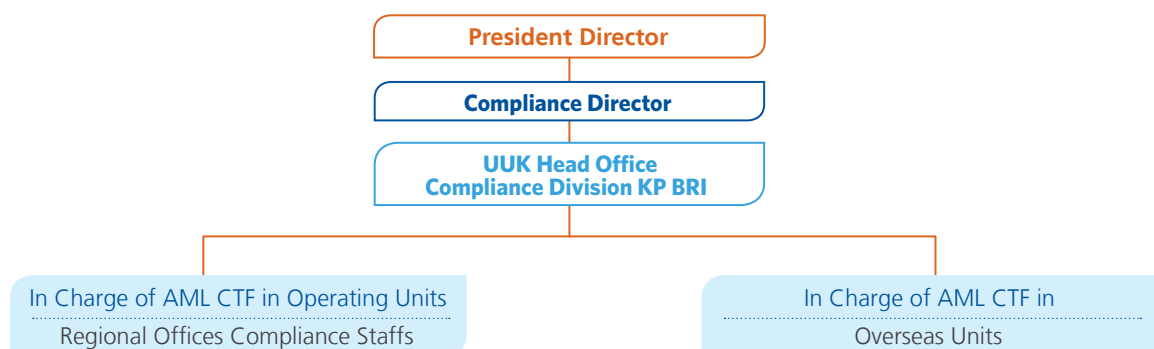
14. Head of the Financial Transaction Reporting and Analysis Center (PPATK) Regulation No.PER-02/1.02/PPATK/02/2015 dated 3 February 2015 on the Users Categories that Potentially Performing Money Laundering Crime Acts.
15. Circular of PPATK No. 8 of 2016 dated 7 December 2016 concerning the Integrated Users Information Submission Procedures through an Integrated Services Users Information System Reporting Application (SIPESAT).

Internal Terms

1. BRI Board of Directors Decree No.PP.01-DIR/ KPT08/2018 dated 31 August 2018 on the Policies and Procedures of the BRI Anti Money Laundering (AML) and Counter Terrorism Financing (CTF) Implementation.
2. Decree No.: BP.13-DIR/KPD/05/2019 on the Operations Procedures Book (BPO) Customer Due Diligence (CDD)
3. Circular No.: SE.09-DIR/KPT/02/2019 dated 12 February 2019 on the Assessment of Risk Level of Money Laundering and/or Terrorism Financing Crime (TPPU/TPPT) Based on the Risk Based Approach of PT Bank Rakyat Indonesia (Persero) Tbk.
4. Technical Guidelines No. JN.03-KPD/01/2019 dated 15 January 2019 on the Applicatio of Risk Based Approach (RBA) AML and CTF.

AML-CTF Unit In Charge

The unit in charge of the AML and CTF Program is held by the Special Unit located at every level of the organization. The Special Unit at BRI Head Office is undertaken by the Compliance Division of BRI Head Office, which is a structural unit within the BRI organizational structure. In performing its duties, the Compliance Division of BRI Head Office reports and is responsible to the BRI Compliance Director. While the person in charge of the AML-CTF Program in the Operating Unit is the Managing Officer of the AML-CTF Operating Unit. In this case is held by the Regional Office Compliance Staff, where the person reports and is responsible to the BRI Head Office Compliance Division.



Duties and Responsibilities of AML-CTF Unit

The Duties and Responsibilities of BRI Head Office Special Work Unit cq. BRI's Compliance Division for the implementation of the AML and CFT Program are as follows:

1. Periodically analyze the risk assessment of Money Laundering criminal offenses and/or criminal acts of Terrorism Financing related to the Customer, country or geographical areas, products, services, transactions or delivery channels;



CORPORATE GOVERNANCE

Anti Money Laundering & Counter Terrorism Financing Program

2. Develop, update, and propose the policies and procedures of the AML and CFT programs implementation that have been prepared to manage and mitigate risks based on risk assessment.
3. Ensure a system that can effectively identify, analyze, monitor and provide reports on the transactions characteristics carried out by the Customer;
4. Ensure that the policies and procedures prepared are in accordance with the changes and developments which include products, services, and technology in the financial services sector, activities and business complexity, transaction volume, and the mode of Money Laundering and/or Terrorism Funding;
5. Ensure that the forms related to the Customer have accommodated the required data in the AML and CFT program;
6. Monitor the Customers' accounts and Customers' transactions;
7. Evaluate the results of monitoring and analysis of Customers' transactions to ensure the presence or absence of Suspicious Financial Transactions (TKM), Cash Financial Transactions (TKT) and/or financial transactions of funds transfer from and to foreign countries (TKL);
8. Administer the monitoring and evaluation results;
9. Coordinate the Customer data and profiles update as well as Customer transaction data and profiles;
10. Monitor securities accounts and the implementation of custodian customer transactions;
11. Administer the results of monitoring and evaluation of securities transactions;
12. Ensure that business activities that are at high risk of money laundering and/or Terrorism Funding criminal acts are effectively identified in accordance with the Bank policies and procedures as well as regulatory;
13. Ensure the existence of a good communication mechanism from each relevant work unit to a special work unit or executive in charge of the AML and CTF program by maintaining the confidentiality of information and paying attention to anti-tipping-off rules;
14. Conduct supervision regarding the the AML and CTF program towards the relevant work units;
15. Ensure the identification of high risk areas related to the implementation of the AML and CTF program by referring to the regulatory and adequate sources of information;
16. Receiving, conducting analysis, and preparing reports on Suspicious Financial Transactions and/or financial transactions carried out in cash delivered by the work unit;
17. Prepare reports on Suspicious Financial Transactions, Cash Financial Transactions, and/or financial transactions of funds transfer from and to foreign countries to be submitted to PPATK;
18. Ensure that all activities in the framework of AML and CTF program are properly implemented;
19. Monitor, analyze and recommend training needs regarding the AML and CTF programs for executives and/or employees of CHD; and
20. Acting as a contact person for the competent authorities related to the AML and CTF Program (including Bank Indonesia, the Financial Services Authority, PPATK, and Law Enforcement Officials).

The Duties Implementation and Responsibilities of Executives In Charge of the AML and CTF Program in the Operating Unit are as follows:

1. Monitor the Customer accounts and carry out the Customer transactions in the Operating Units under the supervision of the Regional Offices.
2. Evaluate the results of monitoring and analysis of the Customer transactions to ensure the presence or absence of Suspicious Financial Transactions, and Cash Financial Transactions.
3. Monitor the Customer data and profiles update as well as Customer transaction data and profiles.
4. Ensure the availability of a good communication mechanism from each relevant work unit to a special work unit or executives in charge of the AML and CTF program by maintaining the confidentiality of information and paying attention to the Anti Tipping Off rules.
5. Conduct supervision regarding the AML and CTF program towards operating units under the supervision of the Regional Offices.
6. Receiving, and verifying reports of Suspicious Financial Transactions and/or financial transactions carried out in cash delivered by operating units under the supervision of the Regional Offices.

Anti Money Laundering & Counter Terrorism Financing Program

7. Monitor, analyze, and recommend training needs regarding the AML and CTF program for executives and/or employees of operating units under the supervision of the Regional Offices.
 8. Act as a contact person for the competent authorities related to the implementation of the AML and CTF Program (including Bank Indonesia, the Financial Services Authority, PPATK, and Law Enforcement Officials).
- Provide recommendations to the President Director regarding the executives who will lead the Special Work Unit or executives in charge for implementing the AML and CTF Program;
 - Establish a Special Work Unit and/or appoint the executives in charge for the AML and CTF Program;
 - Supervise the compliance of work units in implementing the AML and CTF program;
 - Ensure that the written policies and procedures regarding the AML and CTF Program are in line with the changes and development of products, services and technology in the financial services sector and in accordance with the development of the mode of Money Laundering and/or Terrorism Funding;
 - Provide approval and/or delegation of approval to executives of the BRI Head Office Compliance Division for Suspicious Transaction Reports (STR), obligations of other AML and CTF Program reports, and disclosure on customer data regarding the AML and CTF program to regulator;
 - Ensure that all employees, especially employees of the relevant work units and new employees, have been regularly trained in the AML and CTF program. The intended employees are employees who directly or indirectly deal with the Customers and/or WIC, such as frontliners, marketing officers, executives in charge of the AML and CTF program.

AML-CTF Socialization

In improving employees' understanding of the implementation of the AML CTF in BRI, the AMLCTF Unit conduct the following socialization:

1. In House Training to all Compliance Officers, Auditor representatives of BRI Inspection Offices throughout Indonesia and related Division by presenting the speakers from external parties such as PPATK, BNN and KPK.
2. Self-learning with AML CTF material 2 times with Know Your Customer (KYC).

AML-CTF Implementation in 2019

The application of AML and CTF Program is based on 5 (five) pillars, as follows:

1. Active supervision of the Board of Directors and Board of Commissioners
 - a. Active supervision by the Board of Directors, as follows:
 - Ensure BRI has the AML and CTF program policies and procedures;
 - Establish policies and procedures regarding the technical application of AML and CTF programs, such as the determination of Customers categorization as Politically Exposed Person (PEP) and prospective Customer groupings, Customers, and/or Walk In Customers (WIC) based on the risk level of money laundering and/or Terrorism Funding;
 - Propose the strategic policies and written procedures for the AML and CTF Program to the Board of Commissioners, such as changes in the organizational structure related to the implementation of the AML and CTF program;
 - Ensure that the implementation of the AML and CTF Program is implemented in accordance with the established written policies and procedures and the development of the AML and CTF Program support systems;
 - b. Active supervision by the Board of Commissioners, as follows:
 - Provide approval for the policies and procedures of strategic AML and CTF Programs proposed by the Board of Directors;
 - Supervise the implementation of the Board of Directors' responsibility towards the implementation of the AML and CTF Program; and
 - Ensure that there are discussions related to Money Laundering and/or Terrorism Funding at the Board of Directors and Board of Commissioners meetings. The frequency of discussions is carried out according to BRI's needs and risk assessment.



CORPORATE GOVERNANCE

Anti Money Laundering & Counter Terrorism Financing Program

2. Policies and Procedures of AML and CTF Program Implementation
 - a. Risk management for Money Laundering and/or Terrorism Funding based on a risk based approach related to the Customer, geographical country/area, products, services and transactions, and distribution channels;
 - b. Customer Due Diligence (CDD) and/or Customer's Advanced Test/Enhanced Due Diligence (EDD) toward prospective Customers, Customers, and Walk In Customers (WIC);
 - c. Closing of business relations or transactions rejection;
 - d. Maintenance of accurate data related to transactions, administration of CDD processes, and administration of policies and procedures;
 - e. Update and monitoring;
 - f. Reporting to senior executives, Board of Directors and Board of Commissioners regarding the implementation of policies and procedures of AML and CTF program;
 - g. Reporting to PPATK.
3. Internal Control
 - d. Availability of adequate internal policies, procedures and monitoring;
 - e. A limit of authority and responsibility of the work unit related to the implementation of AML and CTF; and
 - f. The examination is carried out independently to ensure the effectiveness of AML and CTF program implementation.
4. Management Information System (MIS)
 - a. AML and CTF Program Supporting App.
 - b. Risk Based Approach (RBA) Assessment App, to assess risk category of Customer and BRI Operating Units related to AML and CTF.
 - c. AML and CTF system, which is used to identify Suspicious Financial Transactions (TKM), Cash Financial Transactions (TKT), Financial Transactions from and to Foreign Transfers (TKL).
 - d. Data availability app for an Integrated Service User Information System (SIPESAT) reporting.
 - e. Mutation account app that provides counterparty transaction information.
 - f. Profile recording and transaction app of Walk In Customer (WIC).
 - g. Reporting app for Suspicious Transaction Report (STR) and WIC Cash Transaction Report (CTR) online.
 - h. Integrated customer financial data search app.
5. Human Resources (HR) and Training

Human Resources (HR)

To prevent the use of BRI as a medium or the purpose of money laundering and terrorism funding, BRI is obliged to carry out: Pre-employee screening procedures at the time of recruitment of new employees as part of the implementation of Know Your Employee (KYE).

Trainings

- a. Training related to the Implementation of AML and CFT Program as a mandatory material in the implementation of education for new employees at BRI.
- b. Training can be done electronically (online base) or through face-to-face meetings.
- c. Electronic training (online base) can use e-learning media both provided by the authorized authorities such as PPATK or provided by BRI with certain materials every year. In 2019, e-learning Know Your Customer (KYC) and Customer Due Dilligent (CDD) were carried out.
- d. Face-to-face training is carried out by using an interactive approach (e.g In House Training/IHT) approach with the topic of Certain AML and CTF Programs in according to the needs of employees, with detailed activities as follows:

Anti Money Laundering & Counter Terrorism Financing Program

AML-CTF In House Training in 2019 has been conducted in all BRI Regional Offices and Special Branch Offices. The schedule is as follows:

No	Regional Offices	Date
1	Jakarta 1 & Special Branch Offices	8-9 April 2019
2	Jakarta 2	15-16 April 2019
3	Jakarta 3	15-16 April 2019
4	Malang	22-23 April 2019
5	Pekanbaru	25-26 April 2019
6	Lampung	2-3 May 2019
7	Denpasar	17-18 June 2019
8	Yogyakarta	1-2 July 2019
9	Semarang	4-5 July 2019
10	Surabaya	8-9 July 2019
11	Bandung	11-12 July 2019
12	Banda Aceh	15-16 July 2019
13	Makassar	18-19 July 2019
14	Medan	22-23 July 2019
15	Padang	25-26 July 2019
16	Palembang	1-2 August 2019
17	Jayapura	5-6 August 2019
18	Banjarmasin	8-9 August 2019
19	Manado	19-20 August 2019

1. Implemented an In House Training that also invites all Subsidiaries to participate in the Education Enhancement Program Special Request of AML and CTF Program Implementation Related to Reporting Obligations and Fulfillment of Information/ Data to PPATK or Law Enforcement Official dated 25-26 April 2018 at BRI Corporate University, with Spoke Persons from PPATK.
2. Conducted the 2019 Regional Office Risk Management and Compliance In House Training "Strengthening the Implementation of the Compliance and Risk Management Function in Facing the Digital Era" on 7, 8, and 9 October 2019.
3. The workshop on adjusting the Bank's Risk Based Approach (RBA) and AML & CTF Program Implementation Policies on 23, 27 and 28 November 2019.
4. Conducted a Workshop on Adjusting the Provisions for the Implementation of AML and CTF Program, by inviting all subsidiary companies and related divisions from 28 February to 02 March 2018 at BRI Bandung Regional Office.



CORPORATE GOVERNANCE

RISK MANAGEMENT

Risk Management Directorate

In conducting intermediary functions and providing banking services to the public, the Bank encounters considerable business management risks, such as credit risk, operational risk, market risk and other risks. To this end, a reliable risk management is vital, the Risk Management Directorate is responsible for the achievement of established Risk Management, effective management of Non Performing Loans, implementation of sustainable finance according to milestones and the implementation of a risk management culture.

RISK MANAGEMENT FUNCTION

Risk Management plays a role in safeguarding the capital and optimizing return toward extensive operations scales and increasing business volume, as such this led BRI to implement an integrated risk management pattern for identification, measurement, monitoring and controlling of the entire risk exposures..

BRI develops its business through continuous product and service innovation as well as supported by digital technology and reliable networks through satellites to optimize banking services throughout the country.

BRI consistently applies the Risk Management process in every business activities and operations process that enable BRI to accomplish as a sound bank and sustainably growing.

Legal References

1. POJK No. 17/POJK.03/2014 dated 19 November 2014 on Integrated Risk Management Practices for Financial Conglomerate.
2. SEOJK No. 14/SEOJK.03/2015 dated 25 May 2015 on Integrated Risk Management Practices for Financial Conglomerate.
3. POJK No. 18/POJK.03/2016 dated 22 March 2016 on Risk Management Practices for Commercial Banks.
4. POJK No. 34/POJK.03/2016 dated 1 September 2016 on Risk Management Practices for Commercial Banks.
5. Decree Nokep: 72 DIR/DMR/12/2016 dated 29 December 2016 on Risk Management General Policy of PT Bank Rakyat Indonesia (Persero) Tbk.
6. Decree No. PP.04-DIR/EMP/06/2019 dated 13 June 2019 on the Bank Rating Assessment Guidelines of PT Bank Rakyat Indonesia (Persero) Tbk.

Determination and Procedures of Risk Management Policies

1. BRI Risk Management General Policy (KUMR) is the highest rule in the implementation of risk management in all individual or integrated business activities of BRI (BOD Decree No: S.72DIR/DMR/12/2016 regarding Risk Management General Policy of PT Bank Rakyat Indonesia (Persero) Tbk), and has been evaluated in 2019 according to Evaluation Letter of KUMR No B.1598-DIR/EMP/10/2019, dated 31 October 2019.
2. Risk Management Implementation Guidelines
 - a. Operational Risk Management Implementation Guidelines.
 - b. Credit Risk Management Implementation Guidelines.
 - c. Market Risk Management Implementation Guidelines.
 - d. Liquidity Risk Management Implementation Guidelines.
 - e. Enterprise Risk Management Guidelines

Risk Management

RISK MANAGEMENT SYSTEM

Risk Management Principles and Implementation

Pillar 1 Active supervision of the Board of Commissioners and Board of Directors

Board of Commissioners Oversight

The Board of Commissioners established the Risk Management Oversight Committee as set forth in the RMO Charter. The committee's duties are among others:

1. Periodically evaluate and analyze the adequacy of risk management policies.
2. Evaluate and analyze the risk profile report on a quarterly basis.
3. To supervise and evaluate the implementation of the Risk Management Committee and Risk Management Unit.

In relation thereto, the Risk Management Oversight Committee periodically holds meetings and provide recommendation for improvements submitted in the minutes. The meeting discussion on the risk profile and implementation of risk management has been conducted 3 (three) times on 22 January 2019, 7 May 2019, and 23 July 2019.

Board of Directors Oversight

1. Risk Management Committee meeting shall be conducted quarterly and has been implemented during 2019 as follows:
 - a. RMC I dated 4 March 2019
 - b. RMC II dated 27 June 2019
 - c. RMC III dated 25 September 2019
 - d. RMC IV dated 27 December 2019
 - e. RMCT dated 25 May 2019
 - f. RMCT dated 12 December 2019
2. The ALCO Forum related with macroeconomic discussion as well as the condition and achievement of assets and liabilities held at least once a month or 12 times during 2019.
 - a. ALCO I dated 9 January 2019
 - b. ALCO II dated 7 February 2019
 - c. ALCO III dated 14 March 2019
 - d. ALCO IV dated 11 April 2019
 - e. ALCO V dated 9 May 2019
 - f. ALCO VI dated 20 June 2019
 - g. ALCO VII dated 12 July 2019
 - h. ALCO VIII dated 8 August 2019
 - i. ALCO IX dated 12 September 2019
 - j. ALCO X dated 11 October 2019
 - k. ALCO XI dated 13 November 2019
 - l. ALCO XII dated 12 December 2019

3. Business Performance Review (BPR) monitoring and evaluation activities on the achievement of BRI national performance, performance of all business units (Regional Offices and KCK and all Business Divisions of Head Office) and strategic work programs were held once a month to achieve performance of the Board of Directors, SEVPs, Regional Heads, Inspectors, Division Heads and Desk Heads. BPR implementation during 2019 is as follows:

- a. BPR I dated 13 February 2019
- b. BPR II dated 13 March 2019
- c. BPR III dated 24 April 2019
- d. BPR IV dated 22 May 2019
- e. BPR V dated 12 June 2019
- f. BPR VI dated 10 July 2019
- g. BPR VII dated 14 August 2019
- h. BPR VIII dated 28 October 2019
- i. BPR IX dated 11 December 2019

Pillar 2 Adequacy of Policy, Procedures and Thresholds Determination

The formulation of Adequacy of Policy, Procedures and Thresholds Determination is available and in line with the overall objectives of the bank's strategy and business as stipulated in Circular No. PP.04 -Dir/EMP/06/2019 dated 13 June 2019 on the Bank Rating Assessment Procedures of PT.Bank Rakyat Indonesia (Persero) Tbk.

Pillar 3 Adequacy of Risk Management Information System

1. Risk Management Reporting
 Risk Management Reporting to certain parties should at least consider the following matters:
 - a. The frequency of report submission is tailored to the needs of the interested parties so as to provide sufficient information for decision makers.



CORPORATE GOVERNANCE

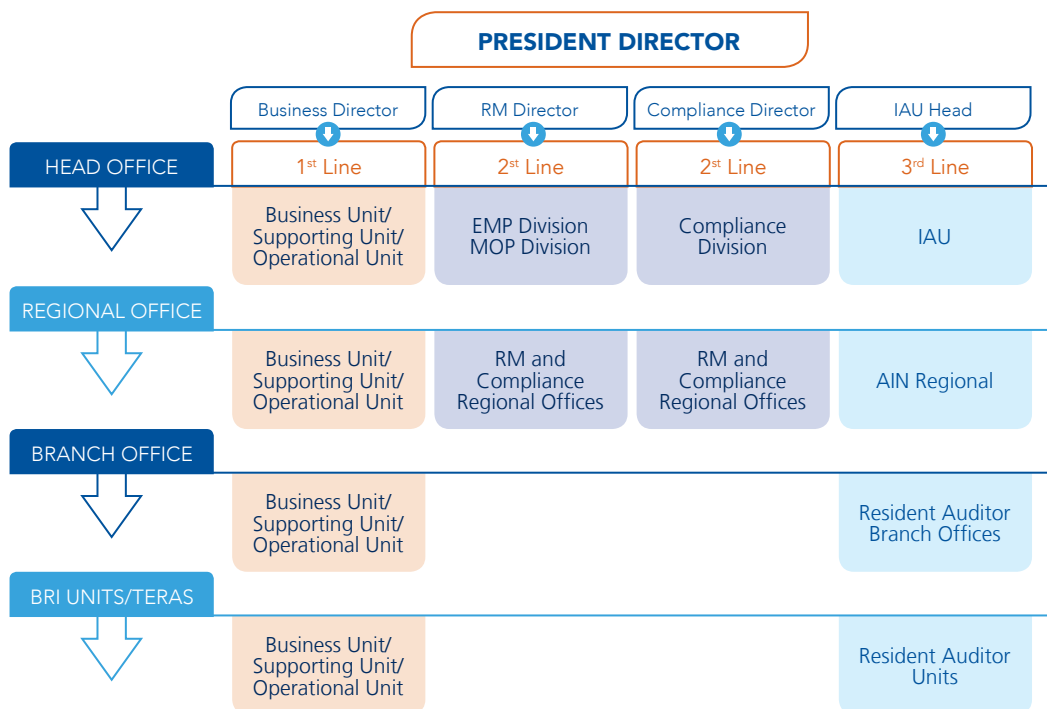
Risk Management

- b. The report contains information on total risk exposure, monitoring of material risks, limit setting, compliance with policies and procedures, business performance achievement and implementation of risk management.
2. Risk Data Management
 Risk data management is the management of data risk being used to ensure the level of availability, accuracy and timeliness of distribution of risk management information / report and interested parties to Risk management report.

Information Systems include: BRINETs, Cognos, BRISIM, Dashboard Loan Portfolio Guideline (LPG), BRIOPRA Dashboard of Liquidity Risk Profile, Dashboard of Market Risk Profile and Dashboard of Risk Profile Per Regional Offices and others. BRI Operational Risk Assessor (BRIOPRA), Early Warning Indicator, Dashboard of Liquidity Risk Profile, Dashboard of Market Risk Profile and Dashboard of Risk Profile Per Regional Offices and others.

Pillar 4 Internal Control System

BRI internal control system is implemented with Three Line of Defense concept, with the following details:



Risk Management

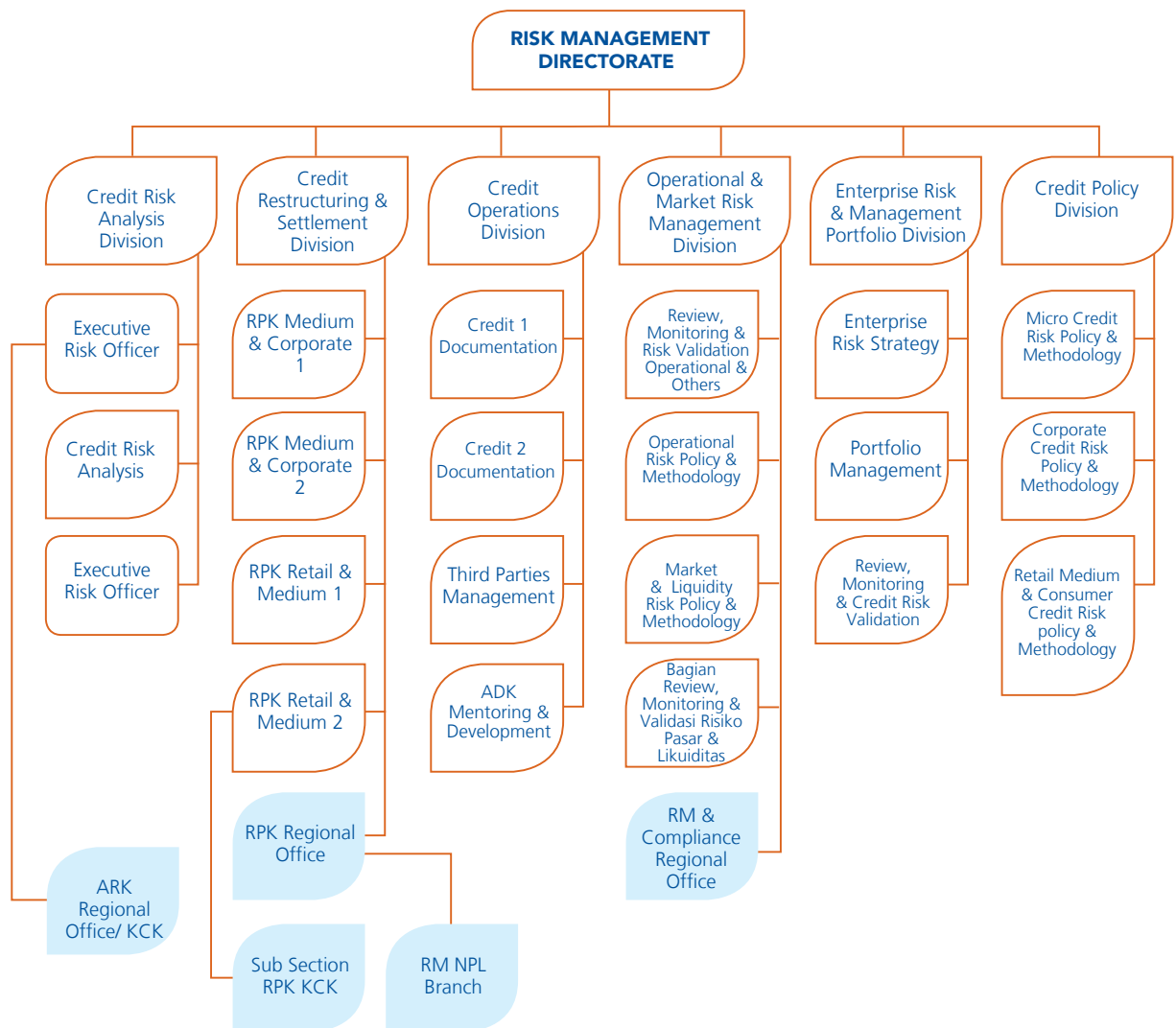
INFORMATION SYSTEM IMPLEMENTATION EFFECTIVENESS

The overview regarding the effectiveness of Information System Implementation includes:

1. The availability of accurate, complete, informative, timely and reliable information to be utilized by the Board of Commissioners, Board of Directors and related working units in the implementation of Risk Management to assess, monitor and mitigate overall as well as each type of risk as encountered by BRI.
2. The effectiveness of Risk Management implementation includes policies, procedures and risk limits.
3. Availability of information on the outcome (realization) of Risk Management implementation compared to the target set by BRI is in accordance with the risk management implementation policy and strategy.

RISK MANAGEMENT ORGANIZATIONAL STRUCTURE

In 2019, the structure of Risk Management function is under the Director of Risk Management as per following details:





CORPORATE GOVERNANCE

Risk Management

Head of Risk Management Function Profile



Kristina Lestari N.

Division Head of Enterprise Risk and Management Portfolio

Born in Jakarta 5 March 1965, obtained Bachelor degree from Faculty of Social Economics, Bogor Agricultural University in 1988, MBA J. Mack Robinson College of Business, Georgia State University, Atlanta, Georgia - USA 1998, and Doctorate Degree of Strategic Management, Padjadjaran University, Bandung, 2017.

Professional Background

- Division Deputy Head of BRI Corporate Business
- Deputy Head of Business, BRI Regional Office Bandung
- Deputy Head of Business, BRI Regional Office Jakarta 3
- Deputy Head of Business, BRI Regional Office Jakarta 1
- Division Head of BRI Banking Transaction
- Director of Finance, Human Capital and Logistics PT Bringin Gigantara
- Division Head of BRI Corporate Development and Strategy

Currently serves as Division Head of Enterprise Risk and Management Portfolio

Trainings

- Corporate Credit and Cash Flow Analysis, Euromoney, London UK
- Valuation, Euromoney, Dubai, United Emirat Arab
- SIBOS Global Payment, Toronto, Canada
- Sespibank LPPI Jakarta

Certifications

- Level 1, Level 2 and Level 3 Risk Management Certification from Risk Management Certification Agency and LSPP
- Level 3 General Banking Certification, LPPI



Heri Supriyadi

Division Head of Operational & Market Risk Management

Born in Purbalingga, 10 October 1965, obtained Bachelor degree in Faculty of Animal Husbandry, Jenderal Soedirman University in 1989, MBA Gatton Collage of Bussiness and Economic, University of Kentucky 2000, and Master Management Degree from University of Gadjah Mada 2001.

Professional Background

- Section Head of Operational Risk Management Methodology
- Head of Branch BRI
- Deputy Head of BRI Regional Denpasar
- Division Deputy Head of BRI Risk Management

Currently serves as Division Head of Operational & Market Risk Management of BRI since 1 July 2017.

Trainings

- Becoming A Leader of Leaders: Pathways for Success by ACT Consulting
- International Conference on Risk Management as an Interdisciplinary Approach by ACISE-ICRMIA dan Undip, Semarang
- Assesment Center Assessor Certification by PPM Jakarta
- Integration of GRC – Governance Risk Management Compliance, International Public Course by CRMS, New Zealand.
- Refocusing on Credit Risk Management, Credit Risk Model, Pricing and Being Prepared for Upcoming Regulations. Risk Management Certification Refresher Program by BARa. Jakarta
- Market Innovation for Sustainable Finance: 2016 International Sustainable Finance Forum by OJK and IFC. Denpasar
- Developing and Applying an Integrated Stress Testing Framework. Seminar by KPMG and SAS Institute. Jakarta
- A Symbiotic Relationship to Achieve the Effective Risk Management. Internal Audit and Risk Management Seminar. Held by IBI, IAIB and BARa

Certifications

- Level 1 and 2 Risk Management Certification from Risk Management Certification Agency
- Level 3 and 4 Risk Management Certification by LSPP
- BRI Assessor Certification for Employee Competition

Risk Management

Risk Management Function Duties and Responsibilities

Risk management is carried out in all bank activities by referring to the provisions of management standards set by the regulator. The process of risk management implementation in which includes identification, measurement, monitoring and risk control, is carried out continuously by the three line of defense, namely all risk taking units as first line, compliance and risk management units as the second line and internal audit unit as the third line. The result of the risk profile assessment in the fourth quarter of 2019, the rating of BRI risk profile is at the level of low to moderate, this indicates that the bank is able to maintain the level of risk management along with the development of business and competition of banks in Indonesia.

The duties and responsibilities of the Risk Management function are:

1. Compilation of methodologies for enterprise risk management, operational risk management, market risk management, liquidity risk management, and integrated risk management.
2. Preparation and analysis of risk profiles, bank soundness, capital adequacy, credit risk rating & scoring and credit risk methodology validation.
3. Preparation of Risk Appetite Statement (RAS).
4. Preparation of the Recovery Plan.
5. Compilation and analysis of the guideline portfolio, sustainability finance, risk-based pricing, and stress testing.
6. Compile, improve and implement risk management processes/procedures/methodologies and methodologies (identification, measurement, monitoring and control including data validation, risk management strategies, risk profiles, stress testing, and monitoring risks (market risk, liquidity risk, risk operational and other risks) Business Continuity Management (BCM).
7. Assess the adequacy of risk management for new products and or assets proposed by the work unit.
8. Implementation of Risk Management Committee (RMC) individual and integrated

Competency Development & Education on Risk Management

The education and competency development program during 2018 is as follows:

1. Introduction to Risk Management and Risk Management Attributes.
2. Risk Management Certification
3. Public Course and IHT Risk Management Division and Risk Management Regional Office.
4. BRILian Shine Risk Management
5. In House Training Risk Management Directorate
6. Sharing Session Business Continuity Management (BCM)
7. Managing Market Risk
8. Basic Risk Management
9. Basel Capital Requirement, Covering Operational Credit & Market Risk Capital and Internal Capital Assessment Adequacy Process (ICAAP)
10. Aligning Business with Risks and Compliance
11. Management Treasury Risk
12. Strategy, Opportunities and Corporate Risks - Digital Transformation
13. Derivatif Market Dynamic
14. Fraud Management
15. Implementing GRC
16. Risk Control Self Assessment
17. Risk Management Outlook 2020 "Strengthening Risk Mitigation Amid Global Downturn"
18. Aligning Business Strategy with Governance, Risk & Compliance
19. Attachment Portfolio Management & Financial Instrument for Banking Book, Money Market & Liquidity BNP Paribas Singapore
20. Special Request In House Training Internal Control Over Financial Reporting (ICoFR) 2019
21. GRI Standard Certified Training Sustainable Report



CORPORATE GOVERNANCE

Risk Management

- 22. ISO 31000 Enterprise Risk Management Implementing
- 23. Oportunity & Risk In Digital Banking

Risk Management Certification

The implementation of the Certification and Executives who have risk management certification at BRI in 2019 are as follows:

No	Certification Levels	Participants
1	1	482
2	2	325
3	3	93
4	4	40
TOTAL		940

RISK TYPES AND ITS MANAGEMENT

BRI manages 10 risks in the financial conglomerate, namely:

1. CREDIT RISK

This is a risk due to the failure of debtors and/or counterparties to fulfill obligations to the Bank. Credit risk can be sourced from various bank business activities.

Risk Management Mitigation

Pillar 1 Active Oversight of the Board of Commissioners and Directors

- a. Credit decision process above certain nominal shall be conducted through Credit Committee of the Board of Directors and consultation with the Board of Commissioners
- b. Follow up monitoring by the Board of Commissioners and Directors in the event of exceeded risk thresholds
- c. Quarterly RMC forum to discuss strategic issues related to corporate risk management, particularly credit risk.
- d. Quarterly risk profile report from Risk Management Unit to the Board of Directors.

Pillar 2 Adequacy of Policy, Procedures and Thresholds Determination

- a. Stipulation on Loan Portfolio Guideline (LPG)
- b. Determination of risk thresholds at the corporate levels (risk appetite statement) on NPL, and NPL Coverage
- c. Stipulation on tiered PDWK

Pillar 3 Risk Management Process and Risk Management Information System

- a. **Identification** of credit risk is conducted by using Credit Risk Rating (CRR) and Credit Risk Scoring (CRS) systems since 2001. The internal Credit Risk Rating/Credit Risk Scoring currently used by BRI is formulated based on empirical/historical data from BRI existing debtors by using statistics methodology. This internal ranking is regularly reviewed for the accuracy of the model and assumptions used to project failures, and assumptions are adjusted in the event of changes in both external (regulator) and internal provisions. In order to overcome the weaknesses that can arise from the use of the internal rating model, validation has been carried out by a work unit that is independent of the work unit that applies the model. The validation or review process of the credit risk measurement model is carried out with the back testing method.

Risk Management

- b. Measurement** of credit risk is conducted with an internal model using the standard method by calculating the probability of default and loss given default for each business segment based on a shift in credit collectability. At present, BRI is also in the stage of developing Internal Rating Based Approach (IRBA). In addition, a series of Stress Tests are also conducted to measure the maximum potential for loss in the event of a stress condition. The stress test was carried out based on several hypotheses and assumptions including: economic growth, inflation, world oil prices and changes in the Rupiah exchange rate. Another thing that is done is through guidance through the Loan Portfolio Guidelines (LPG), so that the existence of this LPG will make lending more targeted according to the potential of each work unit.
- c. Monitoring** of credit risk is conducted conducted through the process of monitoring the loan portfolio which is the responsibility of the credit risk monitoring unit at the head office. Portfolio monitoring is carried out based on credit quality, the economic sector, the use of credit, the geography of the initiating work unit, and so on. Monitoring is also carried out for credit risk limits including: NPL, CL, Loan at Risk composition (LAR), Credit Cost, NPL Coverage Ratio, PH, Recovery Income, and Recovery Rate.
- d. Control** of credit risk is conducted through:
1. Credit decisions consider aspects of collateral analysis, which must comply with the minimum loan to value or minimum coverage coverage of the loan
 2. Collateral valuation becomes more directed through the Collateral Data Management (CODAM) application
 3. Credit risk has become more manageable through sustainable finance (Green Banking) which integrates Environmental Social and Governance risks into the economic/business aspects that have been taking place, thereby the financing can take into account the business practices that do not damage the environment, to take into account the social aspect and good governance

4. Procedures for credit quality improvement through restructuring
5. Procedures to minimize credit risk losses through credit settlement and billing optimization
6. Write-off procedures for non performing loans.

Pillar 4 Internal Control System

- a. Four Eyes Principles: segregation of function of credit initiator and decision maker
- b. Segregation of credit initiator work units (business) with credit risk analysis work unit for Corporate segment
- c. Loan Approval System (LAS) app for identification of credit risk through CRR and CRS calculation as well as credit decision that in line with the tiered PDWK.
- d. Determination of Allowance for Impairment Losses automatically based on internal model to calculate the adequacy of allowance of credit risk based on credit portfolio per segment.
- e. Integration between exceeded credit risk thresholds with performance assessment of business work unit and individual.

2. MARKET RISK

Represents the risk of loss in balance sheet and administrative account positions and derivative transactions due to overall changes in market conditions. Market variables managed by BRI consist of interest rates, exchange rates including derivative transactions and changes in option prices.

Risk Management Mitigation

Pillar 1 Active Oversight of the Board of Commissioners and Directors

- a. Follow up monitoring by the Board of Commissioners and Directors in the event of exceeded risk thresholds.
- b. Quarterly RMOC Meeting



CORPORATE GOVERNANCE

Risk Management

- c. Quarterly RMC forum to discuss strategic issues on market risk management.
- d. Monthly ALCO forum as a form of active oversight
- e. Reporting of Market Risk Profile Dashboard from Risk Management Unit to the Board of Directors.

Pillar 2 Adequacy of Policy, Procedures and Thresholds Determination

- a. Market Risk Management Practices Guidelines Policy (PPMPRP)
- b. Formulation of Market Code of Conduct
- c. Policy, procedures, and thresholds of market risk as stated in the Market Risk Profile Thresholds and Treasury Activities Thresholds (including Overseas Units)
- d. Stipulation of Market Risk Conversion Factor (MRCF)
- e. Policy of Interest Rate Risk in The Banking Book (IRRBB)
- f. Policy on other activities of Treasury Business through Treasury Activities Guidelines, ALM Policy, Circular on Hedging

Pillar 3 Risk Management Process and Risk Management Information System

a. Identification

1. The calculation of Interest Rate and Exchange Rate Risk uses the standard method for the positions of all BRI financial instruments classified as Trading Book and Banking Book. For instruments classified as Banking Books, BRI has compiled an Interest Rate Risk in The Banking Book (IRRBB) policy that has been adjusted with the regulator.
2. Risk factors taken into account in interest rate risk in the standard method are:
 - I. Specific Risk of each securities or financial instrument issuance, regardless of long position or short position. As such the offset process is not possible unless the position is identical;

- II. General Market Risk of the entire portfolio, where long positions or short positions in different securities or instruments can be done mutually.
3. The market value of securities used in the calculation of Specific Risk and General Risk is the dirty price, which is the market value of the securities (clean price) plus the present value of the accrued interest. The calculation of the present value of the accrued interest may not be carried out if based on the coupon payment period, the value of the present value does not make a material difference. Exchange Rate Risk calculations are performed on 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).
4. Risk Factors taken into account in the interest rate risk in calculating the Interest Rate Risk in The Banking Book (IRRBB), namely:
 - a. Repricing Risk is the risk of loss caused by the time difference between repricing assets and repricing liabilities in the event of changes in interest rates.
 - b. Basis Risk
Basis risk is the risk of loss due to the use of a different interest rate index between assets and liabilities.
 - c. Option Risk
Option Risk is the risk that arises from the option features of derivative positions or optional components attached to most assets, liabilities, and administrative account transactions that can change the level and timing of cash flows.

The scope of portfolio calculated in the Capital Adequacy Ratio (CAR) includes:

Risk Management

- a. Positions held for resale in the short term.
- b. Positions held for the purpose of obtaining short-term profits from actual and/or potential price movements.
- c. Positions held for the purpose of maintaining locking in arbitrage profit.
- d. Derivative instruments related to marketable securities or interest rates include Bond Forward, Bond Option, Interest Rate Swaps, Cross Currency Swaps, Foreign Exchange Forward, Interest Rate Options, and Forward Rate Agreements (FRAs).
- e. All debt securities with fixed or floating interest rates, and all financial instruments that have similar characteristics, including Negotiable Certificates of Deposits and securities sold by BRI on repurchase terms (Repo/Securities Lending).
- f. BRI's foreign exchange position in the trading book and banking book which is exposed to exchange rate risk.

b. Measurement

1. Market risk measurement is carried out regularly (daily, weekly and monthly) using standardized measurement methods and internal model (VaR) approaches through the application of GUAVA, simulating Economic Value of Equity (EVE) and Net Interest Income (NII) periodically or whenever the changes in market interest rates occurs and managing the maturity profile of securities.
2. Trading book and banking book portfolio valuations are carried out using market price quotes from actively traded instruments (mark to market). The market price reflects actual and routine transactions that are carried out properly. Valuation results based on market value (mark to market) are validated periodically to ensure consistency and fairness of the market prices used. If the market price is not available because the instrument is not actively traded, the valuation of the fair value using the price simulation approach (mark-to-model).

3. Regularly conduct market risk stress testing or in accordance with market conditions

c. Monitoring and Control

In conducting the market risk management process, the Board of Directors routinely evaluates market risk through the daily Net Open Position report, the Asset & Liability Committee (ALCO) forum, Risk Management Committee (RMC) and market risk exposure reports through the market risk profile dashboard.

Pillar 4 Internal Control System

- a. Segregation of function of front, middle and back office.
 The market risk management function consists of front office units (Treasury Business Division), middle office (MOP Division), and back office (Operations Center Division), each of which has the following authority:
 1. Front office staff are authorized to conduct financial instrument transactions and are responsible to monitoring market price movements.
 2. The middle office personnel establishes and monitors market risk limits and regularly ensures market price data used for mark-to-market (MTM).
 3. The back office personnel conducts treasury transaction settlement and daily sets market prices (MTM) at the end of the day. The implementation of delegation of authority is realized through the establishment of tiered transaction limits in accordance with competence and experience.
- b. BRI has implemented a treasury and market risk (GUAVA) application system, which is an integrated system used by the front office, middle office and back office functions. Through this application BRI can measure market risk integrated with the daily transaction process. In addition to monitoring instrument risk exposure, BRI also monitors market risk limits and transaction limits including dealer nominal transaction limits, open position



CORPORATE GOVERNANCE

Risk Management

limits, Uncommitted Credit Line (UCL) limits, cut loss limits, stop loss limits and other limits. Monitoring is carried out on a daily basis so as to speed up the provision of up-to-date information that supports decision making by line officials and management in a timely manner, especially for instruments included in the trading classification.

- c. Integration between exceeded market risk thresholds and performance assessment of business units.

3. LIQUIDITY RISK

This is a risk due to the inability to meet obligations that have matured from cash flow funding sources and/or from high quality liquid assets.

Pillar 1 Active Oversight of the Board of Commissioners and Directors

- a. ALCO mini ad-hoc meetings and weekly Board of Directors meetings when the market liquidity or BRI conditions are quite tight.
- b. Follow up monitoring by the Board of Commissioners and Directors in the event of exceeded risk thresholds.
- c. Quarterly RMC forum to discuss strategic issues related to risk management.
- d. Monthly ALCO forum
- e. Reporting of liquidity risk profile monitoring from Risk Management Unit to the Board of Directors.

Pillar 2 Adequacy of Policy, Procedures and Thresholds Determination

- a. Availability of Liquidity Risk Management Practices Guidelines Policy
- b. Availability of liquidity management policy such as ALM Policy, Liquidity Risk Management Circular, Treasury Activities Guidelines and BPO Treasury.
- c. Technical guidelines and determination of Liquidity Coverage Ratio (LCR) threshold parameter

- d. Technical guidelines and determination of Net Stable Funding Ratio (NSFR) threshold parameter
- e. Liquidity Risk Profile Threshold parameter stipulation

Pillar 3 Risk Management Process and Risk Management Information System

- a. Risk identification, measurement and monitoring through a daily liquidity profile dashboard.
- b. Periodic measurement of liquidity risk using cash flow projections, maturity profiles, and liquidity ratios.
- c. Risk control through the liquidity contingency plan protocol and trials periodically.
- d. Stress testing of liquidity risk

Pillar 4 Internal Control System

- a. Daily liquidity position monitoring system through the Liquidity Risk Profile Dashboard
- b. Integration between exceeded market risk thresholds and performance assessment.
- c. Funding Strategy Evaluation and Analysis carried out through the ALCO Forum and liquidity risk studies
- d. Determination of authority of executives in carrying out liquidity management activities

4. OPERATIONAL RISK

Operational Risk occurs due to inadequate or malfunctioning of internal processes, human errors, system failures, or external disruptions that affect the Bank's operations. Operational Risk Events are risk events inherent in every business and operational process performed by the Bank and can trigger Reputation Risk, Legal Risk, Compliance Risk, and other Risks if not properly managed.

Pillar 1 Active Oversight of the Board of Commissioners and Directors

Active supervision by the Board of Commissioners and Board of Directors is carried out through a quarterly Risk Management Committee (RMC) forum that discusses strategic issues related to corporate risk management, to discuss potential risk events,

Risk Management

controls effectiveness, follow-up, and risk mitigation. In addition, the Board of Commissioners and the Board of Directors also monitoring the follow up in the event of exceeded risk thresholds.

Pillar 2 Adequacy of Policy, Procedures and Thresholds Determination

The efficient operation of the Bank's business and activities is supported by clear policies and procedures for each of the Bank's products and activities, including the establishment of threshold approvals for transactions given in stages. The Operational Risk Management is guided by the Risk Appetite Statement and Risk thresholds that have been set for each Operational Risk parameter.

Pillar 3 Risk Management Process and Risk Management Information System

The Operational Risk Management is carried out through Risk identification, measurement, monitoring and controlling, as follows:

- a. Identification of Operational Risk is conducted through the determination of risk issues in each functional activity of the Bank carried out by each Work Unit as a Risk Owner.
 - b. Measurement of Operational Risk is carried out both on the historical loss of Operational Risk and on the predictive risk going forward.
 - c. Monitoring of risk profile is carried out by each Work Unit as the Risk Owner of the Key Risk Indicator and the Risk Monitoring Dashboard in each of the Bank's functional activities that are its responsibilities.
 - d. Control of risk is conducted among others through:
 - Determination and monitoring of the Follow-up Plan for each operational risk event
 - Risk Self Assessment of each new product and activity carried out by the Product Owner and Risk Management Adequacy Assessment for each new product and activity carried out by the Risk Management Unit.
- Business Continuity Management protocol for catastrophic events. The Crisis Management Team (TMK) has the role and responsibility to determine the measures to be taken in disaster conditions. TMK structure is established in all BRI Work Units which include TMK Head Office, TMK Regional Offices, and TMK Branch Offices.
- To support the risk management process, BRI has developed an Operational Risk Management Information System through the BRIOPRA application, which include:
- a. Risk & Control Self Assessment (RCSA)
A Risk & Control Library on Operational Risk, including to display Predictive Risk Profile of Operational Risk in every Work Unit.
 - b. Incidental Management (MI)/ Loss Event Database (LED)
A database of operational risk incidents/losses that aims at managing the encountered Operational Risks and its management through documentation and monitoring the Improvement Plan progress. This information system is also a source of data in simulating capital charges for Operational Risk.
 - c. Key Risk Indicator (KRI)
An Operational Risk Monitoring Dashboard found in each Work Unit that aims for early detection of potential risks.
 - d. Risk Management Forum
a documentation of the discussion of risk identification, prevention, and mitigation carried out by the Work Unit as a Risk Owner.
 - e. Risk Management Maturity Application
A tools to carry out Risk Self Assessment to the maturity level so Risk Management Unit.
 - f. Capital Calculation
An information system use to simulate capital charges of Operational Risk, including for the interest of Operational Risk Economic Capital.
 - g. Dashboard Mobile
A Risk Profile Dashboard of Work Unit resulted from the Operational Risk Management practices.



CORPORATE GOVERNANCE

Risk Management

Pillar 4 Internal Control System

BRI Operational Risk Internal Control System is carried out through, among others:

- a. Segregation of the Maker-Checker-Signer function in banking operational activities, where approval of most operational processes has been embedded in the Core Banking, Asset Management and HR MIS systems.
- b. Regular reporting of the Bank's Operational Risk Profile to the Board of Commissioners and Directors.
- c. Regular review of the Operational Risk Management Implementation.

5. COMPLIANCE RISK

This is a risk due to the Bank's incompliance with or ignorant towards the laws and regulations and other prevailing stipulations. The compliance risk management is carried out through consistent internal control system.

Pillar 1 Active Oversight of the Board of Commissioners and Directors

Discussion on compliance risk profile and compliance risk management and its follow up can be found on RMC and RMOc Meetings.

Pillar 2 Adequacy of Policy, Procedures and Thresholds Determination

Policy and procedures of Compliance Risk management, among others:

- a. Compliance Charter)
- b. Compliance Function practice toward Policy Plan and/or BRI Decision by the Compliance Director and Compliance Unit of PT Bank Rakyat Indonesia (Persero), Tbk
- c. Compliance Culture Practices at Work Units
- d. Policy and Procedures of AML and CTF
- e. Conflict of Interest Policy
- f. Code of Conduct Policy
- g. Gratuity Control Program Policy
- h. Whistleblowing System Policy
- i. Compliance Division as compliance risk coordinator conduct prudence principles text toward all BRI internal policies set by the Board of Directors.

- j. Parameter and legal risk threshold have been set forth and reviewed regularly every year.

Pillar 3 Risk Management Process and Risk Management Information System

- a. Identifying compliance risks through a compliance risk profile report submitted by the Regional Office based on a compilation from the Operating Units to the Compliance Division.
- b. The compliance risk management process is supported by an adequate information system, among others:
- c. Anti Money Laundering application to monitoring suspicious transaction.
- d. The Compliance Testing automation application is used to carry out the testing process and monitoring of test progress
- e. GCG Online app for reporting on commitment, gratuity, code of conduct, conflict of interest and annual disclosure by Work Units.
- f. Establishing Special Units both at Regional Offices and Head Office to coordinate compliance risk management, particularly those related to AML and CFT programs.
- g. Compliance risk management is part of the duties and responsibilities of the Risk Management Function which coordinates the implementation of Risk Management for 8 types of risk including compliance risk.
- h. The human resources appointed to manage compliance risk have adequate competence and obtain education in accordance with the level of position.

Pillar 4 Internal Control System

The independent review by the Internal Audit Unit (IAU) is periodically carried out on the Quality of Compliance Risk Management Implementation. The Compliance Division actively disseminates the impact of new regulations on the Company's business and operations.

Risk Management

6. LEGAL RISK

This is a risk that arises by the weakness of juridical aspects which among others due to lawsuits, and the absence of laws or weaknesses of the agreement such as not fulfilling the contract validity and imperfect binding agreement.

Pillar 1 Active Oversight of the Board of Commissioners and Directors

Active supervision by the Board of Commissioners and Board of Directors is carried out through the implementation of a quarterly Risk Management Committee (RMC) forum for the discussions on material legal cases and legal risk management and follow-up. In addition, the active supervision of the Board of Commissioners is also carried out through RMOG Meetings.

Pillar 2 Adequacy of Policy, Procedures and Thresholds Determination

- a. The Legal Division has prepared Legal Guidelines for dissemination to all Work Units.
- b. The authority to assist BRI legal cases has been regulated by Legal Division of Head Office and Legal Officer in the Regional Office.
- c. Legal risk parameters and thresholds have been set and reviewed regularly every year.

Pillar 3 Risk Management Process and Risk Management Information System

- a. Every transaction process and new products and activities that have potential legal risk are initially reviewed by the Legal Division.
- b. Legal Risk Monitoring of all Operating Units across Indonesia is carried out by Legal Officers in Regional Offices through reporting mechanisms and documentation of legal cases.
- c. Legal Officers in Regional Offices and Head Office will provide legal assistance in accordance with their authority in the event of a legal case in the Operating Units.
- d. The Legal Risk Information System is monitored by the Legal Division and Legal Officers of Regional Offices through the Legal Database Application.

Pillar 4 Internal Control System

The Legal Division actively disseminates the crimes mode of operations and its legal handling procedures to minimize legal risk in the Operating Units.

Legal Risk Control is conducted through the following methods:

- a. The Legal Division as the coordinator of Legal Risk at BRI review the changes in laws and regulations to ensure BRI's internal regulations do not deviate from the prevailing laws and regulations.
- b. The Legal Division provides legal advice/ opinions on cooperation agreements between BRI and other parties, to protect BRI's legal interests before the agreement is signed by the authorized BRI official.
- c. Every banking transaction at BRI that includes operations, credit and employment relations has been carried out in accordance with prevailing laws and regulations and supported by adequate legal documents.
- d. The Legal Division cooperates with legal officers (LO) in Regional Offices to monitor legal risks in all BRI Work Units with the reporting mechanism and documentation of legal cases and to disseminate the crimes mode of operations and their legal handling procedures to minimize legal risk.
- e. The legal division compiles legal guidelines such as guidelines for the preparation of agreements and legal manual for both operational and credit fields.
- f. Staff development in the Operating Units of Regional Offices is carried out by enhancing competence in legal risk control at relevant work areas, including the dissemination, discussion of opinions on an incident from the applicable legal side.
- g. Legal officer (LO) at the Regional Office provides legal assistance in accordance with its authority to the Operating Units in the event of a legal case in the Operating Units and coordinates with the Legal Division.



CORPORATE GOVERNANCE

Risk Management

- h. In the event of a case, the Legal Division provides legal assistance in accordance with its authority.
- i. If necessary, the Operating Units can consult with Legal Division on technical legal issues.
- j. In the case of lawsuits that have a very significant potential loss for the Bank and or the lawsuits that can significantly impact BRI's reputation, a contingency plan actions must be taken to reduce legal risk, including through the use of solicitors' services and progress report to the Board of Directors.
- k. As part of legal risk monitoring, the Legal Division coordinates with MOP Division in relation to BRI monthly legal risk profile report to the Board of Directors through the Risk Profile Dashboard.
- l. Regular review of Legal Risk Management practices.

Other efforts were also undertaken to enhance legal risk awareness. The Legal Division has issued a stipulation resume compilation, which include: Credit and Collateral Activities, Operational Activities, Legal Manual and Legal Pocket Book. The compilation can be utilized by the Operating Units to always adhere to the stipulations so as to protect BRI from any legal risks.

7. STRATEGIC RISK

The risks that are caused, among others, by the inappropriate determination and implementation of the Bank's strategy, inappropriate business decision making or the Bank's lack of responsiveness to external changes.

Risk Management Mitigation

Pillar 1 Active Oversight of the Board of Commissioners and Directors

Discussions on strategic planning, monitoring the achievement of targets and strategy evaluation were carried out in a Joint Meeting of the Board of Commissioners with the Board of Directors during the discussion on the Bank Business Plan approval, Work Plan & Budget approval, and quarterly financial performance discussions.

The material for the National Working Meeting which is held annually to support the process of strategy development is also discussed in the Board of Directors' meeting forum. In addition, the Board of Directors' Committees such as ALCO also discuss the performance achievements and efforts to achieve the financial performance.

Pillar 2 Adequacy of Policy, Procedures and Thresholds Determination

The planning, monitoring and evaluation of the Company's strategy is stated in the DUJ and BPO Corporate Development and Strategy Division and the Accounting and Financial Management Division.

Pillar 3 Risk Management Process and Risk Management Information System

Joint Planning session during the Bank Business Plan development to discuss business strategies and work program plans for each Division Work Unit at the Head Office.

The Alignment Workshop for strategic work programs plans between Head Office Work Units to achieve the targets in Work Plan & Budget and the Bank Business Plan.

Performance Management Balanced Scorecard approach, through the determination of Key Performance Indicators (KPI) with the principle of vertical and horizontal synergy.

Monitoring Strategic Initiatives by Project Management Office Work Unit. The Strategic Initiatives are non-routine work programs that are very strategic and critical, which must be carried out to achieve the work units targets.

Formation of the Corporate Plan Team in preparing BRI Corporate Long Term Plan for 2018-2022. At the Regional Office level, BRI has the Operations, Networks, Services & Performance Management Departments to monitor the achievement of business targets in its working area.

Risk Management

Monitoring and reviewing the achievement of performance targets set in the Corporate Work Plan & Budget, Bank Business Plan and Corporate Long Term Plan are carried out at the corporate level by the Corporate Development and Strategy Division on a regular basis. A review was also carried out on the achievement of work programs (Functional Work Plans) of a Work Unit at the Head Office conducted to achieve the performance targets of the Budget Work Plan.

Pillar 4 Internal Control System

If there is a realization of a Work Unit's work program that is still behind schedule due to the association with other Work Units, an alignment/acceleration of work program will be made to the Work Units for support. The alignment and acceleration of the work program is monitored by the Corporate Development and Strategy Division.

8. REPUTATION RISK

The risks that are caused, among others, due to negative publications related to the Bank's business activities or negative perceptions of the Bank.

Pillar 1 Active Oversight of the Board of Commissioners and Directors

The discussion on reputation risk profile and its managements as well as follow up is done in the RMS and RMOC Meetings.

Pillar 2 Adequacy of Policy, Procedures and Thresholds Determination

To control reputational risk, the Corporate Secretariat Division has been appointed to manage any negative information. The reputation risk management process is contained in the DUJ and BPO Corporate Secretariat Division. Complaint Handling procedures with certain SLAs.

Pillar 3 Risk Management Process and Risk Management Information System

- a. The reputation risk identification activities are carried out periodically by the Corporate Secretariat Division by looking at the negative reports against BRI, the customer complaints in the print and electronic mass media, call centers and company ratings.

- b. The reputation risk measurement aims to estimate the level of vulnerability encountered by BRI's reputation. Following the identification process, a measurement of reputation risk will be carried out to assess the reputation risk category by using several parameters in accordance with the limit parameters in the reputation risk profile report.
- c. The risk monitoring is carried out by the Corporate Secretariat Division by periodically monitoring the complaints and negative coverage in the mass media and report it in the reputation risk profile.
- d. The reputation risk monitoring at Regional Offices is carried out by the OJL Section of Service Section of each Regional Office, namely by conducting periodic monitoring of the quality of services in the Branch Office, Sub Branch Office and BRI units, where each year a quarterly report on compilation of handling reports is conducted for customer complaints at LKPBU.
- e. BRI's reputation risk control includes, among others, the availability of Circulars regarding Information Services and Management policies, and the Corporate Secretariat Division carries out risk control by coordinating with relevant Service and Work Units to resolve negative news and customer complaints in accordance with the established SLAs.
- f. The reputation risk parameters and thresholds have been set and reviewed regularly every year.

Pillar 4 Internal Control System

The independent review by the Internal Audit Unit (IAU) is carried out periodically on the Implementation Quality of Reputation Risk Management.

9. INTRA GROUP TRANSACTION RISK

This is a risk due to the direct or indirect dependency of an entity to other entities in a financial conglomerate in order to fulfill the obligations of a written agreement or an unwritten agreement that followed by a fund transfer and/or without a fund transfer.



CORPORATE GOVERNANCE

Risk Management

Risk Management Mitigation

Pillar 1 Active Oversight of the Board of Commissioners and Directors

- a. BRI Compliance Director as Director in charge of the Integrated Risk Management function in BRI Financial Conglomerate.
- b. BRI Board of Directors established the Integrated Risk Management Committee and has held the Integrated RMC Forum to discuss Intra-Group Risk and Intra-Group Risk Policies in BRI Financial Conglomerate.
- c. The Main Entity Board of Commissioners is responsible for the effectiveness of Integrated Risk Management and is responsible for:
 1. Directing, approving and evaluating the Integrated Risk Management policies.
 2. Evaluating and providing improvement recommendations on the implementation of Integrated Risk Management periodically.
- d. Periodic forum with Subsidiaries has been done by the Integrated Risk Management Unit to discuss Intra Group Risk Profile.

Pillar 2 Adequacy of Policy, Procedures and Thresholds Determination

The following are policies that regulates the Integrated Risk Management:

- a. Decree Nokep: DIR 313-DIR/DMR/06/2015 dated 30 June 2015 on the Integrated Risk Management Policy of PT Bank Rakyat Indonesia (Persero) Tbk and Subsidiaries.
- b. Decree No. PP.04-Dir/EMP/06/2019 dated 13 June 2019 on the Bank Rating Assessment Procedures Guidelines of PT Bank Rakyat Indonesia (Persero) Tbk.
- c. Decree of the Risk Management Committee Nokep: 807-DIR/CDS/11/2019 dated 26 November 2019.

Pillar 3 Risk Management Process and Risk Management Information System

- a. Quantitative and qualitative integrated Intra-Group Risk Identification conducted by the Integrated Risk Management Unit, which has a significant effect on the condition of BRI Financial Conglomerate.
- b. Measurement of Intra-Group Inherent Risk and Quality of Implementation of Intra-Group Risk Management through the Integrated Risk Profile Report.
- c. Risk Monitoring and Control through the Subsidiaries Risk Profile Discussion Forum, which is held periodically to discuss Intra-Group Risk Issues and follow-up plans.
- d. The intra-group transaction risk management process has been adequate. To control intra-group transaction risk, the Investment Service Division has been appointed as a work unit that manages subsidiaries.

Pillar 4 Internal Control System

- a. Effectiveness of Intra-Group Risk Awareness culture at BRI Financial Conglomerates.
- b. The independent review on the quality of Intra-Group Risk Management Implementation by Internal Audit Unit is conducted periodically at least once a year.

10. INSURANCE RISK

This is a risk due to the failure of insurance companies to meet the obligations to policyholders as a result of inadequacy of underwriting, determination of pricing, the use of reinsurance, and/or claim handling.

Risk Management Mitigation

Pillar 1 Active Oversight of the Board of Commissioners and Directors

- a. BRI Compliance Director as Director in charge of the Integrated Risk Management function in BRI Financial Conglomerate.

Risk Management

- b. BRI Board of Directors established the Integrated Risk Management Committee and has held the Integrated RMC Forum to discuss Insurance Risk and its Policy in BRI Financial Conglomerate
- c. The Main Entity Board of Commissioners is responsible for the effectiveness of Integrated Risk Management and is responsible for:
 - 1. Directing, approving and evaluating the Integrated Risk Management policies.
 - 2. Evaluating and providing improvement recommendations on the implementation of Integrated Risk Management periodically.
- d. Periodic forum with Subsidiaries has been done by the Integrated Risk Management Unit to discuss Insurance Risk Profile.

Pillar 2 Adequacy of Policy, Procedures and Thresholds Determination

The following are policies that regulates the Integrated Risk Management:

- a. Decree No. PP.04-Dir/EMP/06/2019 dated 13 June 2019 on the Bank Rating Assessment Procedures Guidelines of PT Bank Rakyat Indonesia (Persero) Tbk.
- b. Decree No 807-DIR/CDS/11/2019 on the Risk Management Committee (RMC).

Pillar 3 Risk Management Process and Risk Management Information System

- a. Quantitative and qualitative integrated Insurance Risk Identification conducted by the Integrated Risk Management Unit, which has a significant effect on the condition of BRI Financial Conglomerate.
- b. Measurement of Insurance Inherent Risk and Quality of Implementation of Insurance Risk Management through the Integrated Risk Profile Report.
- c. Risk Monitoring and Control through the Subsidiaries Risk Profile Discussion Forum, which is held periodically to discuss Insurance Risk Issues and follow-up plans.

Pillar 4 Internal Control System

- a. Effectiveness of Insurance Risk Awareness culture at BRI Financial Conglomerates.
- b. The independent review on the quality of Insurance Risk Management Implementation by Internal Audit Unit is conducted periodically at least once a year.

TARGET AND IMPLEMENTATION OF RISK MANAGEMENT FUNCTION IN 2019

Risk Work Program Activities

1. Preparation of Risk Appetite Statement (RAS)

In the preparation of Risk Management policy and strategy, BRI Board of Directors provides clear direction on the level of Risk Appetite, Risk Tolerance and Risk thresholds to effectively carry out risk control. The determination of risk tolerance and risk threshold is carried out by taking into account the level of risk appetite and BRI overall strategy.

Risk Appetite is defined by quantitative, qualitative, and zero tolerance statement related to BRI business goals and objectives. Risk Appetite is reviewed annually or at any time by taking into account the changes in BRI's business plan and objectives and the changes in business environment conditions.

Determination of Risk Appetite is used as an objective guide in making strategic decisions related to Risk management, as a tool for the Management in implementing good business governance and as a guide from the Management to Work Units regarding the types and amounts of risks that can be accepted and managed.

2. Preparation of Recovery Plan

As one of the banks that has been designated as a Domestic-Systemically Important Banks (D-SIB or Systemic Bank) in Indonesia, BRI has an obligation to prepare an Action Plan document regulated in POJK No. 14/POJK.03/2017 concerning the Action Plan.



CORPORATE GOVERNANCE

Risk Management

The Action Plan contains various mechanisms that expected to prevent, restore, and/or improve BRI financial condition as a result of the financial crisis or other financial market disruptions that may jeopardize the business continuity of Systemic Banks.

In the Bank overview, BRI has conducted a materiality and rating analysis for its business lines, office networks and subsidiaries. The analysis was carried out using a materiality scorecard based on specified quantitative and qualitative indicators. The rating is conducted based on business lines, subsidiaries ratings and office networks. For external business relations, BRI conducts analysis based on the aspects of (1) Intra-financial system assets, (2) Intra-financial system liabilities, and (3) securities outstanding as well as 10 (Ten) significant counterparts (Obligors, Deposits, Treasury Counterparties) according to current common practices. For the analysis of impact of systemic changes scenarios, BRI conducts Stress Testing activities which are divided into 2 (two) scenarios namely Idiosyncratic and Market-wide scenarios. On Idiosyncratic scenario, BRI develops scenarios related to concentrations in the obligor and the existing industry. On Market-wide, BRI applies Regulatory Stress Testing Financial Stress Assessment Program (FSAP) based on scenarios set by FSAP as a representation of the crisis conditions that may occur.

3. Assessment of New Product and Activities Risk Management Adequacy

The Risk Management process for the issuance plan of new product and/or activity (PAB) in BRI is carried out through PAB Risk Self Assessment by Product Owner and follow by assessment request to the Risk Management Unit on the adequacy of PAB risk management for further recommendation and approval by BRI Risk Management Director.

4. Risk Awareness Culture

The practice of Risk Awareness Culture reflects the values and commitment of BRI Board of Directors to enhance BRI employees' awareness of risk management. Risk Awareness Cultural Elements are the basic aspects of Risk Awareness Culture that underlines the application of Risk Awareness Culture which consists of; Commitment, Performance Management, Risk Management, Communication, Training and Development, Reporting and Monitoring.

Risk Awareness Culture started from the management commitment as stated in the company's strategy, initiative strategy, and risk strategy to establish a risk appetite statement. Risk Awareness Culture is reflected in the determination of risk-based performance management through KPI (Key Performance Indicators) which is cascaded from the management commitment.

BRI has already in place the materials to develop a risk awareness culture such as interactive games that will be implemented in the Performance Enhancement Forum at Work Units across Indonesia. In addition, the risk reporting and monitoring system through operational risk management tools creates a culture of mutual feedback that can be received positively to bring the company to a better direction.

5. Automation of Business Continuity Management (BCM) Updates

To facilitate the Work Unit on BCM implementation, a BCM document module has been embedded into the BRIOPRA Operational Risk Management application, which includes the update of Business Impact Analysis, Risk and Threat Assessment (RSA), Disaster Assessment, and Call Trees in the Work Units.

6. Improvement of Integrated Operational Risk Management Tools

The development of Operational Risk Management Tools will be integrated with BRI's risk monitoring application, hence it can provide feedback such as predictive risk in both severity and likelihood.

Risk Management

In addition, improvements were also made to provide user friendly tools for implementing Risk Management.

7. Preparation of Minimum Operational Risk Capital (MMRO) Standardized Approach

Preparations are carried out through improvements recording data loss and recovery of losses process on Operational Risk. To this end, a joint development of Sub Ledger development will be carried out to record loss data and loss recovery from Operational Risk integrated with BRI's New Financial System.

8. Development of Employee Risk Profile Dashboard

The development of this model includes the Know Your Employee (KYE) module which aims to analyze the employees risk profile in each work unit, and the Know Your Customer (KYC) module which aims to analyze BRI customer risk profile.

Credit Risk Monitoring

1. Credit Risk Issues in Risk Management Committee (RMC)

- a. Credit Quality Prognosis in December 2019
The NPL and TPF growth in 2019 is higher than the growth of loans outstanding, hence businesses need to be aware on the potential of non-performing that will occur at the end of Q4 2019 including the potential for recurring of EY downgrades every year. The credit strategy is to focus on a sound business sector according to the prepared business pipeline hence credit quality is expected to be achieved by the end of 2019 according to the management's targets.
- b. High Loan at Risk (LAR)
The cause of non performing credit quality is due to the weak credit analysis process and lack of monitoring, hence credit proponents must sharpen credit analysis by increasing knowledge in conducting 5C analysis including the utilization of Loan Portfolio Guidelines (LPG), as well as monitoring on site and off site until credit is paid off.

c. KUR Challenges

The challenges of Micro KUR allocation from the government at Rp100 T and Small KUR at Rp20 T in 2020 have impacted the opportunity loss of non-KUR credit interest income, control of marketing officers, and the potential loss of collateral efficiency. In addition, as an awareness of KUR credit expansion going forward, the trend of KUR credit quality in the last three years were presented.

2. Credit Risk Awareness Presentation to Regional Units as credit risk control.

- a. Potential KUR loan losses due to late submission of claims.
- b. Credit quality monitoring realized in the past 1 year.
- c. Increased Allowance for Impairment Losses due to small arrears (Rp15 thousand).
- d. High collectibility of third party funds in the Small and Retail segments.
- e. Review and monitoring Individual Allowance for Impairment Losses.
- f. Monitoring credit quality per segmens.
- g. Differences in debtors static data and restructuring credit decisions have the potential to increase Allowance for Impairment Losses costs.
- h. Kupedes loans cash collateral that set PPAP.
- i. Loan reactivation.
- j. Credit portfolio management review under special attention (TPF) of November 2019 position.

3. Assistance and Dissemination of Credit Risk Monitoring to Regional Units

Credit risk monitoring activities are carried out thematically, particularly in regional units that record high credit quality (TPF, NPL, LAR).

4. Backtesting Internal Model

Conduct an annual feasibility test on the credit risk model to test the suitability of the model remain for use or needs for changes in parameters (redesign model).



CORPORATE GOVERNANCE

Risk Management

5. Credit Risk Management Handbook

The CRM handbook is a pocket book containing the critical points of credit, risk issue and control procedures for Consumer business segment compiled based on policy.

6. Credit Performance Report (ERM Report)

BRI Credit Performance Reports are carried out every month to monitoring and analyzing the achievement of credit performance for further report to the Board of Directors and Business Division.

7. Regular Monthly Reports

- a. LLL monitoring report to OJK
- b. Credit Restructuring Development Report to OJK and Commissioners

BRI Greenbanking Roadmap will be realigned according to POJK No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. Pursuant to the POJK, BRI as the BUKU IV Bank is required to apply SF as of 1 January 2019. The roadmap in general are: 2017 is the stage of policy formulation, capacity building and dissemination enhancement. 2018 is adjusted to POJK, aligned BRI's internal regulations and prepared an action plan for 2019. In 2019 adjustments were made to the derivative policies and implemented the 2019 sustainable financial action plan and prepared a Sustainability Report.

Develop policies related to sustainability: General Sustainability Policy. Green Banking Policy Formulation

Green banking Policy

Improved economies globally rendered a negative impact on the environment. Attention to the environment is increasingly carried out by various parties, both at the global and local levels. It was realized that the banking sector role was significant in fostering environmentally responsible investment as the banks disbursed credit to various sectors. As such the Financial Services Authority encourages the adoption of Sustainable Finance (SF) in banking or often called green banking.

The following are reasons for BRI to implementing green banking as green banking is considered to render a positive impact:

1. A real contribution of BRI's role toward the economic impact balanced with the social environment and nature conservation
2. Improve BRI's reputation hence it can ultimately increase BRI's value to the stakeholders
3. Part of the social environmental and governance (LST) risk management which is in line with the principles of banking prudence
4. Opening business opportunities, cooperation and funding related to green funds with national and international institutions.

Issues of Climate Change, environmental degradation and increasingly widening social inequalities change the paradigm of economic development throughout the world. Long-term effects that can be caused by climate change and social issues must receive attention by various parties at both global and local levels. It was realized that the banking sector role was significant in fostering environmentally responsible investment as the banks disbursed credit to various sectors. As such the Financial Services Authority encourages the adoption of Sustainable Finance (SF) in banking or often called green banking).

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Risk Management

BRI Greenbanking Roadmap will be realigned according to POJK No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies. Pursuant to the POJK, BRI as the BUKU IV Bank is required to apply SF as of 1 January 2019. The roadmap in general are: 2017 is the stage of policy formulation, capacity building and dissemination enhancement. 2018 is adjusted to POJK, aligned BRI's internal regulations and prepared an action plan for 2019. In 2019 adjustments were made to the derivative policies and implemented the 2020 sustainable financial action plan and prepared a Sustainability Report.

To become a green banking champion and prepare the implementation of POJK, BRI has implemented SF in stages, among others:

1. Join the pilot project "First Step To Be A Sustainable Finance" in collaboration with WWF Indonesia.
2. Develop policies related to sustainability: General Sustainability Policy. Sustainability Implementation Strategy Policy and Risk Management Policy for LST Palm oil sub sector.
3. Prepare annual Sustainability Reports.
4. Capacity building for BRI employees particularly for credit analysts.
5. Internal campaign to create awareness for BRI employees specifically and BRI borrowers in general.
6. Active participation in various activities carried out by regulators and related parties/agencies.
7. Participate in sustainable finance award events among others Sustainable Finance Award held by OJK.
8. Sustainability Implementation Strategy Policy and Risk Management Policy for LST Palm oil sub sector.
9. Prepare annual Sustainability Reports.
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11. Internal campaign to create awareness for BRI employees specifically and BRI borrowers in general.
12. Active participation in various activities carried out by regulators and related parties/agencies.
13. Participate in sustainable finance award events among others Sustainable Finance Award held by OJK.

Loan Portfolio Guidelines (LPG)

At the portfolio level, credit risk management is carried out by implementing a Loan Portfolio Guideline (LPG) in each credit initiative. Through LPG, BRI regulates the direction of loan portfolio growth in prospective industry sectors, with an acceptable level of risk and maintaining portfolio diversification at an optimal level. To strengthen credit portfolio risk management, BRI is developing pipeline management digitizing and initiating the development of an LPG dashboard to improve the effectiveness of monitoring loan portfolio growth in each region.

BRI Market Code of Conduct

To build a credible, resilient, stable, and continuously developing and favorable Indonesia Financial Market to support the national economic development, Bank Indonesia has issued PBI No. 19/5/PBI/2017 dated 13 April 2017 on the Treasury Certification and Application of Market Code of Conduct, and Regulation of Members of the Board of Governors (PADG) No. 19/5/PADG/2017 dated 28 April 2017 on the Implementation of Treasury Certification and Application of the Market Code of Conduct. The application of PBI and PADG is aimed at increasing the Market Participant's competency standards, standards of Treasury Certification by the Professional Certification Agency; integrity of Market Participants, Directors and Employees; and the application of the precautionary principle.



CORPORATE GOVERNANCE

Risk Management

The Market Code of Conduct is a professional moral norm on the mandatory actions and actions that shall be avoided, which serves as conduct guidelines in the Money Market and Foreign Exchange Market and their derivatives. BRI Board of Directors and Employees shall apply the Market Code of Conduct in carrying out Treasury Activities. The Market Code of Conduct is a guideline for the Board of Directors and Employees based on conventional principles that refer to the code of conduct issued by professional associations and/or financial service industry associations/committees. The Indonesian Foreign Exchange Market Committee (IFEMC) as a professional association in Indonesia has issued a Code of Conduct for Market Players in the Guideline to Market Practices in the Financial Markets, 3rd Edition. Based on this, BRI has compiled a market code of conduct in Treasury activities aimed at:

1. Provide guidance on behaviour, action, improve discipline and integrity for every BRI Management and Employees in conducting transactions in the domestic and foreign financial markets, including Senior Management, Management and Dealers involved in transactions in the financial markets.
2. Minimum standards of behavior used as a reference in market best practices for BRI Management and Employees. The implementation of Market Code of Conduct is adjusted to the complexity of BRI's business while remain in due observance to the prevailing regulations.

Market Code of Conduct has been issued in 2018, and has been disseminated in 2019 to employees through module and e-learning MCO cooperated with BRI Corporate University.

Early Warning Indicators for Liquidity

Liquidity risk is a risk that is detrimental to the live of a bank. The regulator requires the Bank to have High Quality Liquid Assets to cover net cash outflows under stress conditions for at least 30 days. BRI develops an early warning system mechanism, which is an indicator to determine the potential increase in liquidity risk and provides a signal to the management hence necessary follow-up and mitigation can be taken, thereby the Bank has ample time to recover the potential of liquidity tightening in the future. The early warning indicators include internal and external indicators monitored by the

Assets & Liabilities Management Division and the Treasury Division as liquidity risk management units, as well as the Operational & Market Risk Management Division.

Apart for head office levels, the Early Warning Indicators are also developed for Regional Offices and Branch Offices that function as early warnings toward liquidity parameters at work units.

BASEL IMPLEMENTATION

The Company has implemented several Basel Pillars in the its Risk Management practice, among others:

1. Capital

Pursuan to POJK No. 11/POJK.03/2016 on Commercial Banks Capital Adequacy Ratio, BRI has ensured the fulfillment of its capital has met the minimum capital adequacy ratio according to risk profile, and set capital addition as buffer, which include Capital Conversation Buffer, Countercyclical Buffer and Capital Surcharge for Domestic Systematically Important Bank (D-SIB), moreover BRI has met the minimum Leverage Ratio requirement that has been reported quarterly to the regulators.
2. Operations

Calculation of minimum capital for operational risk by using Basic Indicators Approach pursuant to SEOJK No. 24/SEOJK.03/2016 on the Calculation of Risk Weight Assets Calculation for Operational Risk by using Basic Indicators Approach.
3. Market and Liquidity
 - a. Calculation of minimum capital for market risk using Standardized Model pursuant to POJK No. 38/SEOJK.03/2016 on the Guidelines of Standard Method Usage in calculating Capital Adequacy Ratio Obligation for Commercial Banks by taking into account the Market Risk.
 - b. Measurement of the Bank Liquidity resiliency using Basel III Approach: Liquidity Coverage Ratio & Net Stable Funding Ratio, pursuant to POJK No. 42/POJK.03/2015 on the Mandatory of Liquidity Coverage Ratio Fulfillment for Commercial Banks and POJK No. 50/POJK.03/2017 on the Obligation of Net Stable Funding Ratio Fulfillment for Commercial Banks.

Risk Management

- c. Measurement of Interest Rate Risk in the Banking Book (IRRBB) pursuant to SEOJK No. 12/SEOJK.03/2018 on Risk Management Practices and Measurement of Standardized Approach Risk for Interest Rate Risk in The Banking Book.

Risk Profile Assessment

Risk management is carried out in all bank activities by referring to the management standard stipulations set by the regulators. The process of risk management which includes risk identification, measurement, monitoring and control is carried out continuously through three lines of defense, which are all risk taking units as the first line, compliance and risk management units as the second line and internal audit unit as the third line. The assessment results of risk profile in the fourth quarter of 2019 stated that BRI risk profile of low to moderate level indicates the Bank's ability to maintain the level of risk management in line with banking business development and competition in Indonesia.

Self Assessment

1. Risk Profile Rating

BRI Risk profile at the Quarter IV-2019 was positioned based on December 2019 data (unaudited). The overall rating of BRI Risk Profile is Low to Moderate (Inherent Risks).

The composite predicate of Inherent Risk is Low to Moderate with a detailed risk rating for Low to Moderate for credit, market, liquidity, strategic and reputation risks, while the operational risk rating is moderate and the legal risk rating is low.

2. Quality of Risk Management Practices

The composite quality predicate for the application of Risk Management is Satisfactory with the details of the Satisfactory rating covering credit, market, liquidity, legal, strategic, compliance and reputation risks, while the operational risk is ranked as Fair.

Conclusion

BRI Risk Profile Rating as of December 2019 is Low to Moderate (Ranked 2) that has not changed compared to the risk profile rating in December 2018 (Low to Moderate/ ranked 2).

Evaluation of Risk Management System Effectiveness

To maintain the objectivity and independency of the risk management system effectiveness, periodical testing of risk management system effectiveness is carried out through risk management review by a separate unit and Risk Management Unit.

Integrated Risk Management

The integrated risk management implementation in BRI includes 4 stages, which are identification, measurement, monitoring and control in accordance with prevailing regulations. The implementation was carried out on all factors (qualitative and quantitative) that had a significant impact on the financial condition of BRI Financial Conglomerate.

The integrated risk management application in BRI risk management among others:

1. Stipulation of Integrated Risk Thresholds
 The risk threshold is prepared by considering input from members of BRI Financial Conglomerate. Determination of risk thresholds includes the overall threshold, the threshold of each type of risk and the threshold of each member of the Financial conglomerate that has risk exposure. The risk threshold will be reviewed periodically by BRI Enterprise Risk & Management Portfolio Division for any changes in conditions. BRI Enterprise Risk & Management Portfolio Division reports the periodic monitoring results to BRI Board of Directors or Risk Management Committee.
2. Integrated Risk Profile Report



CORPORATE GOVERNANCE

INTERNAL CONTROL SYSTEM

Legal References

Legal references of BRI Internal Control System are as follows:

1. POJK No. 18/POJK.03/2016 dated 16 March 2016 on the Risk Management Practices for Commercial Banks.
2. SEOJK No. 35/SEOJK03/2017 dated 7 July 2017 on the Guidelines of Internal Control System Standards for Commercial Banks.

BRI Internal Control System also refers to:

1. Code of Conduct, Compliance Culture, GCG Policy, Gratification Control Guidelines, Conflicts of Interest Handling General Guidelines, Anti-Fraud Strategies and WBS Policies
2. Organizational Structure, Determination of Formation & List of Job Descriptions of All Work Units.
3. Operational Risk Management Tool Policy.
4. Risk Management Policies & Operational Guidelines for New Product and Activity Issuance Plans.
5. Operations Manual.
6. General Policy and Organizational Guidelines.
7. General Policy and Guidelines for the Bank's Long Term Plan & Business Plan.
8. IT Governance & IT Risk Management Policies.
9. IT General Policy.
10. Credit General Policy & Guidelines.
11. Bookkeeping Stipulations and Verifications including Users Authority in BRINETS Internal Audit Charter.

Appropriateness of Internal Control System with COSO

BRI has implemented internal control system according to COSO IC framework (Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring).

Internal Environment

The first element of BRI internal control structure includes commitment, policy, behavior and the involvement of the Board of Directors, Board of Commissioners and all BRI employees on the importance of effective internal control. BRI Board of Commissioners ensures BRI Board of Directors have monitored the effectiveness of internal control system through regular meetings with the Directors and Executive Officers to discuss the effectiveness of Internal Control System. The Board of Directors monitors the adequacy and effectiveness of the internal control system by ensuring the internal implementation function have been carried out by the executives and employees.

In its oversight, BRI management sets the control culture, such as:

1. Adequate organizational structure with set of duties and responsibilities according to prevailing rules.
2. Human capital policies and procedures that includes planning, recruitment, development and trainings, remuneration and performance management.
3. Integrity and ethics values are reflected in BRI core values and Code of Conduct that shall be adhered to by all employees.
4. Taking the GCG principles into account on all duties implementation and responsibilities of the Board of Directors and Commissioners.

Objective Setting

BRI has implemented corporate objective setting through Key Performance Indicators (KPI) at every work unit that in line with the corporate vision and mission. KPI is disseminated to employee and periodical review is carried out to achieve the corporate targets and goals.

Internal Control System

Event Indication

BRI has implemented Risk Control Self Assessment (RCSA) in the identification of events and risks that will be encountered by the company. The RCSA is carried out by all BRI work units in determining the work unit's risk profile for events and encountered risks for evaluation.

Risk Assessment

The awareness of all BRI employees towards a risk awareness culture that includes risk evaluation, assessment and mitigation. A more detailed explanation on internal control system for the Bank risks is presented in pillar 4 of the Risk Management Chapter.

BRI periodically evaluates the risk profile as a risk mitigation that has the potential to jeopardize the company. In implementing integrated risk management in the financial conglomerate, BRI manages and assess 10 (ten) risk types as follows:

Credit Risk

The assessment of an internal model using a standard model by calculating the probability of default and loss given default for each business segment based on the shift in collectability. In addition, a series of stress tests are also conducted to measure the maximum potential for loss in the event of a stress condition.

Market Risk

Periodically (daily, weekly, monthly) assessments by calculating market risk, including approaches of standardized methods and internal measurement models (VaR) through GUAVA application and NII simulations every time there is a change in market interest rates, and managing the maturity profile of securities. The standardized method approach is carried out by calculating interest rate risk and exchange rate risk on the position of all BRI financial instruments classified as trading books and banking books that exposed to interest rate risk and exchange rate risk.

Liquidity Risk

Identification, measurement and monitoring are carried out through the daily liquidity profile dashboard, while control is carried out through liquidity contingency plan protocol. Liquidity risk assessment includes liquidity ratios, cash flow projections, maturity profiles, NSFR and LCR, setting of liquidity risk thresholds and stress tests.

Operational Risk

Risks assessment due to inadequate or malfunctioning of internal processes, human errors, system failures or external problems that impact the bank operations.

Legal Risk

Risks assessment due to legal weaknesses including lawsuits, absence of supporting laws or weaknesses in agreements, such as incompliance with the legal requirements for contracts and imperfect binding.

Strategic Risk

Risks assessment that include the improper determination and implementation of bank strategies, inaccurate business decisions making or less responsive to the banks against external changes.

Reputation Risk

The risks due to negative publications on bank business activities or negative perceptions of the banks. The measurement aims to estimate the level of reputation risk vulnerability encountered by BRI. The assessment includes parameters such as the influence of reputation of the bank owners and companies, violations of business ethics, product complexity and bank business cooperation and the frequency and materiality of negative bank reporting and customer complaints.



CORPORATE GOVERNANCE

Internal Control System

Compliance Risk

The risks due to incompliance with or ignorant of the prevailing laws and regulations. The assessment is carried out on the parameters of type, significance, nominal and frequency of violations of the applicable stipulations.

Insurance Risk

The risks assessment due to failure of insurance companies to meet obligations to policyholders as a result of inadequacy in the risk selection process, premium setting, reinsurance use and/or claim handling.

Intra Group Transaction Risk

The risks assessment due to the dependence of an entity either directly or indirectly to other entities in a financial conglomerate in order to fulfill the obligations of a written agreement or an unwritten agreement followed by a transfer and/or without the transfer of funds.

In addition to conducting regular risk assessments, the management also evaluates the assessment results of the company's risk profile to determine actions and controls for the risk assessment. The management has set an Early Warning System on every business process that considers risky and has the potential to jeopardize the company.

Risk Response

The management evaluates the assessment results of the company's risk profile to determine actions and controls for the risk assessment. The management has set an Early Warning System on every business process that considers risky and has the potential to jeopardize the company.

Control Activities

The actions determined through policies and procedures to control a risk at all levels of the organization and various business processes in BRI. Control activities can assist the Board of Directors and Commissioners in managing and controlling risks that can impact the performance or detrimental to the company. The control activities are as follows:

1. Control activities generally involve all BRI employees at all levels of organization. BRI's control activities are stated in BRI Policy and Procedure Architecture. Control system in every business process includes:
 - a. Application of MCS (maker, checker, signer) functions in authorization and verification activities.
 - b. Application of segregation of duties through segregation of functions in carrying out tasks hence it does not have the opportunity to carry out and hide deviations in duties implementation.
 - c. Four Eyes Principles application in credit process for all segments; segregation of function of credit initiators and decision makers.
 - d. Three line of defense application for multi-layered defense activities.
2. Control activities according to organizational functions include:
 - a. Top Management Reviews
 - b. Control activities in Risk Management includes:
 - I. Credit risk control includes procedures to improve credit quality through restructuring, minimizing credit quality losses through restructuring, write-off procedures for non performing loans

Internal Control System

- II. Market risk control includes the design of market risk management, preparing and analyzing periodic reports on outputs generated by internal models such as daily foreign exchange position analysis reports, market risk exposure reports, the implementation of Market Risk Management Committee forum and the Asset & Liability Committee (ALCO) forum.
 - III. Liquidity risk control includes the Protocol Liquidity Contingency Plan.
 - IV. Operational risk control includes product assessment procedures, Protocol Liquidity Contingency Plans for catastrophic events.
 - V. Legal risk control by examining the legal aspects of new products and activities.
 - VI. Strategic risk control is set out in the General Long Term Plan policy, Guidelines of Long Term Plan and Corporate Work Plan and Budget.
 - VII. Reputation risk control is stated in BRI Directors Circular regarding Information Services and Management Policies.
 - VIII. Compliance risk control is carried out by conducting a review of each external regulation and an impact analysis is carried out for the company to be further outlined in each company's internal rules.
 - IX. Insurance risk control as part of the risks inherent in BRI as the main entity in charge of subsidiaries engaged in insurance through the Risk Profile Discussion Forum.
- c. Intra-group risk control is carried out by the Desk Subsidiary appointed by management as a work unit that manages the subsidiaries.

Information & Communication

BRI has a relevant and quality information system related to financial conditions, business activities, risk management and compliance, market conditions, and other conditions in supporting the duties and responsibilities of the Board of Directors and Board of Commissioners. The internal and external communication is also regularly carried out to support the proper function of the company's internal control.

Monitoring

The ongoing assessment process of monitoring the effectiveness of the design and operation of internal control structures and management performance that has been carried out and functioning. BRI's internal control system monitoring is carried out through the Three line of defenses, which are:

1. 1st line of defense as risk owner which is Work unit that carries out business and operational activities and manages the encountered risks faced (among others Operating Units)
2. 2nd line of defense is Work Unit that carries out supervision functions (among others RM of Head Office & Regional Offices, Compliance Division and Policy & Procedures Division).
3. 3rd line of defense is Work Unit that carries out assurance. The IAU is part of the Internal Control System that carries out the oversight function on internal control system monitoring.

The results of IAU oversight and monitoring to internal control system are submitted to the President Director, Compliance Director and the Board of Commissioners.



CORPORATE GOVERNANCE

Internal Control System

Internal Control System Elements

BRI has in place the internal control system policy covering five components as follows :

1. Oversight by the Management and control culture
2. Risk identification and assessment
3. Control and segregation of functions
4. Accounting, information and communication systems
5. Monitoring and fraud correction actions

All BRI management and employees have the roles and responsibilities in improving the quality and implementation of internal control system. The parties involved and responsible for the implementation of internal control system include the 1st line of defense (Management and all BRI Employees), 2nd line of defense (Risk Management Unit, Risk Management Function, and Compliance Unit), and 3rd line of defense (IAU including Resident Auditor of Branch Offices and Resident Auditor of Units).

Internal Control System Implementation

Internal Control System implementation refers to SEOJK No.35/SEOJK03/2017 dated 7 July 2017.

Oversight by the Management and Control Culture

The Board of Directors and Commissioners have taken an active role in the oversight and shaping the control culture in the company.

1. The Board of Commissioners ensures the Board of Directors has monitored the internal control system effectiveness by holding regular meetings with the Directors and Executives to discuss the internal control system effectiveness.
2. The Board of Directors monitors the adequacy and effectiveness of internal control system by ensuring the implementation of internal functions by all employees.

The following are oversight carried out by the management, among others:

1. BRI has the procedures to identify, measure, monitor and control the risks encountered by the Bank. The Board of Commissioners plays a role in determining the level of risk tolerance of the company.
2. BRI has an adequate organizational structure with assignments of duties and responsibilities in accordance with prevailing regulations.
3. BRI has already in place the policy architecture which stated internal control policies and procedures for operational activities.
4. Monitoring the improvement of internal and external audit findings.
5. Regularly carry out communication at all levels of the organization, including communication between the Directors and Commissioners.
6. Monitoring the effectiveness of Internal Control System.
7. Implementation of Internal Control System Review.

Control Culture

The Board of Directors and Board of Commissioners create an organizational culture that emphasizes on the importance of internal control to employees. The implementation includes:

1. All operational policies, standards and procedures are documented in writing and can be accessed by all employees, through:
 - a. BRIPEDIA App
 - b. BRISHARE App
 - c. HR Library in BRISTARS app
2. Policies related to Integrity and ethical values are reflected in the BRI core values, BRI GCG Policy, BRI Code of Conduct, Guidelines for Gratification Control and Conflict of Interest Guidelines that must be followed by all BRI employees.
3. Policies and procedures related to BRI's human capital management include planning, recruitment, development & training, remuneration, performance management and disciplinary action.
4. Signing of the integrity pact by the Board of Commissioners, Directors and all BRI Employees.

Internal Control System

Risk Identification and Assessment

BRI periodically and continuously conducts risk assessments that may impact the company's objectives. Risk assessments are also carried out by internal audit unit in carrying out audit activities through risk based audits. More detailed risk identification and assessment is presented in the Risk Management Chapter.

Internal controls are reviewed by the Internal Audit Unit annually through Risk Management Review activities.

Control Activities and Segregation of Functions

Control activities include the establishment of control policies and procedures and an early verification process to ensure the policies and procedures are consistently adhered to. Control activities are implemented at all functional levels in accordance with BRI's organizational structure.

Top Level Review

BRI regularly conducts top level reviews annually on Anti-Fraud Strategy. The review results include a thorough evaluation related to the pillars of the company's anti-fraud strategy hence it can detect existing problems and to formulate improvements for implementation by the relevant work units.

Functional Review

The Internal Audit Unit carries out assurance activities and providing consultancy services on the adequacy and effectiveness of internal control system, risk management and corporate governance. Audit activities are conducted regularly at each level of BRI Work Unit. The IAU submits regular reports to the President Director, and the Audit Committee with copies to the Compliance Director. The Internal Audit Unit evaluates the corrective measures submitted by the Auditee.

In addition to conducting audit activities, BRI Internal Audit Unit has periodically reviewed the implementation of risk management and Anti Fraud Strategy.

Information System and Technology Control

The Information Technology Unit (IT) implements adequate control practices as part of the overall IT risk mitigation strategy by taking into account:

1. Risk assessment results.
2. Risk management criteria and recommendations of risk management.
3. Laws and other regulations or contractual requirements.
4. Control practices among others:
 - a. Implementation of policies, standards, procedures and organizational structures including workflows.
 - b. Effective internal control that can mitigate risks in the IT process.
 - c. Determination of policies, standards and procedures for managing the information security system that requires to safeguard assets related to the organization and use of IT.
 - d. Evaluate the review results and testing of the Disaster Recovery Plan.
 - e. Establish policies and procedures regarding the use of IT service providers.
 - f. Evaluate the ability of IT service providers to maintain the level of security applied by BRI from confidentiality, data integrity and information availability. Supervision and monitoring are the responsibilities of BRI management
 - g. Outsourcing IT operations to IT service providers.
 - h. The use of insurance as an effort to mitigate potential losses in IT operations.

Physical Assets Control

BRI's physical assets control is stated in the General Policy of Fixed Asset and Logistics Management (KEMAL). KEMAL contains BRI's fixed asset management and logistics management policies which include planning, requirements determination, funding, procurement, payment, distribution, insurance, maintenance, assets optimization, administration and reporting as well as monitoring and evaluation.



CORPORATE GOVERNANCE

Internal Control System

Documentations

The Company documents the policies, procedures, systems and accounting standards and audit processes adequately. The document is regularly updated to describe the Company's operational activities and informed to the executives and employees. The assessment on accuracy and availability of documents is also carried out in the audits by internal auditors.

Segregation of Duties

The segregation is aimed at regulating the employee to not have the opportunity to make and hide mistakes or irregularities in duties implementation at all organization levels and operational activities. The implementation includes:

1. Dual Control function in the Company's operational and business activities
2. Determination of limit authority in accessing and granting decisions on transactions.
3. Avoid in delegating the responsibility and authority which can cause conflict of interest.
4. Segregation of duties of Makers, Checkers, and Signers to several personnel in operations and business risk mitigation.

Accounting, Information, and Communication Systems

Aims as a means of exchanging information in order to carry out duties in accordance with the responsibilities of each employee. The implementation includes:

1. The accounting system has been supported by establish procedures and transaction retention schedules record.
2. BRI has an adequate information system such as BRI Management Information System (BRISIM), Loan Approval System (LAS) which is an information system covering bank business activities in credit, BRIOPRA application which is an information system on risk management, treasury and market risk (GUAVA) applications), BRISTARS Human Capital Information System, etc.
3. BRI already has in place the Disaster Recovery Plan and a backup system to prevent high-risk business failures. Periodic testing is carried out to ensure the effective system operations.

4. Communication systems can provide information to all stakeholders both external and internal by providing effective communication channels.
 - a. BRI has the Information Services and Management Policy that states the guidelines in providing information services to interested parties.
 - b. Availability of communication media on policy dissemination to all employees (BRISHARE, BRIPEDIA and HR Library).
 - c. Implementation of communication forums (upward, downward and cross-unit information) related to risk exposure information, operational performance, and corporate strategies such as Risk Management Committee Forum, Business Performance Review, Support Performance Review, National Work Meetings, Regional Work Meetings, Focus Groups Performance Improvement Discussion and Forums.

Monitoring Activities and Fraud Correction Actions

BRI continuously monitors the overall effectiveness of internal control carried out by the operating units and the Internal Audit Unit. The IAU has carried out internal control system monitoring that was submitted to the President Director, Compliance Director and Board of Commissioners.

Internal Control System Review in 2019

BRI regularly evaluates the internal control system effectiveness, whether by the 1st line of defense function as a risk owner that continuously evaluates the bank's operational activities, the 2nd line of defense function, namely Risk Management and Compliance Units, which periodically ensures the adequacy of risk management and compliance with regulations, and the 3rd line of defense function that carries out audit activities.

The Internal Audit Unit evaluates the adequacy of internal control structure to assess the reliability of internal control system hence it is expected to provide sufficient confidence that the company's goals and objectives can be achieved efficiently and economically.

Internal Control System

The assessment of internal control system adequacy is carried out through a review of policies, rules, systems or mechanisms developed by BRI to achieve compliance, information and operational objectives.

Internal Control System Evaluation Results

The Board of Directors has the responsibility of creating and maintaining an effective internal control system and ensuring safe and reliable system in accordance with the internal control objectives set by the Bank. The Board of Commissioners has the responsibility in carrying out oversight of the internal control in general. The IAU has the responsibility to regularly evaluate and take an active role in increasing the internal control system effectiveness related to the implementation of the Bank's operations that may be potentially detrimental in achieving the targets set by management. The IAU has conducted periodic reviews and assurances on activities at all organization levels including Overseas Units and Subsidiaries. The review and assurance are carried out independently with adequate reporting channels and are supported by competencies and expertise of reliable Internal Auditors.

The evaluation results of internal control system are submitted to the Board of Directors for follow up and monitoring for improvements to ensure effective performance of internal control system. The Board of Commissioners through the Audit Committee routinely reviews the evaluations results of internal control system carried out by the Internal Audit Unit and provides recommendations for improvements in the company's internal control system. Based on the evaluation carried out during 2019, the internal control system at BRI was considered adequate.

Information Objectives

BRI has the policies and procedures to implement the transparency in financial and non-financial conditions.

Furthermore, BRI has in place the policy on Document Management (document administration, control management/registers, document retention and retention). In addition, BRI has a mechanism related to policy communication to all organization levels as follows:

- a. The policy owner can upload policies on BRI Share application (Knowledge Management).
- b. The HR policy is disseminated through HR Library in BRISTARS application.
- c. The credit policy can be uploaded to the Business Information System (BIS) Application.
- d. BRI Management Information System Application (BRISIM) that provide reports required by BRI Management and or Work Units.

Operational Objectives

BRI already has in place the policies, regulations, systems and procedures that govern it's business activities, among others:

- a. Operations
Operational Guidelines (BPO) and other operational policies have been prepared as guidelines for employees in carrying out duties and responsibilities. BRI has the policies on fixed assets management, and procurement of goods and services.
- b. Credit
BRI already has the Credit Implementation Guidelines (PPK) and other credit policies as the guidelines for Credit Officers in carrying out lending activities.
- c. Human Resources
BRI has a human capital architecture, human capital management policies, human capital development policies, performance assessment policies and remuneration.



CORPORATE GOVERNANCE

Internal Control System

- d. Information Technology
To develop and manage information technology operations, BRI has the information technology policy prepared with reference to the principles of IT Governance.

Risk Culture Objectives

BRI already has in place the adequate organizational structure to support the implementation of risk management. Furthermore, to optimize the application of Risk Management, the Risk Management Function in each Work Unit is established responsible to coordinate the process of Risk Management implementation in each Work Unit.

BRI already has in place several policies, strategies and Risk Management framework, which are:

- a. Risk Management General Policy
- b. Recovery Plan Guidelines
- c. Risk Management Policy on Environmental, Social and Governance (ESG) of Palm Oil
- d. Sustainability General Policy and Strategy

BRI has ensured the implementation of corrective measures on operational issues through the regular updating of the top risk issue books which are submitted to all Operating Units. To manage the risks, BRI is supported by an application system that is integrated with the core banking system, including: BRIOPRA, LAS and Guava.

Statement of the Board of Directors and Board of Commissioners on the Adequacy of BRI's Internal Control

Based on the review results and discussions with the Management, the Audit Committee, Independent Auditors, Internal Auditors and Related Divisions, the Board of Directors and the Board of Commissioners considered the company's internal control system and risk management are adequate in identifying risks thereby the Company was able to identify and manage the risks.

THE COMPANY LITIGATION

Material litigation encountered by BRI during 2019 is as follows:

1. Credit Case (Collateral Auction Delay) : 336 cases (73.52%)
2. Credit Case (Non-Collateral Auction) : 83 cases (18.16%)
3. Operations & Services Case : 27 cases (5.91%)
4. Support Case (HR, Logistics, etc) : 10 cases (2.19%)
5. Treasury, Trade Finance & IT Cases : 1 cases (0.22%)

With the following details:

Subject	2019				
	Q I	Q II	Q III	Q IV	TOTAL
Credit (Auction Delay)	88	64	94	90	336
Credit Non Auction	9	17	35	22	83
Operations & Services	6	12	5	4	27
Supports	0	1	8	1	10
Treasury, Trade Finance & IT	0	0	0	1	1

Total cases that have obtained permanent legal status (Inkracht Van Gewijsde) are 158 cases, consisting of:

a. Resolved Inkracht Cases

The resolved Inkracht cases in 2019 was 153 Cases (96.84%), consisting of:

1. Credit Case (Collateral Auction Delay) : 123 cases (77.85%)
2. Credit Case (Non-Collateral Auction) : 24 cases (15.19%)
3. Operations & Services Case : 2 cases (1.27%)
4. Support Case (HR, Logistics, etc) : 4 cases (2.53%)
5. Treasury, Trade Finance & IT Cases : 0 cases (0.00%)

Subject	2019				
	Q I	Q II	Q III	Q IV	TOTAL
Credit (Auction Delay)	63	18	20	22	123
Credit Non Auction	4	9	6	5	24
Operations & Services	0	1	1	0	2
Supports	2	1	0	1	4
Treasury, Trade Finance & IT	0	0	0	0	0



CORPORATE GOVERNANCE

The Company Litigation

b. Lost Inkracht Cases

The lost Inkracht cases in 2019 was 5 Cases (3.16%), consisting of

1. Credit Case (Collateral Auction Delay) : 2 cases (1.27%)
2. Credit Case (Non-Collateral Auction) : 1 cases (0.63%)
3. Operations & Services Case : 0 cases (0.00%)
4. Support Case (HR, Logistics, etc) : 2 cases (1.27%)
5. Treasury, Trade Finance & IT Cases : 0 cases (0.00%)

With the following details:

LOST INKRACHT	2019				
	Q I	Q II	Q III	Q IV	TOTAL
Credit (Auction Delay)	1	1	0	0	2
Credit Non Auction	0	1	0	0	1
Operations & Services	0	0	0	0	0
Supports	1	0	0	1	2
Treasury, Trade Finance & It	0	0	0	0	0

THE COMPANY LITIGATION

From 430 cases, there are 3 (three) important cases encountered by BRI, as follows:

No.	Principal Cases	Settlement Status	Impact To BRI	Administration Sanctions
1	<p>Industrial Relations Disputes with BRI Pensioners (Case No. 29/Pdt.Sus.PHI/2019/PN.Tjk)</p> <p>This lawsuit was filed by Sjamsuddin and 37 other people in the Tanjung Karang Lampung District Court. In their lawsuit, the Plaintiffs argued that BRI was unfair in giving severance pay to the Plaintiffs where the Plaintiffs only received compensation money (not severance pay) which was not in accordance with that mandated in Law No. 13 Year 2003.</p> <p>The lawsuits filed at the Tanjung Karang PHI are in principle the same as those in Lampung, Bandung, Semarang, Yogyakarta, Central Jakarta and Surabaya which have permanent legal force.</p>	<p>In handling the litigation on industrial relations cases with BRI pensioners, postulating legal facts through answers, duplicates and conclusions, as well as submitting evidence in the form of juridical evidence, one of which is the same Industrial Relations case decisions and has obtained permanent legal force. At present the trial stage is awaiting a decision.</p>	<p>The good name/ reputation of the company, considering the Plaintiff sued relating to internal regulations and its implementation at BRI</p>	-

The Company Litigation

No.	Principal Cases	Settlement Status	Impact To BRI	Administration Sanctions
2	<p>PT Rapico Busana Indah's Lawsuit and Opposition (Case No. 258/Pdt.Plw/2019/PN.Jkt.Bar)</p> <p>PT. RBI has been a BRI debtor since 1987 and previously PT. RBI was given credit with a total ceiling of Rp26,582 billion. In its progress, PT. RBI cannot fulfill its obligations to BRI, however upon BRI efforts to conduct auction and fiat execution, PT. RBI always makes efforts to file lawsuits or fight against fiat submitted by BRI hence it hinders the credit settlement process at BRI.</p>	<ol style="list-style-type: none"> 1. Opposition to PT RBI's Execution Fiat proposed in West Jakarta, is currently in the stage of submitting conclusions, handled by BRI Lawyer Sekartaji Law Firm's Attorney. 2. Civil Lawsuit filed by PT. RBI is currently in the Mediation stage. 	Potential loss for BRI at Rp26.582 Billion	-
3	<p>PKPU PT. Dunia Textile and Group (Case No.22/Pdt.Sus-PKPU/2019/PN.Niaga.Smg) and (Case No.25/Pdt.Sus-PKPU/2019/PN.Niaga.Smg)</p> <p>DDT is a BRI debtor since 2016 with an equity execution credit of Rp1,807 Billion. In 2019 DDT experienced financial difficulties due to the trade wars between the US and China hence the debtors have difficulty in paying their obligations to BRI. For these conditions the parties agreed to carry out a credit restructuring after the PKPU process was submitted.</p>	Waiting for settlement proposal from the debtor	If settlement is not reached, then the debtor can be declared bankrupt.	-

Legal Issues Encountered by the Board of Commissioners and Board of Directors

No BRI Board of Commissioners and Board of Directors members who had legal cases related to Civil and Criminal law with BRI's business activities during 2019.

Administrative Sanctions

No administrative sanctions imposed on members of the Company's Board of Commissioners and Board of Directors during 2019.



CORPORATE GOVERNANCE

INFORMATION ACCESS CORPORATE DATA

INFORMATION ACCESS & CORPORATE DATA

BRI has in place the policy for the management of information disclosure as set forth in the Board of Directors' Circular NOSE: S.08-DIR/SKP/06/2014 regarding the Information Services and Management Policies of PT Bank Rakyat Indonesia (Persero) Tbk.



Availability of Corporate Information Access

BRI transparently provides the up-to-date financial statements information and company information that can be accessed by the public through a variety of print and electronic media including the Company's website, Social Media, the Indonesia Stock Exchange, and the SOE portal.



Company Address

BRI Head Office
 Jl. Jendral Sudirman Kav. 44-46
 Jakarta 1210, Indonesia
 Telp : (+62 21) 251 0244, 251 0254
 Fax : (+62 21) 250 0065, 250 0077

Corporate Website

www.bri.co.id









Call Centre

14017, 1500017, (+62 5798 7400)

Customer Care

callbri@bri.co.id

Social Media

-  BANK BRI
-  @bankbri_id
-  @kontakBRI
-  BANK BRI
-  @promo_BRI
-  @bankbri_id

Chatbot: Sabrina

Through facebook messenger and whatsapp/telegram: 081-212-14017



Corporate Secretary

Hari Purnomo

Telephon : (+62 21) 575 1966
 Faximile : (+62 21) 570 0916
 Email : humas@bri.co.id



Press Release

BRI press releases during 2019 can be found in the sub-chapter of the duties implementation of the corporate secretary and can be found on the Company's website.

Information Access Corporate Data

BRI Magazines

BRI has an Internal magazine called "BRllian News" which is published every month since November 2019 through print media and applications that can be accessed online. The "BRllian News" published during 2019 is as follows:

No	Monthly Edition	Themes
1	November 2019	Digitalization is a necessity
2	Desember 2019	Integrated Financial Solution

Report Submission Transparency

Report Types	Periods	Total	Reporting To
Annual Report	Annually	1	OJK and IDX
Consolidated Financial Statements of the Company and Subsidiaries	Quarterly	4	OJK, BI Finance Ministry, SOE Ministry
Shareholding Composition Report	Monthly	12	OJK
Foreign Currency Payable Report	Monthly	12	OJK
IPO Proceeds Allocation Realization Report	Monthly	12	OJK and IDX
Securities Holders Registration Report	Monthly	12	IDX



CORPORATE GOVERNANCE

CODE OF CONDUCT

Legal References

In realizing a discipline and responsible personnel with high integrity and professionalism in performing the bank business, BRI has a code of conduct that applies to all employees as stated in the Joint Decree of the Board of Commissioners and Board of Directors No 06-KOM/BRI/12/2013 and Nokep: S.65-DIR/DKP/12/2013 on BRI Code of Conduct. BRI's code of conduct is an important part of GCG framework and provides ethical guideline for employee in carrying out duties, authorities, obligations and responsibilities.

Code of Conduct Commitment

The Code of Conduct is applies to all employees in all organization levels. The continuous application of code of conduct is carried out through attitudes, actions, commitments and provisions that foster the creation of a corporate culture.

Code of Conduct Key Points

BRI's code of conduct has 9 (nine) elements, which are:

1. Compliance with Law and Bank Policies
The Bank's commitment to comply with applicable laws and regulations to strengthen the Bank's compliance culture.
2. Relationships with Stakeholders
 - a. Ethics to Customers
The Bank's commitment to providing excellent service to customers by prioritizing the principle of prudence.
 - b. Ethics to Working Partners
The Bank Commitment's with Business Partners is based on legitimate and fair business practice and uphold professionalism by always prioritizing the interests of the company.
 - c. Ethics to Competitor
The Bank's commitment to promote healthy competition in carrying out its business, by increasing competitor banks as a driver of increased performance.
 - d. Ethics for Regulator
The Bank's commitment to fulfill the obligations and conditions set by the banking regulator and other authorized authorities.
 - e. Ethics to Shareholders
The Bank's commitment in an effort to provide positive and optimal contributions to shareholders.

3. Relation with Community and the Environment
The Bank's commitment to uphold the values of the local wisdom and providing benefits and supporting environmental preservation where the Bank performs its operations.
4. Company Relations with Bank Employees
 - a. The Bank's commitment in providing equal opportunities to all employees to participate in achieving the Bank's vision and mission.
 - b. The Bank's commitment in creating a favorable work environment to increase the productivity and ethics of fellow employees.
5. Bank Information Confidentiality
The Bank's commitment to protect all customer and internal Bank information from outside/unauthorized parties.
6. Bank Report Integrity and Accuracy
The commitment of employee to submit the Bank reports promptly, accurately and accountable to the management, shareholders and other interested parties.
7. Conflict of Interest
The commitment of employee to implement a policy of conflicts of interest handling and does not place in conditions/situations where conflicts of interest arise between themselves and the Bank, Customers, and Third Parties which can be detrimental to the company.
8. Political Contributions and Activities
The commitment of employee to not contribute to political activities or other similar businesses.
9. Prohibition of Receiving Gifts
Employees are not permitted to ask for and receive any gifts or rewards that are not in accordance with the applicable laws and regulations.

Statement that the Code of Conduct Applies to All Organizational Levels

1. Board of Directors, Board of Commissioners and all BRI Personnel are required to know, understand, and implement the BRI's Code of Conduct.
2. All Bank's personnel must submit in writing the Statement of Compliance with BRI's Code of Conduct. The signed BRI's Statement of Compliance with Code of Conduct is a condition in continuing the working relationship with the Bank.

Code of Conduct

Code of Conduct Dissemination

BRI has carried out dissemination of code of conduct policy for BRI employees in 2019 through education program, workshop activities, On House Training, Guidance and Monitoring onsite to BRI work units, learning or e-learning through BRI's internal portal, and the Implementation of Performance Improvement Forums (FPK) in all BRI work units.

Enforcement Effort of the Bank's Code of Conduct

In the effort to uphold the Bank's code of conduct, the Board of Commissioners, Board of Directors, and all BRI Employees are committed to managing the Bank's business by applying ethics in the banking system. The commitment is realized in:

1. The Code of Conduct adoption applies to all BRI personnel at all organization levels and overseas units.
2. All BRI personnel are required to declare in writing the compliance with BRI Code of Conduct.
3. Every violation of the Code of Conduct will be sanctioned in accordance with the applicable company regulations.
4. Code of Conduct dissemination to BRI Employees.

Total Violations of Code of Conduct in 2019

During 2019 there were violations of the Code of Conduct by 283 permanent employees. The violations of BRI Code of Conduct have been sanctioned in accordance with the applicable company regulations.

Internal Violations

Total internal violations committed by BRI employees during 2019 resulted by BRI investigative unit are as follows:

Internal Violations	Total Violations							
	BOC		BOD		Contract Employee			
	2018	2019	Permanent Employee		2018	2019	2018	2019
Total	-	-	-	-	212	283	123	239
Has been resolved	-	-	-	-	171	253	97	239
In an ongoing process	-	-	-	-	41	30	26	0



CORPORATE GOVERNANCE

CORPORATE CULTURE

BRI formulated new corporate Core Values used to establish work conduct and character in line with the company's latest strategy. The corporate core values is called BRI with 5 (five) values or usually called BRILIAN that reflected in 10 attitude and conduct. Here are the elaboration of BRILIAN and its conduct:

Integrity

Intellectual, exemplary communication and conduct, upholding honor and abiding by regulations. The Integrity Value means:

- a. Transparent, Honest, Sincere; and
- b. Compliance with Regulations.

Professionalism

Committed to work meticulously and accurately with excellent capabilities and responsibilities. The Professionalism Value means:

- a. Continuous Learner
- b. Fairness

Trust

Fostering assurance and trust between stakeholders and transparent based on reliability. The Trust Value means:

- a. Mutual Respect
- b. Upholding the Company and the Nation's Interest

Innovation

Taking advantage of capabilities and skills to find new solution and ideas to create products or policies in resolving issues. The Innovation Value means:

- a. Visionary
- b. Pioneer in Transformation

Customer Centric

Always placing customers as prominent mutually beneficial partners sustainably. The Customer Centric Value means:

- a. Providing services beyond customers expectation wholeheartedly.
- b. Collaborative

WHISTLEBLOWING SYSTEM

In implementing GCG, BRI is transparent and fair in receiving and managing violation reports through the Whistleblowing System.

Whistleblowing System (WBS) is a reporting tool for BRI personnel in particular and the public to report any behavior or actions that are indicated to violate the code of conduct, GCG principles and applicable regulations both internal to BRI and applicable regulations carried out by BRI personnel.

WBS Policy

BRI Whistleblowing System policy has been stipulated in Board of Directors Circular No: S.08-DIR/KPT/05/2018 which regulates the system, mechanism and procedures for handling reports of indication of violations that are managed confidentially and independently.

Report Filing

Whistleblowing System reporting can be done through:

1. SMS Number 0812 8200 600
2. Written Letter to PO BOX 1895 JKP 10900

Whistleblowing System

3. Webmail whistleblower@corp.bri.co.id
4. Website www.bri.co.id/whistleblowing-system

WBS Dissemination

BRI WBS dissemination has been implemented to Internal Parties (BRI Employees) and External Parties, such as:

1. WBS policy information to all employees through BRI internal portal.
2. Poster campaign on WBS information at the Branch Offices, Sub Branch Offices and BRI Units.
3. Disseminate WBS materials the in-class training of Employee Development Program.
4. Implement WBS e-learning to all BRI employees.
5. WBS information through the Bank's website.
6. Onsite WBS dissemination to Work Units.
7. Install Pop Up on the Bristars application dashboard (BRI internal portal).
6. The WBS Management Unit will write to the Authorized Unit to carry out follow up repairs and sanctions on recommendations from the Investigation Unit.
7. Authorized Unit carry out follow-up repairs and sanctions to the Reported Party.
8. The WBS Management Unit monitors the follow-up improvements made by the Authority.
9. The Authorized Unit submits a report on the realization of improvements to the WBS Management Unit.
10. The WBS Management Unit ensures adequate follow-up of mitigation.
11. The WBS Management Unit reports recapitulation and evaluation to the President Director and Audit Committee every Quarter.

Whistleblowers Protection

BRI provides protection to whistleblower confidentiality of personal data and reported information. The protection is also given to internal whistleblowers from pressure, postponement of promotions, discrimination, dismissal, and physical actions.

Handling and WBS Reporting Mechanisms

1. The whistleblowers submit a report on indication of violation through a WBS facility.
2. The WBS Management Unit receives report.
3. The WBS officer will verify and analyse the initial indication of violation information at the latest 20 working days then submit it to the WBS Management Unit Leader.
4. Check and confirm report of indication of violation according to WBS report criteria. Then decide the follow-up to the WBS report to the Investigation Unit. If the report does not match the criteria, the report on the indication of violation will not be followed up.
5. The Investigation Unit investigates information on violation indications. Then submit the report of the investigation results and recommendations to the WBS Management Unit.

WBS Reporting Mechanisms

1. The whistleblowers submit a report on indications of violation through a determined facility.
2. Report on indication of violation is accepted by the Whistleblowing System Management Unit to be followed up to the Investigation Unit.
3. The Investigation Unit investigates reports of indication of violation and the result of the investigation is returned to the Whistleblowing System Management Unit.
4. The Whistleblowing System Management Unit will report periodically to the President Director.

WBS Management

The WBS management is under the President Director and monitored by the Board of Commissioners through the Audit Committee. The President Director establishes the WBS Management Unit responsible in managing and following up reports of indications of violations.

Total Reports & Follow Up Actions

Total whistleblowing received during 2018 was 101 complaints consisting of 155 sub-complaints indicating violations. Cumulatively, the total reports submitted since the implementation of the WBS system up to 30 September 2018 totaled 1,820 reports with the following details:



CORPORATE GOVERNANCE

Whistleblowing System

WBS Reports in the Last 3 Years

Year	Total Reports	Submission Media			Status		
		SMS	Letters	Telp/ Oral	Email	Open	Closed
2017	65	48	13	2	2	0	65
2018	124	77	4	0	43	4	120
2019	134	44	6	0	84	53	81

Of the 134 reporting complaints during 2019, 297 sub-complaints were identified as violations with the following categories:

Recapitulation of WBS Complaints Reports

No	Classification of Complaints Indications of Violation	Total
1	Company SOP violations	140
2	Violation of the Code of Conduct and potentially violating GCG	29
3	Fraud	107
4	Actions that jeopardized employees' safety & health or jeopardized the company security and detrimental to the company	0
5	Ethics violation	21
6	Criminal acts	0
7	Violations of the accounting process and financial reporting	0

DIVERSITY POLICY OF THE BOARD OF COMMISSIONERS AND BOARD DIRECTORS COMPOSITION

The Diversity Policy of the Board of Commissioners and Board of Directors is realized through the diversity of competencies, experience and educational background of prospective members of the Board of Directors and the Board of Commissioners, which are evaluated by the Nomination and Remuneration Committee prior to their appointment by the GMS at the proposal of the Board of Commissioners.

All members of BRI Board of Directors and Board of Commissioners have fulfilled the applicable diversity policy in the Company.

The detailed information of the Board of Commissioners and Board of Directors diversity in terms of competence, work experience/directorship and educational background is described in the Diversity Board of Commissioners and Directors section of this Annual Report.

ANTI CORRUPTION POLICY & PROCEDURES

BRI has in place the anti-corruption policies and procedures as set out in the BRI Board of Directors' Circular: S.05-DIR/MOP/03/2018 regarding the Anti-Fraud Strategy of PT Bank Rakyat Indonesia (Persero) Tbk. The aforementioned policy serves as BRI's management commitment in controlling fraud that implemented through the fraud control system.

PROCUREMENT OF GOODS & SERVICES – FIXED ASSETS MANAGEMENT

The discussion can be found in the Management Analysis & Discussion Chapter in this Annual Report.



CORPORATE GOVERNANCE

GRATUITY CONTROL PROGRAM

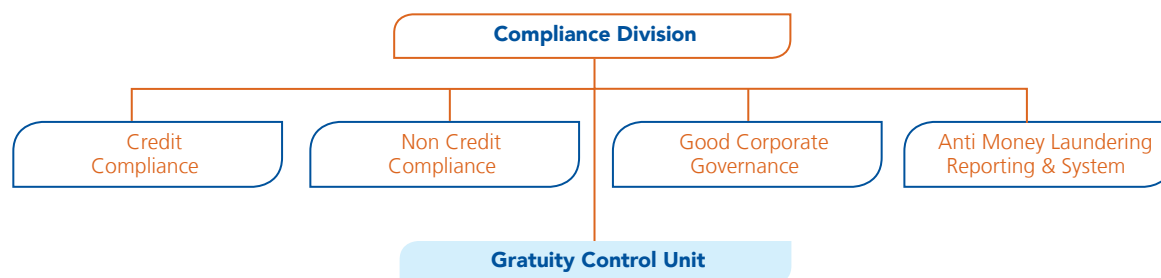
To improve the corporate values and code of conduct in business relations between business relationships and corporate partners, BRI is committed to implementing gratification controls to support efforts in eradicating corruption within the company. BRI has the gratuity guidelines as regulated in the Joint Decree of the Board of Commissioners and Board of Directors No: 03-KOM/BRI/03/2017 and Nokep: S.11-DIR/DKP/03/2017 on BRI Gratification Control Guidelines. The BRI Gratuity Control Guidelines regulate:

1. Basic principles of gratification control.
2. Classification of gratuities.
3. Socialization, reporting, monitoring and evaluation
4. Mechanism for managing gratuities
5. Duties and authorities of the Gratuity Control Unit
6. Protection of Gratuity Reporters

Gratuity Control Unit

A unit or function within the BRI environment that carries out the function of controlling the practice of receiving and giving gratification.

Gratuity Control Unit Structures:



The Gratuity Control Unit has the duties and responsibilities, among others:

1. Formulate policies, guidelines, and technical instructions on the application of gratuities.
2. Disseminating gratification policies.
3. Receiving, analyzing and administering reports on receipt of gratuities.
4. Submitting a report on gratuities to the KPK.
5. Managing gratification goods in accordance with BRI's authority.
6. Monitoring and evaluating the implementation of gratification control with the KPK.

Gratuity Control Program

Types of Gratuities

1. Gratuities that are required to be reported are gratuities related to the position and contrary to their obligation or duties.
2. Gratuities that are not required to be reported are receipts received by BRI personnel not based on/ not related to positions or authorities held and not contrary to obligations.
3. Gratuities related to service are gratuities given to BRI personnel from any party in the implementation of services assigned to them.

Implementation of Gratuities Control 2019

Integrity Pact

BRI is committed to continually improve the gratuity control program within the company, one of which is BRI has an integrity pact through gratuity control commitment signed by all BRI employees at the 2019 Performance Improvement Forum (FPK). The signing of the integrity pact is also carried out to all vendors and partners BRI to maintain integrity and independence in the process of procurement of goods and services.

Gratuities Dissemination and Awareness Programs

1. Providing education to all BRI employees regarding gratuity control programs.
2. Onsite dissemination of gratification control to all Divisions at BRI Head Office, BRI Regional Offices and BRI Branch Offices.
3. The dissemination of gratification control at BRI National Work Meeting and Regional Work Meeting.

E-learning

In 2019, the Gratuity Control Unit had prepared an education on gratuity control guidelines through e-learning which was attended by 79,658 BRI employees. The e-learning aims to increase understanding of controlling and reporting gratuities in work units.

Gratuity Control Programs at the Financial Conglomerate

BRI has implemented a gratuity control program for BRI financial conglomerate through the signing of commitments made by all the President Directors of the financial conglomerate with the KPK. Furthermore, all BRI financial conglomerates develop gratuity control programs including:

1. Develop gratuities control program policies in subsidiaries.
2. Establish Gratuity Control Unit
3. Disseminate to all employees in subsidiaries.



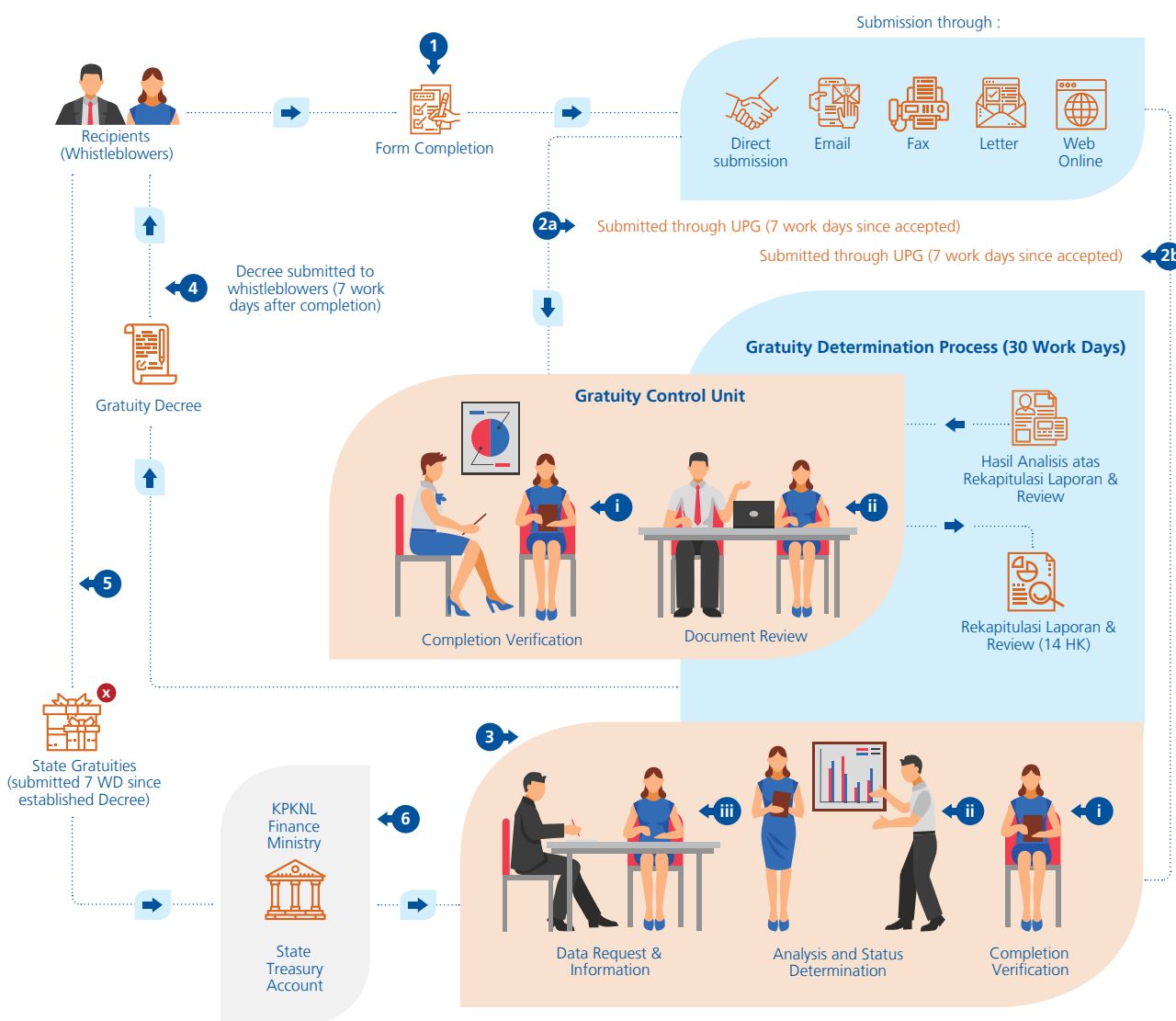
CORPORATE GOVERNANCE

Gratuity Control Program

Gratuity Reporting Mechanism

The gratuity reporting standards refer to reporting standards and procedures in the KPK with the following details:

Gratuity Reporting Mechanism



Gratuity Acceptance Reports 2019

In 2019, the total gratuity reports received by the Gratuity Control Unit was 245 reports.

CREDITOR RIGHTS PROTECTION POLICY

In carrying out one of its business facilities, BRI provides loans to the public, where BRI's rights as a creditor are protected and regulated according to the applicable regulations and set out in each credit agreement. BRI always upholds the equality of rights and protection of its customers by carrying out several activities in order to protect creditors including:

- a. Obtain information related to the development of BRI's performance and financial statements.
- b. Obtain information on the terms and conditions of the bank products and services to customers.
- c. Information to the customers on the terms and conditions regarding credit proposed by the employees of the bank and bank counterparty notary at the time of credit agreement.
- d. Obtaining information and interest which amount is according to applicable regulations.
- e. The credit agreement is made in 2 duplications.

CUSTOMER PROTECTION POLICY

In carrying out its responsibilities to customers, BRI refers to several stipulations including the POJK No. 1/POJK.07/2013 on the Consumer Protection in the Financial Services Sector and Bank Indonesia Regulation No. 10/10/PBI/2008 regarding the Settlement of Customer Complaints and Bank Indonesia Circular No. 16/16/DKSP/2014 dated 30 September 2014 on the Procedures for the Implementation of Consumer Protection for Payment System Services and SEOJK No. 2/SEOJK.07/2014 regarding the Services and Settlement of Consumer Complaints in Business Service Practitioners. Furthermore, BRI has also compiled the policy guidelines and procedures to resolve customer complaints through the Decree of NOKEP S.1051-DI /LCC/12/2016 on the Policy and Procedures for Settlement of Customer Complaints of PT Bank Rakyat Indonesia (Persero) Tbk.

The customers service policy is also outlined in the service guidelines called BRI Service Culture "CAKRAM" which means Fast Accurate Friendly and Safe. The explanation is as follows:

Fast

1. Serve customers immediately in accordance with the Service Level Agreement while paying attention to the principle of prudence.
2. Responding to customer complaints as soon as possible in accordance with the Service Level Agreement with a winwin solution.



CORPORATE GOVERNANCE

Customer Protection Policy

Accurate

1. Keep records of customer transactions correctly.
2. Provide customer information to support an integrated system.

Friendly

1. Making family values a distinctive feature of BRI in providing services to customers through a personal touch.
2. Give a positive impression to the customer through attitude, polite speech and attractive appearance
3. Communicate with intimacy and professionalism.

Secure

1. Providing security to customers with the support of a reliable system and utilizing professional human resources & high integrity.
2. Maintain the confidentiality of customer data.
3. Perform customer financial records regularly and correctly.
4. Always maintain safety and security for everything entrusted by customers.

Comfortable

1. Providing clean, neatly maintained facilities and infrastructure and a pleasant environment.
2. Providing infrastructure that always functions according to customer needs.

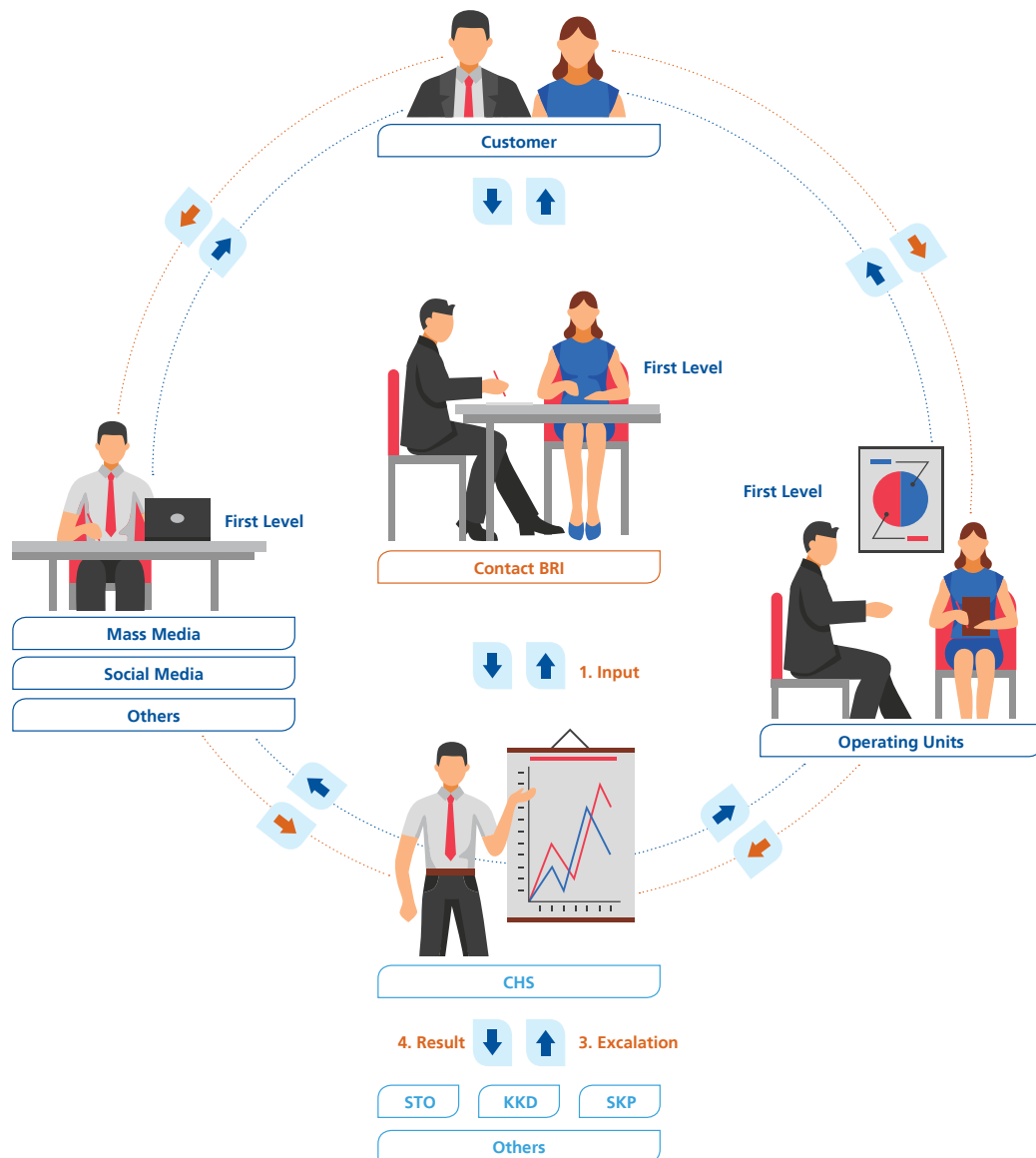
In its customer services, BRI is committed to completing every customer complaint in a timely and good manner in accordance with the applicable provisions and/or service level agreement. In terms of customer satisfaction assessment, BRI routinely conducts customer satisfaction surveys which are expected to continue to be an evaluation in improving the quality of service to customers which ultimately results in an increase in customer loyalty to the company.

BRI views each customer complaint as an important input for improving the quality of services and products. Through a system of centralizing complaint handling, BRI provides a means for customers to submit complaints and become recommendations for improvements in the future. Therefore, so that every customer complaint can be identified and known quickly, BRI currently uses omni-channel media, namely facilities and access where BRI customers can get information about BRI products and services in full and submit complaints through available channels, namely:

1. Face to face with Customer Service in all BRI units;
2. Telephon 14017, 1500017, and 021-57987400/Premium call through 021-5758899 and 08001017017;
3. Webchat website www.bri.co.id;
4. Email callbri@bri.co.id;
5. Internet banking <https://ib.bri.co.id>;
6. Social media twitter @kontakbri;
7. Social media facebook at BANK BRI@BRIofficialpage;
8. Telegram and SMS at 0812 12 14017.
9. Toll Free for BRILink Agent 0800 10 14017

In resolving any customer complaints, BRI sets a service level agreement (SLA) of a maximum 20 (twenty) working days. BRI customer complaint mechanism is as follows:

Customer Protection Policy



Complaints Procedures:

1. Customer complaints are an expression of customer dissatisfaction caused by a potential financial loss to a customer suspected of the Bank error or negligence.



CORPORATE GOVERNANCE

Customer Protection Policy

2. Customers can immediately report their complaints to BRI through a predetermined facility as soon as possible if the customer experiences conditions in point 1.
3. Complaints can be made verbally or in writing through available media facilities.
4. Complaints made verbally must be supplemented with customer data information and the issues that are complained of.
5. Complaints made in writing submitted to the Operating Units/by fax must be completed with:
 - a. Customer complaint forms and issues that are reported.
 - b. A copy of the customer's identity card.
 - c. Proof of financial transactions at BRI that are related to the issues that are complained/other supporting documents related to complaints.
6. Complaints via email must be completed with
 - a. Customer data and problems that are complained.
 - b. Scan files/data capture evidence of financial transactions at BRI relating to complaints filed.
7. The deadline for resolving customer complaints submitted verbally is 2 (two) working days while the settlement of customer complaints submitted in writing is 20 (twenty) working days.
8. In the event that the settlement of complaints related to financial losses has not satisfied the customer, it can be resolved through facilitation through the banking media.

CONFLICT OF INTEREST

Conflict of interest is a condition/situation in which a person because of the position or authority in BRI has a personal interest that can affect the quality and performance of the implementation of objective mandated duties.

Policies

To prevent the occurrence of a conflict of interest, the Bank has a policy stated in the BRI's Joint Decree of the Board of Commissioners and the Board of Directors No. 02-KOM/BRI/05/2012 and Nokep: S.104-DIR/DKP/05/2012 on PT Bank Rakyat Indonesia (Persero) Tbk General Guidelines on Conflict of Interest Handling.

The basic principles to handle Conflict of Interest are:

- Prioritizing public interest.
- Creating transparency of handling and supervision of conflicts of interest.
- Encouraging personal responsibility and exemplary attitude.
- Creating and fostering an organizational culture capable of handling conflict of interests.

Commitment

The Board of Commissioners, Board of Directors and all BRI personnel are committed and professional in implementing the conflict of interest policy.

As a manifestation of BRI's commitment to the implementation of policies and disclosure of conflicts of interest are as follows:

- All BRI personnel are required to make an Annual Disclosure that has no conflict of interest with respect to any decisions made by them and has carried out the behavior set by the company.
- Each work unit must submit a transaction/ decision report containing a conflict of interest.

Dissemination

BRI continues to disseminate the GCG and conflict of interest policy to BRI employees through educational program, workshop, On House Training, Guidance and onsite Monitoring to BRI work units, e-learning through BRI's internal portal, and statement of conflict of interest.

Conflict of Interest Transaction Report 2019

No conflict of interest transaction reports during 2019.

PREVENTION OF INSIDER TRADING

Insider Trading is the trading of company shares or other securities (bonds or stock options) carried out by company's individual with access to non-public information about the company.

Policies

The Company has a policy that regulates insider trading activities for all BRI people. Insider trading policies are contained in the Joint Decree (SKB) of the Board of Commissioners and Directors of BRI No: 02-KOM/BRI/05/2012 and Nokep: S.104-DIR/DKP/05/2012 dated May 24, 2012 on the General Guidelines for Conflict of Interests Handling.

Policy related to insider trading activity regulates that:

1. Every BRI person must avoid personal actions that benefit from "inside information" or inside information obtained from his position, while this information is not open to the public.

2. All BRI employees do not use confidential company information and business data for interests outside the company.
3. All BRI personnel are prohibited from carrying out any activities related to insider trading that refer to illegal activities in the financial market environment to seek profits which are usually carried out by utilizing internal information such as published plans or company decisions/corporate actions.
4. Violation of the above activities will be subject to disciplinary sanctions according to those applicable at BRI.

In supporting good corporate governance practice, all BRI personnel are required to make Annual Disclosure statements, including disclosure of insider trading transactions carried out by BRI personnel.



CORPORATE GOVERNANCE

BANK STRATEGIC PLANS

In accordance with BRI 2018-2022 Long-Term Plan, the aspirations are incorporated into BRI vision of becoming the Most Valuable Bank in Southeast Asia and Home to the Best Talent.

In preparing the 2018-2022 Corporate Plan, besides referring to BRI vision and mission statement, several factors also influenced the future development of the banking industry in Indonesia, including:

- a. Demographic conditions in Indonesia with an increasing number of middle-class productive age population with higher purchasing power and increasingly dominated by millennials who are familiar with digital technology.
- b. The Government's national development policy direction through infrastructure development will require funding from banks and rural development and empowerment.
- c. Economic integration in the ASEAN Economic Community (AEC) with free trade between ASEAN countries which will affect the competition of banks both in raising funds and lending.
- d. Changes in customer preferences that affect digitally savvy customer growth. Digitally Savvy is a change in the behavior of customers who prefer digital ways that make their business faster, safer and time-saving. Customers prefer to do transactions that are no longer limited by time and place.

Long-Term Strategic Plan

In the development of Corporate Plan 2018-2022, in addition to being guided by BRI vision and mission statement, the Long Term Plan development will become the guidelines for BRI transformation process. BRI aspires to become The Most Valuable Bank in South East Asia and Home to The Best Talent by 2022.

Medium Strategic Plan

BRI medium term plan is developed as a milestone to achieve future vision and mission. BRI sets the annual themes to enhance sound and sustainable growth through the strategy that focus on achieving long-

term targets. BRI also focuses on financial sustainability that aims to not only on growth aspect, but as well as engagement on business sustainability and environmental aspect. Focus of medium term are as follows:

- a. Deposits growth that focus on CASA
- b. Focus on MSME segment specifically Micro business
- c. Fee-based income growth
- d. Assets quality improvement

Short-Term Strategic Plan

As stated in its corporate plan year 2020, BRI sets the annual theme to become the Integrated Financial Solution. BRI aims to provide excellent customer services by offering satisfactory experience for abroad range of not only conventional banking products but also its subsidiaries products. This is done through technological development as a main foundation in providing excellent customer services including digital transformation and data analytics. All are directed to achieve the Bank's long-term target to become The Most Valuable Bank in South East Asia and Home to the Best Talent.

The following are BRI short term strategic targets that will be implemented within 1 (one) year:

- a. Focus on fee-based income
- b. Earnings Assets Growth that Focus on MSME
- c. Low-Cost Fund (CASA) Growth
- d. Assets Quality Improvements
- e. Operations Capabilities Enhancement

OTHER POLICIES

ACCOUNTING POLICY

In preparing the Financial Statements as a result of the optimal implementation of bank operational activities, an accounting policy guideline is based on the applicable accounting provisions issued by Bank Indonesia, the Financial Services Authority (OJK), and the Financial Accounting Standards Board - Indonesian Accountants Association (DSAK-IAI).

BRI's accounting policies are prepared with the following objectives:

1. Improve BRI accounting to be adjusted to the provisions of PSAK, PAPI, and OJK Regulations.
2. Provide guidelines for banks in implementing sound accounting practices;
3. Uniformity application of accounting treatment in the recording and reporting of Headquarters and Branch Offices;
4. Facilitate the preparation and presentation of BRI financial statements, so that Financial Reports can be presented in a timely and accurate manner, and can provide easy-to-understand information for management and other parties that require consideration in decision making.

Accounting policy is the basic principles, regulations and practices implemented by banks so that the preparation and presentation of financial statements meet the requirements of Financial Accounting Standards (SAK), Bank Indonesia regulations, and OJK provisions. With the existence of a written accounting policy, BRI has standard guidelines/guidelines for implementing and applying sound accounting principles.

Furthermore, in connection with financial accounting standards that continue to develop and improve, BRI also continues to make improvements to the accounting policy guidelines in order to comply with the applicable provisions.

Application of PSAK Convergence to IFRS

In the framework of the preparation and presentation of the Financial Statements, BRI is guided by accounting policies, one of which is based on applicable accounting rules issued by the Financial Accounting Standards Board - Indonesian Institute of Accountants (DSAK-IAI), where DSAK-IAI has launched a program the convergence of IFRS to IFRS with the support of regulators.

Incompatibility of Presentation of Financial Statements with the applicable PSAK

There is no inconsistency in the Presentation of Financial Statements with the applicable PSAK.

Changes Accounting Policies 2019 & Its Impact

BRI and its subsidiaries adopted accounting standards on January 1, 2019, which are considered relevant to the consolidated financial statements, namely:
 IFAS No. 33, "Foreign Currency Transactions and Advance Consideration". Clarifies the use of transaction date to determine the exchange rate used in the initial recognition of assets, expenses or corresponding revenues when the entity has received or paid advance considerations in foreign currencies.

IFAS No. 34, "Uncertainty over the Income Tax Treatments". Uncertainty over the Income Tax Treatments", clarifies and provides guidance in reflecting the uncertainty over income tax treatments in financial statements.

SFAS No. 24 (2018 Amendment), "Employee Benefits on Plan Amendments, Curtailments or Settlements". Provides clearer guidance for entities in recognizing past service costs, settlement gains and losses, current service costs and net interest after Plan amendments, curtailments or settlements caused by changes to the latest actuarial assumptions (previously using actuarial



CORPORATE GOVERNANCE

Kebijakan Lainnya

assumptions at the beginning of annual reporting period). In addition, the Amendment to SFAS No. 24 also clarifies how the accounting requirements for program amendments, curtailments or settlements can affect the involved assets' ceiling limit requirements in reducing surpluses which causes the impact on the assets to change.

The implementation of the above PSAK does not cause significant changes to financial reporting and disclosures in financial statements.

SUBSIDIARY MANAGEMENT POLICY

Bank BRI has a subsidiary company management policy which is regulated in BRI Board of Directors Decree No. S.759-DIR/CDS/09/2017 on General Policy on Equity Participation and Management of BRI Subsidiaries. The policy regulates:

1. The principle of prudence in capital participation and management of subsidiaries.
2. Management of organization and human resources.
3. Equity participation.
4. Planning and strategy for subsidiaries
5. Business alignment and Joint Infrastructure,
6. Reporting, Supervision and Performance Evaluation of Subsidiaries and Participation Companies.
7. Integration of risk management with subsidiaries, Integration of Compliance with Subsidiaries.
8. Integration of Governance with the Company.
9. Accounting and Taxation.
10. Corporate Communication.
11. Integration of Internal Audit with Subsidiaries.
12. Management of Overseas Subsidiaries

TRANSPARENCY OF FINANCIAL AND NON FINANCIAL CONDITIONS

Bank BRI transparently publish the company's financial and non-financial condition and report to regulator in accordance with applicable regulations. Publication of financial and non-financial condition is conveyed to the public either through print media or company websites (www.bri.co.id/laporan) as follows:

1. Monthly Financial Reports submitted to the regulator and published on the company's website.
2. Quarterly Financial Reports submitted to regulators and published on print media and company websites.
3. Annual reports submitted to regulators and published on print media and company websites.
4. Information on corporate governance such as:
 - a. Corporate Vision and mission
 - b. Composition and profile of the Board of Commissioners
 - c. Composition and profile of the Board of Directors.
 - d. Implementation of BRI Governance
5. Transparency of Bank product information delivered through print, electronic and corporate websites.

FUNDING TO RELATED PARTIES AND LARGE EXPOSURE

One of the causes of the Bank's business failure is the funding that are not supported by the Bank's ability to effectively manage the Funding concentration. To reduce the potential for failure of the Bank's business as a result of the Funding concentration, the Banks are required to disburse and diversify Funding portfolio primarily through Funding restrictions, both to Related Parties and others Parties at a certain percentage of the Bank Capital or Core Capital (tier 1) , known as LLL and Large Exposure.



CORPORATE GOVERNANCE

Funding to Related Parties and Large Exposure

Furthermore, in enhancing Indonesia's economic growth and national competitiveness, efforts are needed to encourage the banking intermediation function which is carried out by providing concessions or exceptions in the application of LLL and Large Exposure while remain observing the precautionary principle.

BRI has a policy on Funding to Related Parties or Large Exposure and/or Funding to other parties that have an interest in the Bank as stipulated in the BRI Board of Directors Circular No.: SE.36-DIR/KRD/06/2019 on 27 June 2019.

Credit Policy to the Board of Directors and Board of Commissioners

Lending to the Board of Directors and Commissioners is included in the provision to Related Parties, and this must be approved by the Board of Commissioners. Funding to Related Parties has been regulated by the Financial Services Authority and the Company's rules, which is BRI Legal Lending Limit.

The stipulations and procedures of lending to the Board of Directors and Board of Commissioners apply the same lending facility to prospective borrowers of BRI in general and are given according to market rates and reasonable with due observance to the precautionary principle.

Transactions Fairness to Related Parties

Pursuant to PSAK No.7 concerning "Disclosure of Related Parties" and Bapepam-LK Regulation No. KEP-347/BL/2012 dated 25 June 2012 on the "Presentation and Disclosure of Financial Statements of Issuers or Public Companies", related parties are defined as follows:

1. Person who:
 - a. Has control or joint control over the reporting entity;
 - b. Has significant influence over the reporting entity; or
 - c. Is the key management personnel of the reporting entity or the parent of the reporting entity.
2. An entity is related to a reporting entity if any of the following:
 - a. Entity and the reporting entity are members of the same group
 - b. An entity is an associate or joint venture of the entity
 - c. Both entities are joint ventures of the same third party
 - d. An entity is a joint venture of a third entity and the other entity is an associate of the third entity
 - e. The entity is a post-employment benefit plan for employees of either the reporting entity or an entity related to the reporting entity.
 - f. Entity controlled or jointly controlled by a person identified as referred to in point 1); or
 - g. People who are identified as referred to in point 1) letter a) has significant influence over the entity or the entity's key management personnel.

Funding Mechanisms to Related Parties

1. Funding to Related Parties are submitted independently or collectively through the Credit Operations Division (OPK) and must obtain the approval of the Board of Commissioners.
2. Funding to Related Parties must be reviewed in advance by BRI Independent Committee prior to requesting approval from the Board of Commissioners.
3. Funding (specifically for credit) to the Board of Directors and Board of Commissioners must be carried out fairly and with equal treatment.

Funding to Related Parties

The stipulation on Legal Lending Limit is as follows:
The portfolio of Funding to Related Parties with the Bank as a whole is set at a maximum of 10% (ten percent) of the Bank's Capital. Other parties rules that are regulated are:

1. Banks are prohibited from providing Funding to Related Parties in contravention of general Funding procedures.

Funding to Related Parties and Large Exposure

2. Banks are prohibited from providing Funding to Related Parties without the approval of the Bank's Board of Commissioners.
3. Banks are prohibited from buying assets with substandard, doubtful or loss quality and/or restructuring from the Related Parties.
4. In the event that the quality of Funding to Related Parties decreases to substandard, doubtful or loss, the Bank is required to take steps to resolve it by:
 - a. Repayment of credit no later than 60 (sixty) days after the decline in the quality of funding; and/or
 - b. Conducting credit restructuring upon the decline in quality of Funding.
5. In the event that a Bank provides Funding through Equity Investment which results in the party where the Bank makes an Equity Investment into a Related Party, the Bank is obliged to ensure:
 - a. Funding Plan is set no higher than 10% (ten percent) of Bank Capital;
 - b. Funding that will be and have been given to parties where the Bank has entered into Capital Participation after being added to the entire portfolio of Funding to Related Parties is set no higher than 10% (ten percent) of the Bank Capital;
 - c. Fulfill the conditions referred to in points 1, 2, 3 and 4.
8. Companies that 50% (fifty percent) or more members of the Board of Directors and/or Board of Commissioners are Directors and/or Commissioners in the company as referred to in points 1, 2 and 3. The amount of 50% (fifty percent) or more is calculated from the total cumulative Directors and/or Commissioners.
9. Companies that:
 - a. Members of the Board of Directors, members of the Board of Commissioners, and/or Executives of the Bank act as controllers; and
 - b. Members of the Board of Directors and/or members of the Board of Commissioners of the parties referred to in points 1, 2 and/or 3 act as controllers.
10. Collective Investment Contract where the Bank and/or parties as referred to in points 1 to 9 have 10% (ten percent) or more shares in the investment manager of the collective investment contract.
11. Companies that have financial relationships with banks and/or parties as referred to in points 1 to 9 above.
12. Borrowers of individuals or non-bank companies that have financial relations through guarantees provided by parties as referred to in points 1 to 11.
13. Borrowers who have a financial relationship through guarantees provided by parties as referred to in points 1 to 11.
14. Other banks that have financial relations through guarantees provided by parties as referred to in points 1 to 11 in the event of a counter guarantee from the Bank and/or parties as referred to in points 1 to 11 to the other bank.
15. Other companies in which there is an interest in the share ownership of 10% (ten percent) or more individually or jointly, from the party referred to in point 5.

Related parties include:

1. Individual or company that is the controller of the Bank.
2. Legal entity in the case of a Bank acting as controller.
3. Companies in the case of individuals or companies as referred to in point 1 act as controllers.
4. Members of the Board of Directors, members of the Board of Commissioners, and Executives of the Bank.
5. Parties that have family relations horizontally or vertically.
6. Members of the Board of Directors and/or Board of Commissioners of the company as referred to in points 1, 2 and/or 3.
7. Companies that are members of the Board of Directors and/or members of the Board of Commissioners are members of the Board of Commissioners of the Bank.

Funding to Non-Related Parties

1. Funding to:
 - a. 1 (one) Borrower other than Related Parties; or
 - b. 1 (one) group of Borrowers other than Related Parties
2. Funding to 1 (one) borrower other than Related Parties or 1 (one) group of Borrowers other than Related Parties shall be determined no more than 25% (twenty-five percent) of Core Capital (tier 1) of the Bank.



CORPORATE GOVERNANCE

Funding to Related Parties and Large Exposure

3. Banks must determine the classification of Borrowers in a group of borrowers in the event that the Borrower has a controlling relationship with other Borrowers through ownership, management, and/or financial relations.
4. Classification of Borrowers with the following criteria:
 - a. The Borrower is the controller of another Borrower;
 - b. 1 (one) same party is the controller of several Borrowers;
 - c. 50% (fifty percent) members of the Board of Directors and/or members of the Board of Commissioners of Borrowers become members of the Board of Directors and/or members of the Board of Commissioners of other Borrowers;
 - d. The Borrower has a financial relationship with another Borrower; and/or
 - e. The Borrower has a financial relationship in the form of issuance of collateral to take over and/or pay off part or all of the obligations of other Borrowers in the event that another Borrower fails to meet obligations to the Bank.
5. The Borrowers Group classification does not apply to:
 - a. Funding Facility provided by the Bank to debtors in the Bank's business activities in general;
 - b. Providing guarantees by insurance companies, guarantee companies, the Government of the Republic of Indonesia, and/or other countries' governments.
 - c. Lending to debtors through companies using the forwarding method.
 - d. Lending with a plasma-core partnership scheme with a core company scheme guarantees Credit to plasma.
 - e. Provincial and Regency/City Governments and between Regency/City Governments.

FUNDING

Funding calculated in the LLL calculation and Large Exposure are all Funding in the banking book and trading book positions.

- Funding Types:
 - a. Placement
 - b. Derivative Transactions
 - c. Bonds
 - d. Acceptance Receivables
 - e. Loans
 - f. Equity Investment
 - g. Administrative Account Transactions.
- Bank Funding to SOEs for development purposes is set at a maximum of 30% (thirty percent) of the Bank's Capital.
- Funding to SOEs for development purposes include Funding to:
 - a. Food procurement;
 - b. Procurement of simple housing;
 - c. Procurement, supply and/or management of oil and natural gas and other natural energy substitute sources which are equivalent;
 - d. Water procurement, supply and/or management;
 - e. Electricity procurement, supply and/or management;
 - f. Procurement and/or management of export-oriented commodities;
 - g. Procurement of supporting instructors for land, sea and air transportation in construction of roads, bridges, railroads, seaports and airports; and/or
 - h. Development of the National Tourism Strategic Area (KPSN) which is determined and prioritized by the government.

Funding to Related Parties and Large Exposure

EXCEPTIONS FROM LLL CALCULATION

Placements with each Prime Bank are exempted from the LLL calculation, provided that:

1. Placement in each Prime Bank;
2. Part of Funding to Borrowers who obtain collateral from Prime Bank;
3. Funding to the Central Government;
4. Placement in Bank Indonesia;
5. Purchase of Securities issued by the Government of the Republic of Indonesia and/or Bank Indonesia.
6. Part of Funding which obtain a guarantee from the Government of the Republic of Indonesia.
7. Export-oriented Funding to financial institutions and Funding which obtain guarantees from financial institutions that meet certain requirements.
8. Part of Funding guaranteed by certain collateral.
9. Funding which has become a deduction factor for Capital.

LLL	Related Party	Non Related Party	Non Related Party (Borrowers Group)	SOE
LLL Violations	N/A	N/A	N/A	N/A
Exceeding LLL	N/A	N/A	N/A	N/A

Related Parties Transaction

In 2019, the Related Party Transaction were carried out fairly, under normal commercial terms, in an arm length basis with the following details:

Funding	Total Borrowers	Outstanding (Million)
Related Parties	593	3,473,205
Individual	50	145,090,641
top 25 SOEs	25	84,006,661
top 25 non SOEs	25	59,589,495
Group	50	161,267,078
Top 25 Group SOEs	25	99,095,656
Top 25 Group Non SOEs	25	63,617,486

Funding for Political Activities

During the reporting period, the Bank did not provide/disburse any funding for political activities.



CORPORATE GOVERNANCE

STATE OFFICIALS' ASSETS REPORT (LHKPN)

To improve the quality of GCG implementation, BRI also complies with the reporting regulation of State Official's Assets Report (LHKPN) under the stipulation of Corruption Eradication Commission (KPK).

Policies

a. Executives required to report LHKPN

As a realization to enhance transparency, prevent corruption and support the clean culture of corruption, collusion, and nepotism, members of the Board of Commissioners, Board of Directors, SEVP, EVP, and VP at BRI are required to report assets in accordance with the internal requirements of the Directors' Letter Nokep. S.07-DIR/KPS/02/2017 dated February 22, 2017. The data reported in the report covers the position of the property before and after it has taken office. These reporting provisions are continually updated to comply with the prevailing regulations.

b. LHKPN Reporting Coordinator

The reporting coordinator appointed by BRI to manage and monitor the LHKPN reporting process is the Head of Secretariat and Protocol and Head of Human Resource Policy and Development Division. Based on BRI's current organizational structure, there are 264 BRI employees (outside the Board of Directors, Board of Commissioners and Subsidiaries) who are required to report assets to the KPK. Of all the officials, the majority has reported their assets in accordance with the reporting obligations of LHKPN.

LHKPN Reporting

BRI has submitted the LHKPN report during 2019 as follows:

No	Position	LHKPN Mandatory	LHKPN Mandatory Reported		LHKPN Mandatory Not Yet Reported	
			Total	%	Total	%
1	Board of Commissioners	8	8	100%	0	0%
2	Board of Directors	12	12	100%	0	0%
3	BRI Employees	287	282	98.26%	5	1.74%
	Total	307	302	98.37%	5	1.63%

INTEGRATED GOVERNANCE ANNUAL REPORT

To meet the regulatory requirements related to the implementation of integrated governance, BRI as the Main Entity prepares the Annual Report for Integrated Governance of the Financial Conglomerate of PT Bank Rakyat Indonesia (Persero) Tbk in 2019 which is prepared in accordance with:

1. POJK No.18/POJK.03/2014 dated 18 November 2014 on the Integrated Governance Practices for Financial Conglomerate;
2. SEOJK No.15/SEOJK.03/2015 dated 25 May 2015 on the Integrated Governance Practices for Financial Conglomerate;
3. POJK No. 55/POJK.03/2016 dated 07 December 2016 on the Governance Practices for Commercial Banks; and
4. SEOJK No.13/SEOJK.03/2017 dated 17 March 2017 on the Governance Practices for Commercial Banks.

Pursuant to SEOJK No.15/SEOJK.03/2015, the Integrated Governance Annual Report shall at least include:

1. Self-Assessment Report on the Integrated Governance for 1 (one) fiscal year;
2. The Financial Conglomerate structure and the wider conglomerate structure, in different respects;
3. Share ownership structure in the Financial Conglomerate which describes the parties who are LJK shareholders in the Financial Conglomerate up to the last controlling shareholder;
4. Management structure in the Main Entity and LJK in the Financial Conglomerate; and
5. Intra-group transaction policies that at least contain policies to identify, manage and mitigate intra-group transactions.

Self Assessment of Integrated Governance Implementation

Rating	Remarks
2	The Financial Conglomerate is considered to have implemented an Integrated Governance that is generally good. This is reflected in adequate fulfillment of the application of Integrated Governance principles. If there are weaknesses in the implementation of Integrated Governance, in general these weaknesses are less significant and can be resolved by normal actions by the Main Entity and/or LJK.

Analysis Results	
Structure	The aspects of integrated governance structure in BRI Financial Conglomerate have been carried out adequately with the formation of the Integrated Governance Committee supported by Internal Audit Unit, Compliance Unit and Risk Management Unit and supported by the Subsidiary Management Unit. In addition, the Integrated Governance Policy has become a work guideline for the Main Entity and Subsidiaries in the implementation of Integrated Governance in BRI Financial Conglomerate.
Process	The aspects of integrated governance process have been carried out properly, the Integrated Governance Committee, Internal Audit Unit, Compliance Unit and Risk Management Unit have carried out their duties and responsibilities in accordance with the stipulations. BRI continuously and consistently conducts reviews and evaluations in an effort to increase the effectiveness of the duties and responsibilities of each of the integrated governance organs.
Results	The aspects of integrated governance results have been implemented well. All members of BRI Financial Conglomerate have carried out their duties through the governance organs, and documented the implementation of duties and responsibilities properly.



CORPORATE GOVERNANCE

Integrated Governance Annual Report

Intra Group Transactions Policy

The ownership and/or management relationships in various financial sectors have a direct or indirect impact on risk exposures arising in the business continuity of the Financial Services Institution (LJK) in the Financial Conglomerate.

Pursuant to POJK Nomor:17/POJK.03/2014 regarding the Implementation of Integrated Risk Management for Financial Conglomerates, BRI as the Main Entity in the financial conglomerate must identify, manage and mitigate risks of intra-group transactions.

The intra-group transaction policy is regulated in BRI internal regulations stipulated in BRI Board of Directors Decree No: S.72-DIR/DMR/12/2016 on BRI Integrated Risk Management. The intra-group risk control aims to minimize the possibility of negative impacts resulted by LJK dependency either directly or indirectly on other LJK in financial conglomerates.

BRI always monitors the performance and business risks arise in subsidiaries by ensuring intra-group transactions in accordance with the rules and limits set by the regulator.

BRI Financial Conglomerate Structure and Share Ownership Structure in Financial Conglomerates describe the parties that are shareholders of Financial Services Institutions (LJK) in the Financial Conglomerate to the ultimate shareholder

Pursuant to BRI letter to OJK No.B.72-DIR/KPT/GCG/10/2019 dated 21 October 2019, BRI Financial Conglomerate Structure is as follows:



Integrated Governance Annual Report

Ownership Structures

Subsidiaries				
Companies	Business	BRI Investment Date	% BRI Ownership	Address
BRI Syariah	Bank Syariah	19/12/2007	73%	Jl. Abdul Muis No. 2-4 Jakarta
BRI Agro	Commercial Banks	03/03/2011	87.10%	Gedung BRI Agro Jl. Warung Jati Barat No. 139 Jakarta 12740
BRI Life	Insurance	29 /12/2015	91%	Graha Irama Lt 2,5,7,11 & 15, Jl. HR Rasuna Said Blok X-1 Kav 1&2, Jakarta
BRI Finance	Financing	30/09/2016	99.78%	Lippo Kuningan, Lantai 1 Jl. HR Rasuna Said Kav.B-12, Karet Kuningan, Jakarta Selatan
BRI Ventures	Venture Capital	20/12/2018	99.97%	District 8 Office, Prosperity Tower Lt 16 Unit F, SCBD Lot 28 Jl Jend Sudirman Kav 52-53 Senayan Kebayoran Baru Jakarta 12190
Danareksa Sekuritas	Underwriter	21/12/2018	67.00%	Gedung BRI II Lantai 23 Jl Jend Sudirman No 44 – 46 Jakarta 10210
BRINS	General Insurance	26/09/2019	90.00%	Graha BRINS Jl. Mampang Prapatan Raya No 18 Jakarta Selatan 12790

Management Structures

BRI financial conglomerate management structure pursuant to POJK No. 18/POJK.03/2014 on Integrated Governance for Financial Conglomerates is as follows:

Subsidiaries	Integrated Governance Committee	Compliance Function	Internal Audit Function	Risk Management Function
BRIsyariah	√	√	√	√
BRI Agro	√	√	√	√
BRI Life	√	√	√	√
BRI Finance	√	√	√	√
BRI Venture	√	√		√
Danareksa Sekuritas	√	√	√	√
BRINS	√	√	√	√



CORPORATE GOVERNANCE

Integrated Governance Annual Report

Organizational Structure of Main Entities and Members of BRI Financial Conglomerate

Main Entities

Organizational Structure of the Main Entity is discussed in the Chapter of the Board of Commissioners and Directors in this Annual Report.

Members of BRI Financial Conglomerate

BRI Syariah

Board of Commissioners

Parman Nataatmadja*	President Commissioner
Eko Suwardi	Independent Commissioner
Ernie Tisnawati Sule*	Independent Commissioner
Sutanto	Commissioner

* subject to fit & proper test OJK

Board of Directors

Ngatari*	President Director
Kokok Alun Akbar	Director
Fidri Arnaldy	Director
Fahmi Subandi	Director
Yana Soeprianan*	Director

Sharia Supervisory Board - BRISyariah

The Sharia Supervisory Board (DPS) has the oversight duties that all products and services offered and BRISyariah's banking operations are in accordance with Sharia regulations. The Sharia Supervisory Board not only provides opinions on BRISyariah new products and activities, but also provides certainty to the implementation of sharia principles in the Bank's business and operational activities by coordinating and assisting related work units in the Bank. In carrying out its supervisory duties, the Sharia Supervisory Board collaborates with the Compliance Unit and Internal Audit Unit to ensure the implementation of the bank compliance with sharia principles.

Sharia Supervisory Board

KH. Didin Hafidhuddin	Chairman
M. Gunawan Yasni	Member

*) All Board members live and reside in Indonesia. This is in accordance with the relevant stipulations governing the composition and requirements of the Sharia Supervisory Board.

Integrated Governance Annual Report

BRI Agro

Board of Commissioners

Anna Maria Tjiadarma	Acting President Commissioner & Independent
I.B.K. Suamba Manuaba*	Commissioner
A.Y. Soepadmo	Independent Commissioner

Board of Directors

Ebeneser Girsang	Acting President Director
Sigit Murtiyoso	Director
Bambang Krisminarno	Director
Herry Prayudi	Director

BRI Life

Board of Commissioners

Tri Wintarto	President Commissioner
Sapto Haryono Wahyu S.	Vice President Commissioner
M. Ridwan Rizqi R. Nasution	Independent Commissioner
Mulabasa Hutabarat	Independent Commissioner
Eko Wahyu Andriastono	Independent Commissioner
Siswarin D. Hendarsapti	Commissioner

Board of Directors

Gatot Mardiwasiso Trisnadi	President Director
Sugeng Sudibjo	Director
Khairi Setiawan	Director
Ansar Arifin	Director
Danny Cahya Rukmana	Director
Anik Hidayati	Director



CORPORATE GOVERNANCE

Integrated Governance Annual Report

Sharia Supervisory Board - BRILife

BRI Life Sharia Supervisory Board is a Company Organ recommended by DSN MUI that carries out a supervisory function on the operation of insurance business to comply with sharia principles. The Sharia Supervisory Board is the sharia aspects supervisory board, in which each Sharia Supervisory Board member cannot act individually, but based on the decision of the Sharia Supervisory Board. To support the effectiveness of duties implementation and responsibilities, the Sharia Supervisory Board is supported the secretary and or special staffs.

Sharia Supervisory Board

KH. DR.Mohamad Hidayat, MBA, MH	Chairman
Ir. H. Agus Haryadi.AAAIJ, FIIS	Member
Hj. Siti Haniatunnisa, LLB, MH	Member

BRI Finance

Board of Commissioners

I Komang Sudiarsa	President Commissioner
Ngalim Sawego	Commissioner
Boyke Budiono	Independent Commissioner

Board of Directors

Wisto Prihadi	President Director
Handayatni Ariefiana Harjanti	Director
Achmad Chairul Ganie	Director
Willy Halim Sugiarda	Director

BRI Venture

Board of Commissioners

Hadi Susanto	President Commissioner
I Nyoman Sugiri Yasa	Commissioner

Board of Directors

Nicko Widjaja	President Director
	Director

Integrated Governance Annual Report

Danareksa Sekuritas

Board of Commissioners	
	President Commissioner
Soehandjono	Commissioner
	Independent Commissioner
Board of Directors	
	President Director
Budi Susanto	Director
	Director
Santri Suryandari	Director
Boumediene Samurung Halomoan	Director

BRINS

Board of Commissioners	
Siswanto	President Commissioner
Alfonso Napitupulu	Independent Commissioner
Imam Sundoro	Independent Commissioner
Board of Directors	
Tri Wintarto	President Director
Achmad Chumaidi	Director
Sutarno	Director
Adi Setianto	Director
Ade Zulfikar	Director

Sharia Supervisory Board - BRINS

Has the duty that is not limited to providing advice and recommendation to the Board of Directors, but also ensuring the company's operational activities are performed according to sharia principles.

Sharia Supervisory Board	
Ibu Hj. Nilmayetty Yusri	Chairman
Bapak Muhammad Syukhandri	Member



CORPORATE GOVERNANCE

Integrated Governance Annual Report

Duties and Responsibilities

In implementing integrated governance for BRI financial conglomerates, the Main Entity has the guidelines to foster a more prudent governance for LJK Financial conglomerates in accordance with GCG principles. In implementing the guidelines, all main entity organs and financial conglomerate LJK have the duties and responsibilities in the oversight and internal control function.

Main Entity's Board of Commissioners and Board of Directors

Board of Commissioners of the Main Entity

1. Oversight to the Financial Services of BRI Financial Conglomerate is in accordance with the integrated governance guidelines.
2. Oversight of duties and responsibilities of BRI Board of Directors on the implementation of integrated governance.
3. Evaluating the guidelines and implementation of integrated governance.

Board of Directors of the Main Entity

1. Compiling guidelines for integrated governance.
2. Directing, monitoring, and evaluating the implementation of integrated governance.
3. Following-up the direction and evaluation of the Board of Commissioners on the guidelines and implementation of integrated governance.
4. Ensuring findings and recommendations from OJK supervision or regulators, external auditors, integrated audit work units, have been acted upon.

Board of Commissioners and Board of Directors of the Financial Services Institutions

Board of Commissioners of the Financial Conglomerate Financial Services Institutions

1. Oversight the implementation of governance, duties, and responsibilities of the Board of Directors, and following up audit findings.
2. Establish the Audit Monitoring Committee and Compliance Monitoring Committee.
3. Holding the Board of Commissioners Meeting, which covers the frequency, attendance, and decision making mechanism.
4. Establish the BOC Charter.

Sharia Supervisory Board BRIsyariah

Duties and responsibilities of the Sharia Supervisory Board are as follows:

1. Ensuring and monitoring the conformity of the bank operations to the fatwas issued by the National Sharia Board - Indonesian Ulema Council (DSN-MUI);
2. Assessing sharia aspects of the operational guidelines and product issued by the bank;
3. Providing opinion from the sharia aspect towards the comprehensive bank operations in the bank's publication report;
4. Assessing new products and services for which there is no fatwa, or requesting fatwas to the DSN-MUI;
5. Reviewing the compliance of sharia principles with the mechanism for the fund collection, fund disbursement, and bank's services;
6. Submitting a sharia supervision report at least every 6 (six) months to the Board of Directors, Commissioners, National Sharia Board, and the Financial Services Authority;
7. Providing sufficient time to carry out their duties and responsibilities optimally.

Integrated Governance Annual Report

Frequency and Advisory and Recommendations of BRIsyariah Sharia Supervisory Board

1. In carrying out its duties and responsibilities, the Sharia Supervisory Board will hold the Sharia Supervisory Board meeting at least once in a month as required in PBI No.11/33/PBI/2009 and SEBI No.12/13/DPbS regarding GCG Implementation For Sharia Commercial Banks and Sharia Business Unit.
2. All decisions are set forth in the meeting minutes which are joint decisions of all Board members. The meeting minutes state the sharia decisions and opinions taken at the meeting.

Sharia Supervisory Board BRILife

BRILife Sharia Supervisory Board (DPS) has the oversight duties and advisory and recommendation to the Board of Directors that the Insurance Company activities shall comply with sharia principles, which technically supported by the management on:

1. Insurance Company activities in managing wealth and liabilities, both and or new, company funds and participant investment funds;
2. Sharia insurance products marketed by Insurance Companies; and
3. The practice of sharia insurance products marketing carried out by insurance companies.

Obligations of Sharia Supervisory Board

The Sharia Supervisory Board also has the obligations to:

1. Ensure effective, appropriate, and prompt decision making and act independently with no interest that may interfere with its ability to perform its tasks independently and critically.
2. Carry out supervisory duties and advice and suggestions provisions to the Board of Directors for the Insurance Company's activities in accordance with the sharia principles;
3. Organize regular meetings between the Sharia Supervisory Board and/or management at least 6 (six) times a year;
4. Compile the Minutes of Meeting comprehensively, through management's assistance, including in the case of dissenting opinion of the Sharia Supervisory Board, which shall be well documented, and shall be submitted to all members of the Sharia Supervisory Board;
5. Prepare annual report with the management's assistance, on Supervision of the Company's Sharia Supervisory Board in accordance with the forms and ordinances set by the Regulator.
6. Deliver the results of the supervisory report to OJK and submit a copy to Management, and be the part of the Good Corporate Governance compliance report.
7. Examine and review the periodic reports and Annual Report prepared by the Directors, and sign the said report;
8. Request explanation to the Board of Directors on the policies or actions of members of the Board of Directors assessed by the Sharia Supervisory Board that is not in accordance with the sharia principles;
9. In the event that the Board of Directors refuses the results of Sharia Supervisory Board assessment, the Sharia Supervisory Board shall report to the Chief Executive and forward to the Board of Directors no later than 7 (seven) working days after the Board of Directors' explanation is received by the Sharia Supervisory Board.
10. In the event that the Board of Directors receives the results of the Sharia Supervisory Board assessment as referred to in item 8, the Sharia Supervisory Board requests the Board of Directors to make corrections to the policies or actions of the members of the Board of Directors to be in accordance with the Sharia Principles.
11. In the event that a member of the Board of Directors does not revise the policy or action as referred to in point 10, the Sharia Supervisory Board shall immediately report to the Chief Executive and forward to the Board of Directors no later than 7 (seven) working days after it is known that the member of the Board of Directors does not make such efforts.



CORPORATE GOVERNANCE

Integrated Governance Annual Report

Frequency and Advisory and Recommendation of the BRILife Sharia Supervisory Board

In providing advice and recommendation, the Sharia Supervisory Board conducts meetings based on the Sharia Supervisory Board Charter which is regulated as follows:

1. Sharia Supervisory Board meetings must be held periodically at least 6 (six) times in 1 (one) year.
2. Meetings can be held at any time at the request of 1 (one) or several Sharia Supervisory Board Members or at the request of the Board of Directors, stating the matters that will be discussed.
3. The decision of Sharia Supervisory Board Meeting must be taken based on deliberation to reach consensus. If a decision based on deliberation to reach consensus is not reached, then the decision must be taken by voting based on agreed votes of more than 1/2 (one half) of the total legitimate votes issued at the meeting.
4. All decisions of the meeting are binding for all Sharia Supervisory Board Members.

Board of Directors of the Financial Conglomerate Financial Services

1. Implementing the GCG principles, including the fulfillment of sharia principles. 2
2. Following-up audit findings, both internal and external audits.
3. Ensuring the availability of work rules at Financial Services' Financial Conglomerate.
4. Convene the Board of Commissioners' Meeting, which covers the frequency, attendance, and decision-making mechanism.

Integrated Governance Committee

1. Evaluating the implementation of integrated governance through an adequacy assessment of internal controls and integrated compliance functions implementation, including the sharia principles fulfillment.
2. Providing recommendation to the Parent Company's Board of Commissioners to refine the integrated governance guidelines.
3. Providing strategic input to the Board of Commissioners in the integrated governance implementation.

Integrated Compliance Unit

In carrying out the integrated compliance function, the Integrated Compliance Unit has the following duties and responsibilities:

1. Monitoring and evaluating the Integrated Compliance Function on each BRI's Financial Conglomerate Financial Services, including the sharia principles.
2. Preparing and submitting report on the duties and responsibilities implementation of the Compliance Function to the Compliance Director.

Integrated Internal Audit Unit

Pursuant to POJK on Integrated Governance, POJK on Internal Audit Function at Commercial Banks and Joint Decree of the Board of Commissioners and Directors of the Main Entity of BRI Financial Conglomerate and approval of the Directors of BRI Financial Conglomerate regarding the Integrated Internal Audit Charter of BRI Financial Conglomerate, the duties and responsibilities of Integrated IAU is outlined below:

1. Assisting the duties of Main Entity Board of Directors, Main Entity Board of Commissioners and the Integrated Corporate Governance Committee in overseeing the internal audit function in the Financial Conglomerate.
2. Oversight the internal audit function in financial conglomerates to at least include:
 - a. Audit activities reports and audit main points reports of subsidiaries.
 - b. Areas that experience a significant increase in risk and significant fraud incidents that occur in the Subsidiaries.
 - c. Quality of IAU Subsidiaries which includes but is not limited to audit methods and procedures, Human Resources (HR) and audit tools.
3. Carry out audits or join audits with the Subsidiary's IAU or based on reports and internal audits of the Subsidiaries independently, objectively and professionally while taking into account the size, characteristics and complexity of the Subsidiary's business after obtaining approval from the Main Entity Board of Directors.

Integrated Governance Annual Report

4. Prepare standards for the internal audit function that at least covers the issues arranged in the Internal Audit Professional Standards as a guide for Internal Audit in carrying out its duties.
 5. Integrated IAU communicates with the Subsidiary's IAU regularly, at least twice a year.
 6. Integrated IAU can communicate with the Board of Commissioners and the Integrated Governance Committee in implementing Integrated Governance supervision.
 7. Inform the latest and significant audit findings to the President Director and President Commissioner through the Integrated Governance Committee at the first opportunity, with a copy to the Compliance Director and Director who supervises the Financial Conglomerate Financial Service Institutions.
 8. Integrated IAU can work together with work units that perform other control functions, including integrated risk management and integrated compliance with companies by enhancing the effectiveness of the control function.
2. Monitoring the implementation of Integrated Risk Management policy, including developing procedures and tools for risk identification, measurement, monitoring, and control
 3. Carrying out risk monitoring on Subsidiaries based on the assessment:
 - a. Risk profile of each Subsidiary
 - b. Integrated risk level of each subsidiary
 - c. Integrated Risk profile
 4. Integrated stress testing
 5. Regular Reviewing to ensure:
 - a. Accuracy of risk assessment methodology
 - b. Adequacy of management information system
 - c. Accuracy of policies, procedures, and determination of risk thresholds

The objective of periodic reviews is to anticipate if there is a change of internal factors and external factors to the BRI Financial Conglomerate.
 6. Reviewing the proposed new business lines that are strategic and have a significant effect on matters that need to be followed up regarding the results of evaluations on the implementation of Integrated Risk Management. The review of proposed new business lines is focused on aspects of capability in managing new businesses, including the completeness of the systems and procedures used and their impact on overall risk exposure. Providing information to the Integrated RMC on matters that need to be followed up regarding the results of evaluations of the implementation of Integrated Risk Management, including regarding the amount and maximum risk exposure that needs to be addressed by BRI Directors or Subsidiaries. Compile and submit Integrated Risk Profile reports regularly to the BRI Compliance Director and to the Integrated RMC. The frequency of reports can be increased if market conditions change rapidly.

Integrated Risk Management Unit

The Integrated Risk Management Unit is implemented by BRI Risk Management Division. The Integrated Risk Management Unit is independent, separate from the work unit carrying out the internal control function and the operational risk-taking unit at BRI. The Integrated Risk Management Unit reports directly to the BRI's Director of Compliance.

In performing its duties, the Integrated Risk Management Unit coordinates with the Risk Management unit of each Subsidiary. Coordination shall be carried out, among others, through the information delivery on the exposure of each Subsidiary to the Integrated Risk Management Unit regularly.

The duties and responsibilities of Integrated Risk Management Unit include:

1. Providing recommendations to BRI's Board of Directors and to Integrated RMC in the preparation and improvement of Integrated Risk Management policy



CORPORATE GOVERNANCE

Integrated Governance Annual Report

Integrated Governance Implementation 2019

Integrated Governance Committee

During 2019, the Integrated Governance Committee held two meetings with the Financial Conglomerate LJK with the following agenda:

1. Integrated Risk Profile Semester II 2018, Implementation of Integrated Risk Management Semester II 2018, Implementation of Integrated Governance Semester II 2018, and Integrated Governance Report
2. Implementation of Integrated Compliance Function & Integrated Internal Control Semester II 2018
3. Internal Compliance and Internal Control Functions in Semester I 2019
4. Evaluation of BRI Integrated Risk Profile Semester I 2019

Integrated Compliance Unit

The implementation of Integrated Compliance Unit during 2019 is as follows:

1. Maintaining the IGC structure to comply with IGC principles and regulatory rules including the Board of Commissioners, Directors, Committees, Integrated Units and policies/procedures.
2. Evaluation of the implementation of Integrated Compliance Function in the financial conglomerate.
3. IGC self assessment in BRI Financial Conglomerate.
4. Submission of IGC implementation reporting to the Financial Services Authority.

Integrated Internal Audit Unit

To encourage the BRI financial conglomerate in having a reliable internal audit function to become a strategic business partner in supporting the objectives of the company in the financial conglomerate and to ensure internal audit in subsidiaries is carried out using audit standards at the Bank, then during 2019 the Integrated IAU has carried out various work programs, including:

1. Ratification of the Integrated Internal Audit Charter of the Financial Conglomerate as the main guideline for integrated governance that must be obeyed by all Internal Audit Units in BRI Financial Conglomerate.

2. Conduct an evaluation of the focus and audit strategy of the Subsidiary's IAU as stated in the 2019 Annual Audit Planning (PAT) of each Financial Conglomerate LJK.
3. Monitoring the implementation of the internal audit function regularly every Quarter with the scope of the implementation of monitoring, as follows:
 - a. Monitoring the performance achievements of Subsidiaries
 - b. Monitoring Audit Results Reports of Subsidiaries
 - c. Monitoring the follow up of significant findings in subsidiaries
 - d. Monitoring the fulfillment of audit human resources in subsidiaries
4. Carry out individual audits on procurement and core banking and non IT audits at BRI Life.
5. Carry out joint audits with BRI Agro and BRI Syariah (IT and Non IT fields).
6. Implement a Quality Assurance Review and Improvement Program (QAIP) in the Subsidiary's IAU in order to develop and maintain an audit quality improvement program that covers all internal audit activities. The QAIP implemented by the Integrated IAU toward the Subsidiary's IAU is also carried out in order to evaluate the suitability of internal audit activity against the auditors' standards, code of conduct and assess the efficiency and effectiveness of internal audit activity to be then identified opportunities for improvement. During 2019, the Integrated Internal Audit Unit has implemented Quality Assurance of the BRI Syariah and BRI Life IAUs.
7. Providing education by involving BRI Financial Conglomerate LJK Auditors with the following material:
 - a. Root Cause Analysis Training on 20 – 22 March 2019.
 - b. Audit Investigative Training on 25 – 29 March 2019.
 - c. PSAK 71 implementation Training on 10 – 11 October 2019.

Integrated Governance Annual Report

8. Submission of Integrated Internal Audit Reports every semester.
9. Implementation of Integrated Governance Self Assessment every semester. The self-assessment results of Factor 5 Indicators of Integrated Internal Audit Unit on the aspects of structure, process and results are 1 (very good). Based on this assessment, it can be concluded that in general the Integrated Internal Audit Unit of BRI Financial Conglomerate has implemented integrated governance that is generally very good. This is reflected in the adequate fulfillment of integrated governance. If there are weaknesses in the application of integrated governance, in general those weaknesses are not significant and immediate improvements are made by the Main Entity and/or LJK.
10. In accelerating the process of transferring knowledge from BRI IAU to Subsidiary IAU, BRI Auditor has been placed in the Subsidiary's IAU with the following details:
 - a. BRI Agro : IAU Head (1 Person), IAU Deputy Head (1 Person), IT Auditor (1 Person), Auditor (2 Persons)
 - b. BRI Life : KTA (1 Person), 3 (three) Auditors
 - c. BRI Finance : 2 Auditors

Integrated Risk Management Unit

The implementation of Integrated Risk Management Unit during 2019 is as follows:

1. Implementation of Integrated Risk Management Committee (RMC) .
2. Implementation of Integrated Risk Profile.
3. BRI Consolidated Bank Rating Report.
4. Consolidated Capital Adequacy Ratio (CAR).
5. Obligation to provide Integrated Capital Adequacy Ratio (CAR).
6. Integrated Stress Tests.



CORPORATE GOVERNANCE

Risk Management

CALCULATION OF LIABILITIES OF CAPITAL ADEQUACY RATIO (CAR)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

Description	
I.	Core Capital (Tier 1)
1.	Common Equity Tier-1 (CET 1)
1.1.	Paid-in Capital (less Treasury Stock)
a.	Common Stock
b.	Preference Stock
1.2.	Disclosed Reserves *)
1.2.1.	Factor enhancers :
1.2.1.1.	Other Comprehensive Income
1.2.1.1.1.	Differences arising from translation of foreign currencies in financial statement
1.2.1.1.2.	Potential gain from increase of fair value of financial assets available for sale
1.2.1.1.3.	Balance of fixed asset revaluation surplus
1.2.1.2.	Other disclosed reserves
1.2.1.1.1.	Premium
1.2.1.1.2.	General reserves
1.2.1.1.3.	Prior year profits
a.	Last year profits
b.	Increase/decrease of fair value of financial liabilities
c.	Gain on sale of assets in securitization transaction
1.2.1.1.4.	Profit for the year
a.	Profit for the year
b.	Increase/decrease of fair value of financial liabilities
c.	Gain on sale of assets in securitization transaction
1.2.1.1.5.	Stock options
1.2.1.1.6.	Others
1.2.2.	Deduction factors :
1.2.2.1.	Other Comprehensive Income
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
1.2.2.2.	Other disclosed reserves
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
1.2.2.2.5.	Differences on adjustment of fair value of financial instruments in Trading Book
1.2.1.1.6.	Required PPA on non-earning assets
1.2.1.1.7.	Others

Risk Management

(In million rupiah)

31 DECEMBER 2018		31 DECEMBER 2019	
Bank	Consolidated	Bank	Consolidated
164,924,546	172,358,004	187,012,209	197,219,352
164,924,546	172,358,004	187,012,209	197,219,352
6,111,861	6,111,861	6,424,794	6,424,794
6,111,861	6,111,861	6,424,794	6,424,794
173,305,084	172,705,454	196,978,130	198,099,128
175,257,520	174,797,796	197,035,154	198,254,265
13,873,912	13,873,912	17,590,764	17,577,033
49,220	49,220	0	0
0	0	726,681	712,950
13,824,692	13,824,692	16,864,083	16,864,083
161,383,608	160,923,884	179,444,390	180,677,232
410,340	410,340	618,004	618,004
3,022,685	3,022,685	3,022,685	3,022,685
126,248,608	125,608,444	141,775,016	142,937,516
126,248,608	125,608,444	141,775,016	142,937,516
0	0	0	0
0	0	0	0
31,701,975	31,882,415	34,028,685	34,099,027
31,701,975	31,882,415	34,028,685	34,099,027
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
1,952,436	2,092,342	57,024	155,137
1,919,488	1,971,392	14,868	30,633
0	0	14,868	14,868
1,919,488	1,971,392	0	15,765
32,948	120,950	42,156	124,504
0	0	0	0
0	0	0	0
0	0	0	0
0	71,755	0	66,101
0	0	0	0
32,948	36,851	42,156	46,059
0	12,344	0	12,344



CORPORATE GOVERNANCE

Risk Management

CALCULATION OF LIABILITIES OF CAPITAL ADEQUACY RATIO (CAR) PT BANK RAKYAT INDONESIA (PERSERO) Tbk

Description
1.3. Non-controlling interest
1.4. Deduction factors of CET 1 *)
1.4.1. Calculation of deferred tax
1.4.2. Goodwill
1.4.3. Differences in other intangible assets
1.4.4. Investments calculated as deduction factor
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
II. COMPLEMENTARY CAPITAL (Tier 2)
1. Capital instruments such as stocks or others eligible as Tier 2
a. Preference stock (perpetual cumulative, non perpetual), less repurchase
b. Subordinated securities (perpetual cumulative, non perpetual), less repurchases
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).
4. Deduction factor of Complementary Capital *)
4.1. Sinking Fund
4.2. Fund placement on Tier 2 instruments in other banks
4.3. Cross ownership in other entities acquired by transfer due to legal, grant or fair grant

Risk Management

(In million rupiah)

31 DECEMBER 2018		31 DECEMBER 2019	
Bank	Consolidated	Bank	Consolidated
	0		1,930,927
14,492,399			8,390,238
4,772,857			4,984,023
	0		468,722
	0		8,076
9,719,542			2,929,417
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
8,693,875			10,029,307
450,000			1,450,000
	0		0
450,000			1,450,000
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
	0		0
8,243,875			8,616,154
	0		36,847
	0		0
	0		36,847
	0		0



CORPORATE GOVERNANCE

Risk Management

CALCULATION OF LIABILITIES OF CAPITAL ADEQUACY RATIO (CAR)

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

Description
TOTAL CAPITAL
RISK WEIGHTED ASSET
RWA CREDIT RISK
RWA MARKET RISK
RWA OPERATIONAL RISK
TOTAL RWA
CAR BASED ON RISK PROFILE (%)
CAR ALLOCATION
From CET 1 (%)
From AT1 (%)
From Tier 2 (%)
CAR
CET 1 ratio (%)
Rasio Tier 1 (%)
Rasio Tier 2 (%)
Total ratio (%)
CET FOR BUFFER (%)
REQUIRED BUFFER PERCENTAGE (%)
Capital Conversion Buffer (%)
Countercyclical Buffer (%)
Capital Surcharge untuk D-SIB (%)
1) Details presentation can be omitted for nil value.

Risk Management

(In million rupiah)

31 DECEMBER 2018		31 DECEMBER 2019	
Bank	Consolidated	Bank	Consolidated
173,618,421	182,387,311	195,986,650	207,379,430
659,319,661	690,764,915	689,093,355	726,179,371
11,078,731	11,229,322	13,712,721	14,004,256
148,209,848	152,229,031	166,214,312	170,666,840
818,608,240	854,223,268	869,020,388	910,850,467
9.53%	9.53%	9.60%	9.61%
8.47%	8.36%	8.57%	8.49%
0.00%	0.00%	0.00%	0.00%
1.06%	1.17%	1.03%	1.12%
20.15%	20.18%	21.52%	21.65%
20.15%	20.18%	21.52%	21.65%
1.06%	1.17%	1.03%	1.12%
21.21%	21.35%	22.55%	22.77%
11.68%	11.82%	12.95%	13.16%
3.750%	3.750%	5.000%	5.000%
1.875%	1.875%	2.500%	2.500%
0.000%	0.000%	0.000%	0.000%
1.875%	1.875%	2.500%	2.500%



CORPORATE GOVERNANCE

Risk Management

Table 1.a.1 : Disclosure of Net Receivables Based on Region - Bank Only

No.	Portfolio Category	Region	
		Jakarta	Central & Eastern Indonesia
(1)	(2)	(3)	(4)
1	Government Receivables	290,583,943	0
2	Public Sector Entity Receivables	72,258,144	3,354,518
3	Multilateral Development Banks and International Institutions Receivables	0	0
4	Banks Receivables	87,019,078	0
5	Mortgage Loan	9,371	14,537
6	Commercial Property Loan	2,140,176	482,526
7	Employee/Pensioners Loan	19,930,508	63,958,293
8	Micro Enterprise and Retail Portfolio Receivables	40,669,961	75,876,544
9	Corporate Receivables	143,431,672	25,555,693
10	Past Due Receivables	896,689	2,162,631
11	Other Assets	36,120,610	11,638,859
	Total	693,060,153	183,043,601

Table 1.a.1 : Disclosure of Net Receivables Based on Region - Bank Only

No.	Portfolio Category	Region	
		Jakarta	Central & Eastern Indonesia
(1)	(2)	(3)	(4)
1	Government Receivables	337,788,093	0
2	Public Sector Entity Receivables	71,252,844	513,691
3	Multilateral Development Banks and International Institutions Receivables	0	0
4	Banks Receivables	76,753,965	0
5	Mortgage Loan	1,132,605	1,135,774
6	Commercial Property Loan	3,128,932	1,844,683
7	Employee/Pensioners Loan	20,972,639	66,889,978
8	Micro Enterprise and Retail Portfolio Receivables	45,616,667	84,335,969
9	Corporate Receivables	126,921,206	30,342,484
10	Past Due Receivables	1,272,258	2,318,011
11	Other Assets	28,924,964	13,619,180
	Total	713,764,173	200,999,770

Risk Management

(In million rupiah)

31 DECEMBER 2018**Net Receivables by Region**

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(10)
0	0	0	0	2,544,738	293,128,681
4,904,531	0	3,216,100	3,693,366	1,106,464	88,533,123
0	0	0	0	0	0
0	0	0	0	107,850	87,126,928
3,444	2,794	2,834	6,887	7,006	46,873
16,391	57,950	143,632	76,280	3,518	2,920,473
13,815,174	11,081,194	15,237,800	25,163,911	5,646,570	154,833,450
29,242,575	56,117,337	44,701,934	52,022,747	10,552,347	309,183,445
11,514,390	15,733,269	18,699,369	27,634,569	8,574,864	251,143,826
665,473	768,692	1,055,156	1,776,402	262,667	7,587,710
5,326,231	5,571,022	4,643,038	7,295,083	2,783,561	73,378,404
65,488,209	89,332,258	87,699,863	117,669,245	31,589,585	1,267,882,914

(In million rupiah)

31 DECEMBER 2019**Net Receivables by Region**

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(12)
0	0	0	0	1,761,903	339,549,996
4,866,019	0	3,123,089	3,126,717	1,224,958	84,107,318
0	0	0	0	0	0
0	0	0	0	0	76,753,965
446,241	691,889	714,792	598,443	73,210	4,792,954
519,702	495,848	433,717	1,166,580	155,055	7,744,517
14,114,595	11,307,942	15,306,593	26,327,322	5,928,153	160,847,222
32,883,563	63,393,476	50,856,096	56,853,939	11,893,682	345,833,392
12,848,401	16,123,741	19,837,394	29,119,057	12,650,730	247,843,013
670,018	774,052	1,165,111	1,566,774	268,561	8,034,785
5,640,712	7,410,764	4,873,518	8,932,785	3,383,787	72,785,710
71,989,251	100,197,712	96,310,310	127,691,617	37,340,039	1,348,292,872



CORPORATE GOVERNANCE

Risk Management

Table 1.b.1 : Disclosure of Net Receivables Based on Region - Bank Consolidated with Subsidiaries

No.	Portfolio Category	Jakarta	Central & Eastern Indonesia
		(3)	(4)
(1)	(2)		
1	Government Receivables	343,813,333	0
2	Public Sector Entity Receivables	72,686,341	513,691
3	Multilateral Development Banks and International Institutions Receivables	0	0
4	Banks Receivables	77,317,976	30
5	Mortgage Loan	1,334,671	1,160,116
6	Commercial Property Loan	3,136,931	1,844,683
7	Employee/Pensioners Loan	21,133,306	66,904,296
8	Micro Enterprise and Retail Portfolio Receivables	46,671,207	84,699,640
9	Corporate Receivables	139,503,215	30,413,582
10	Past Due Receivables	1,701,017	2,339,868
11	Other Assets	29,209,109	13,620,889
	Total	736,507,106	201,496,795

Table 1.b.2 : Disclosure of Net Receivables Based on Region - Bank Consolidated with Subsidiaries

No.	Portfolio Category	Jakarta	Central & Eastern Indonesia
		(3)	(4)
(1)	(2)		
1	Government Receivables	295,046,870	0
2	Public Sector Entity Receivables	73,096,095	3,354,518
3	Multilateral Development Banks and International Institutions Receivables	0	0
4	Banks Receivables	89,564,987	0
5	Mortgage Loan	171,586	40,451
6	Commercial Property Loan	2,327,659	482,526
7	Employee/Pensioners Loan	20,024,749	63,969,537
8	Micro Enterprise and Retail Portfolio Receivables	41,958,732	76,309,001
9	Corporate Receivables	153,813,861	25,590,431
10	Past Due Receivables	908,236	2,178,450
11	Other Assets	36,367,037	11,642,769
	Total	713,279,812	183,567,683

Risk Management

(In million rupiah)

31 DECEMBER 2019**Net Receivables by Region**

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(10)
0	0	0	0	1,761,903	345,575,236
4,866,019	0	3,123,089	3,126,717	1,224,958	85,540,815
0	0	0	0	0	0
11	20	36	80	0	77,318,153
470,628	711,766	741,783	686,123	73,210	5,178,297
519,702	495,848	433,717	1,168,049	155,055	7,753,985
14,181,174	11,324,732	15,318,755	26,707,548	5,928,153	161,497,964
32,947,454	63,529,281	50,930,977	57,722,328	11,893,682	348,394,569
12,874,979	16,201,438	20,006,611	29,593,146	12,650,729	261,243,700
832,464	824,588	1,260,112	1,702,318	268,561	8,928,928
5,648,527	7,413,839	4,876,695	8,970,787	3,383,787	73,123,633
72,340,958	100,501,512	96,691,775	129,677,096	37,340,038	1,374,555,280

(In million rupiah)

31 DECEMBER 2019**Net Receivables by Region**

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(12)
0	0	0	0	2,544,738	297,591,608
4,904,531	0	3,216,100	3,693,366	1,106,464	89,371,074
0	0	0	0	0	-
0	0	0	479	107,850	89,673,316
31,724	15,592	18,126	64,939	7,006	349,424
16,391	57,950	184,447	92,022	3,518	3,164,513
13,885,650	11,084,898	15,243,663	25,441,297	5,646,570	155,296,364
29,298,307	56,235,213	44,814,558	52,860,562	10,552,347	312,028,720
11,541,715	15,928,427	18,957,279	28,083,166	8,574,864	262,489,743
779,680	808,993	1,061,360	1,846,370	262,667	7,845,756
5,334,637	5,574,613	4,648,206	7,331,352	2,783,561	73,682,175
65,792,635	89,705,686	88,143,739	119,413,553	31,589,585	1,291,492,693



CORPORATE GOVERNANCE

Risk Management

Table 2.a.1 : Disclosure of Net Receivables by Remaining Contract Term - Bank Only

No.	Portfolio Category		
		< 1 year	> 1 yrs - 3 yrs
(1)	(2)	(3)	(4)
1	Government Receivables	18,757	1,134
2	Public Sector Entity Receivables	23,646,149	14,395,282
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	38,326,561	3,432,907
5	Mortgage Loan	-	9
6	Commercial Property Loan	982	25,773
7	Employee/Pensioners Loan	136,137	4,460,772
8	Micro Enterprise and Retail Portfolio Receivables	34,968,490	142,616,334
9	Corporate Receivables	30,420,947	46,750,034
10	Past Due Receivables	472,096	1,909,628
11	Other Assets	-	-
	Total	127,990,119	213,591,873

Table 2.a.1 : Disclosure of Net Receivables by Remaining Contract Term - Bank Only

No.	Portfolio Category		
		< 1 year	> 1 yrs - 3 yrs
(1)	(2)	(9)	(10)
1	Government Receivables	259	1,139
2	Public Sector Entity Receivables	29,053,329	4,841,640
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	28,442,760	4,442,779
5	Mortgage Loan	-	18,991
6	Commercial Property Loan	421	440,001
7	Employee/Pensioners Loan	109,820	3,794,541
8	Micro Enterprise and Retail Portfolio Receivables	39,295,904	153,465,444
9	Corporate Receivables	38,609,717	41,662,652
10	Past Due Receivables	585,785	1,926,963
11	Other Assets	-	-
	Total	136,097,995	210,594,150

Risk Management

(In million rupiah)

31 DECEMBER 2018**Net Receivables based on the balance of contract due**

	> 3 yrs - 5 yrs	> 5 yrs	Non Contractual	Total
	(5)	(6)	(7)	(8)
	288	14,431,524	278,676,978	293,128,681
	6,337,035	38,115,319	6,039,338	88,533,123
	-	-	-	-
	6,271,376	5,995,574	33,100,510	87,126,928
	1,868	44,996	-	46,873
	1,080,345	1,813,373	-	2,920,473
	19,625,346	130,610,791	404	154,833,450
	79,540,586	49,878,711	2,179,324	309,183,445
	33,940,432	114,682,144	25,350,269	251,143,826
	1,883,136	3,322,850	-	7,587,710
	-	-	73,378,404	73,378,404
	148,680,412	358,895,282	418,725,227	1,267,882,913

(In million rupiah)

31 DECEMBER 2019**Net Receivables based on the balance of contract due**

	> 3 yrs - 5 yrs	> 5 yrs	Non Contractual	Total
	(11)	(12)	(13)	(14)
	-	14,932,014	324,616,584	339,549,996
	6,394,286	43,618,836	199,227	84,107,318
	-	-	-	-
	6,100,046	5,524,021	32,244,359	76,753,965
	226,152	4,547,811	-	4,792,954
	3,005,204	4,298,891	-	7,744,517
	17,501,102	139,441,414	345	160,847,222
	98,129,426	52,257,204	2,685,414	345,833,392
	42,844,654	114,122,150	10,603,840	247,843,013
	1,955,360	3,566,677	-	8,034,785
	-	-	72,785,710	72,785,710
	176,156,230	382,309,018	443,135,479	1,348,292,872



CORPORATE GOVERNANCE

Risk Management

Table 2.b.1 : Disclosure of Net Receivables by Remaining Contract Term
Bank Consolidated with Subsidiaries

No.	Portfolio Category		
		< 1 year	> 1 yrs - 3 yrs
(1)	(2)	(3)	(4)
1	Government Receivables	4,481,684	1,134
2	Public Sector Entity Receivables	24,086,354	14,793,028
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	40,822,308	3,436,907
5	Mortgage Loan	949	17,095
6	Commercial Property Loan	11,320	165,812
7	Employee/Pensioners Loan	153,408	4,548,386
8	Micro Enterprise and Retail Portfolio Receivables	36,034,647	142,795,884
9	Corporate Receivables	34,272,654	47,332,992
10	Past Due Receivables	570,739	1,923,484
11	Other Assets	-	-
	Total	140,434,063	215,014,722

Table 2.b.2 : Disclosure of Net Receivables by Remaining Contract Term
Bank Consolidated with Subsidiaries

No.	Portfolio Category		
		< 1 year	> 1 yrs - 3 yrs
(1)	(2)	(9)	(10)
1	Government Receivables	6,025,499	1,139
2	Public Sector Entity Receivables	29,482,241	5,240,245
3	Multilateral Development Banks and International Institutions Receivables	-	-
4	Banks Receivables	28,956,564	4,482,778
5	Mortgage Loan	1,277	35,623
6	Commercial Property Loan	8,017	440,053
7	Employee/Pensioners Loan	144,921	3,897,193
8	Micro Enterprise and Retail Portfolio Receivables	40,230,306	153,691,654
9	Corporate Receivables	42,571,425	42,310,230
10	Past Due Receivables	754,801	2,030,148
11	Other Assets	-	-
	Total	148,175,051	212,129,063

Risk Management

(In million rupiah)

31 DECEMBER 2018**Net Receivables based on the balance of contract due**

	> 3 yrs - 5 yrs	> 5 yrs	Non Contractual	Total
	(5)	(6)	(7)	(8)
	288	14,431,524	278,676,978	297,591,608
	6,337,035	38,115,319	6,039,338	89,371,074
	-	-	-	-
	6,318,018	5,995,574	33,100,510	89,673,317
	41,578	289,801	-	349,423
	1,172,515	1,814,866	-	3,164,513
	19,809,064	130,785,102	404	155,296,364
	79,770,520	51,248,345	2,179,324	312,028,720
	35,632,751	119,901,078	25,350,268	262,489,743
	1,893,397	3,458,136	-	7,845,756
	-	-	73,682,175	73,682,175
	150,975,166	366,039,745	419,028,997	1,291,492,693

(In million rupiah)

31 DECEMBER 2019**Net Receivables based on the balance of contract due**

	> 3 yrs - 5 yrs	> 5 yrs	Non Contractual	Total
	(11)	(12)	(13)	(14)
	-	14,932,014	324,616,584	345,575,236
	6,702,583	43,916,519	199,227	85,540,815
	-	-	-	-
	6,110,431	5,524,021	32,244,359	77,318,153
	276,888	4,864,509	-	5,178,297
	3,005,353	4,300,563	-	7,753,985
	17,658,139	139,797,366	345	161,497,964
	98,584,167	53,203,028	2,685,414	348,394,569
	44,728,059	121,030,146	10,603,840	261,243,700
	2,080,877	4,063,102	-	8,928,928
	-	-	73,123,633	73,123,633
	179,146,497	391,631,268	443,473,402	1,374,555,280



CORPORATE GOVERNANCE

Risk Management

Table 3.a. : Disclosure of Net Receivables by Economic Sectors - Bank Only

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Multilateral Development Banks and International Institutions Receivables
(1)	(2)	(3)	(4)	(5)
31 DECEMBER 2018				
1	Agriculture, Hunting and Forestry	-	3,820,702	-
2	Fishery	-	-	-
3	Mining and Excavation	-	517,088	-
4	Manufacturing	-	10,564,119	-
5	Electricity, Gas and Water	-	25,677,691	-
6	Construction	-	5,638,043	-
7	Wholesale and Retail Trading	-	18,908,256	-
8	Accommodation and Food and Beverage	-	-	-
9	Transportation, Warehouse and Communication	-	5,102,956	-
10	Financial Brokerage	276,042,591	6,724,830	-
11	Real Estate, Leasing and Corporate Services	-	65,598	-
12	Public Administration, Defense, and Compulsory Social Security	2,544,738	274,638	-
13	Education Services	-	-	-
14	Health and Social Services	-	-	-
15	Public, Socio-culture, Entertainment and other Personal Services	-	3,252,296	-
16	Personal services for household	-	-	-
17	International institution and other international extra agencies	-	-	-
18	Undefined Activities	14,431,525	1,058,150	-
19	Non-Business Activity	-	-	-
20	Others	109,827	6,928,756	-
	Total	293,128,681	88,533,123	-

Risk Management

(In million rupiah)

Banks Receivables	Mortgage Loan	Commercial Property Loan	Employee / Retirement Loan	Micro Enterprise and Retail Portfolio Receivables	Corporate Receivables	Past Due Receivables	Other Assets
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
-	-	5,305	293,476	41,974,011	41,311,686	502,480	-
-	-	-	6,951	3,089,367	627,694	46,403	-
-	-	-	15,198	419,554	4,420,289	24,718	-
495,372	-	-	31,841	11,239,009	40,197,836	242,813	-
-	-	-	12,084	371,314	11,296,833	6,199	-
12,138	-	-	134,256	1,127,507	26,156,427	147,898	-
4,033	459	-	44,534	173,558,973	79,101,759	4,899,766	-
1,257	-	1,761,048	2,540	3,511,141	1,870,727	77,046	-
-	-	1,092,289	20,420	4,754,217	10,135,951	107,978	-
38,465,024	-	-	28,035	342,074	2,593,033	7,977	-
6,028	3,216	61,831	73,316	3,995,938	4,721,188	98,232	-
-	-	-	2,374,201	176,936	68,752	2,943	-
-	-	-	564,943	406,996	291,972	3,089	-
-	-	-	393,839	1,074,865	2,162,998	23,576	-
-	-	-	917,893	15,873,841	5,607,298	204,583	-
-	-	-	26,626	1,554,049	234,286	26,112	-
-	-	-	-	-	-	-	-
2,598,510	1,468	-	7,911,725	11,511,770	3,365,632	221,087	-
-	41,730	-	141,981,572	34,177,355	10,322,632	944,810	-
45,544,566	-	-	-	24,528	6,656,833	-	73,378,404
87,126,928	46,873	2,920,473	154,833,450	309,183,445	251,143,826	7,587,710	73,378,404



CORPORATE GOVERNANCE

Risk Management

Table 3.a. : Disclosure of Net Receivables by Economic Sectors - Bank Only

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Multilateral Development Banks and International Institutions Receivables
(1)	(2)	(3)	(4)	(5)
31 DECEMBER 2019				
1	Agriculture, Hunting and Forestry	-	3,788,439	-
2	Fishery	-	-	-
3	Mining and Excavation	-	8,081,324	-
4	Manufacturing	-	6,026,226	-
5	Electricity, Gas and Water	-	26,266,561	-
6	Construction	-	3,862,118	-
7	Wholesale and Retail Trading	259	16,352,038	-
8	Accommodation and Food and Beverage	-	-	-
9	Transportation, Warehouse and Communication	-	4,161,737	-
10	Financial Brokerage	322,832,366	2,435,916	-
11	Real Estate, Leasing and Corporate Services	-	82,839	-
12	Public Administration, Defense, and Compulsory Social Security	1,761,903	202,928	-
13	Education Services	-	-	-
14	Health and Social Services	-	3,500,000	-
15	Public, Socio-culture, Entertainment and other Personal Services	-	786,004	-
16	Personal services for household	-	-	-
17	International institution and other international extra agencies	-	291,696	-
18	Undefined Activities	14,932,014	336,605	-
19	Non-Business Activity	-	-	-
20	Others	23,454	7,932,887	-
	Total	339,549,996	84,107,318	-

Risk Management

(In million rupiah)

Banks Receivables	Mortgage Loan	Commercial Property Loan	Employee / Retirement Loan	Micro Enterprise and Retail Portfolio Receivables	Corporate Receivables	Past Due Receivables	Other Assets
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
-	509	368,155	446,326	50,077,081	38,473,704	471,233	-
-	1,917	9,331	7,242	4,100,560	672,348	64,267	-
-	581	121,195	24,119	495,608	6,126,944	32,023	-
244,612	340	398,567	38,238	18,717,867	34,047,892	293,455	-
-	-	319,981	14,778	461,135	12,382,202	14,870	-
6,415	3,525	279,658	159,712	1,270,302	34,039,958	264,063	-
2,798	21,753	2,423,385	66,328	180,269,121	71,509,164	4,843,184	-
1,248	-	2,058,186	3,806	5,547,096	1,807,750	169,433	-
-	1,984	725,540	22,751	5,455,925	9,794,977	142,091	-
34,371,653	1,102	10,571	51,021	430,690	5,793,383	5,505	-
713	115,098	347,565	81,292	4,209,001	4,550,302	117,263	-
-	2,607	1,789	3,080,620	207,899	84,023	5,191	-
-	683	73,428	589,042	459,626	368,131	9,111	-
-	663	246,170	446,790	1,134,122	1,820,751	24,765	-
-	2,149	336,149	1,323,735	19,551,947	6,069,479	247,072	-
-	-	19,230	45,927	1,351,654	207,046	23,139	-
2,287	-	-	-	7,343	99,740	-	-
2,217,715	8,975	3,173	5,482,472	14,978,236	3,115,685	164,032	-
-	4,631,068	2,444	148,963,023	37,102,734	11,635,961	1,144,088	-
39,906,524	-	-	-	5,445	5,243,573	-	72,785,710
76,753,965	4,792,954	7,744,517	160,847,222	345,833,392	247,843,013	8,034,785	72,785,710



CORPORATE GOVERNANCE

Risk Management

Table 3.b. : Disclosure of Net Receivables by Economic Sectors - Bank Consolidated with Subsidiaries

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Multilateral Development Banks and International Institutions Receivables
(1)	(2)	(3)	(4)	(5)
31 DECEMBER 2018				
1	Agriculture, Hunting and Forestry	-	4,526,297	-
2	Fishery	-	-	-
3	Mining and Excavation	-	517,088	-
4	Manufacturing	-	10,564,119	-
5	Electricity, Gas and Water	-	25,677,691	-
6	Construction	-	5,638,043	-
7	Wholesale and Retail Trading	-	18,908,256	-
8	Accommodation and Food and Beverage	-	-	-
9	Transportation, Warehouse and Communication	-	5,102,956	-
10	Financial Brokerage	276,042,591	6,857,186	-
11	Real Estate, Leasing and Corporate Services	-	65,598	-
12	Public Administration, Defense, and Compulsory Social Security	2,544,738	274,638	-
13	Education Services	-	-	-
14	Health and Social Services	-	-	-
15	Public, Socio-culture, Entertainment and other Personal Services	-	3,252,296	-
16	Personal services for household	-	-	-
17	International institution and other international extra agencies	-	-	-
18	Undefined Activities	14,431,525	1,058,150	-
19	Non-Business Activity	-	-	-
20	Others	4,572,754	6,928,756	-
	Total	297,591,608	89,371,074	-

Risk Management

(In million rupiah)

Banks Receivables	Mortgage Loan	Commercial Property Loan	Employee / Retirement Loan	Micro Enterprise and Retail Portfolio Receivables	Corporate Receivables	Past Due Receivables	Other Assets
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
-	-	18,498	293,476	43,380,974	47,817,401	524,478	-
-	-	-	6,951	3,100,203	627,694	47,364	-
-	-	-	15,198	451,088	4,421,789	25,307	-
495,372	-	-	31,841	11,334,022	42,378,653	253,780	-
-	-	-	12,084	380,248	11,699,130	6,382	-
12,138	-	115,920	134,256	1,274,444	26,418,531	158,588	-
4,033	1,234	1,209	44,534	174,244,783	80,260,562	4,956,243	-
1,257	-	1,789,311	2,540	3,593,816	1,911,700	156,940	-
-	-	1,092,289	20,420	4,810,445	10,305,448	111,122	-
41,011,412	-	-	28,035	390,538	3,173,027	7,977	-
6,028	3,216	123,840	73,316	4,132,577	4,738,670	139,327	-
-	-	-	2,374,201	176,936	68,752	2,943	-
-	-	-	564,943	408,048	291,972	3,089	-
-	-	-	393,839	1,099,422	2,162,998	23,576	-
-	-	-	917,893	15,957,472	5,634,033	211,464	-
-	-	23,445	26,626	1,557,072	234,286	26,112	-
-	-	-	-	-	-	-	-
2,598,510	303,243	-	8,374,639	11,534,747	3,365,632	246,253	303,773
-	41,730	-	141,981,572	34,177,356	10,322,632	944,810	-
45,544,566	-	-	-	24,528	6,656,833	-	73,378,404
89,673,316	349,423	3,164,512	155,296,364	312,028,719	262,489,743	7,845,755	73,682,177



CORPORATE GOVERNANCE

Risk Management

Table 3.b. : Disclosure of Net Receivables by Economic Sectors - Bank Consolidated with Subsidiaries

No.	Economy Sectors	Government Receivables	Public Sector Entity Receivables	Multilateral Development Banks and International Institutions Receivables
(1)	(2)	(3)	(4)	(5)
31 DECEMBER 2019				
1	Agriculture, Hunting and Forestry	-	4,478,875	-
2	Fishery	-	-	-
3	Mining and Excavation	-	8,081,324	-
4	Manufacturing	-	6,026,226	-
5	Electricity, Gas and Water	-	26,405,478	-
6	Construction	-	4,187,800	-
7	Wholesale and Retail Trading	259	16,352,038	-
8	Accommodation and Food and Beverage	-	-	-
9	Transportation, Warehouse and Communication	-	4,161,737	-
10	Financial Brokerage	322,832,366	2,638,375	-
11	Real Estate, Leasing and Corporate Services	-	158,842	-
12	Public Administration, Defense, and Compulsory Social Security	1,761,903	202,928	-
13	Education Services	-	-	-
14	Health and Social Services	-	3,500,000	-
15	Public, Socio-culture, Entertainment and other Personal Services	-	786,004	-
16	Personal services for household	-	-	-
17	International institution and other international extra agencies	-	291,696	-
18	Undefined Activities	14,932,014	336,605	-
19	Non-Business Activity	-	-	-
20	Others	6,048,694	7,932,887	-
	Total	345,575,236	85,540,815	-

Risk Management

(In million rupiah)

Banks Receivables	Mortgage Loan	Commercial Property Loan	Employee / Retirement Loan	Micro Enterprise and Retail Portfolio Receivables	Corporate Receivables	Past Due Receivables	Other Assets
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
-	509	368,304	446,326	51,342,604	44,762,004	842,134	-
-	1,917	9,331	7,242	4,110,572	675,308	66,178	-
-	581	121,195	24,119	504,836	6,147,156	36,157	-
244,612	340	399,521	38,238	18,833,150	36,235,239	385,380	-
-	-	319,981	14,778	471,358	13,324,860	14,939	-
6,415	3,525	280,927	159,712	1,420,808	35,936,128	314,780	-
2,798	21,753	2,423,923	66,328	180,915,024	72,634,440	4,990,728	-
1,248	-	2,063,630	3,806	5,590,600	1,966,538	282,765	-
-	1,984	725,540	22,751	5,514,130	10,004,578	145,309	-
34,935,841	1,102	10,571	51,021	463,571	6,189,713	5,505	-
713	115,098	348,679	81,292	4,305,369	4,686,725	172,776	-
-	2,607	1,789	3,080,620	207,899	84,023	5,191	-
-	683	73,428	589,042	460,827	368,131	9,273	-
-	663	246,170	446,790	1,158,530	1,824,033	24,765	-
-	2,149	336,149	1,323,735	19,645,650	6,086,302	258,302	-
-	-	19,230	45,927	1,355,883	208,007	23,139	-
2,287	-	-	-	7,343	99,740	-	-
2,217,715	394,318	3,173	6,133,214	14,978,236	3,131,242	207,519	337,923
-	4,631,068	2,444	148,963,023	37,102,734	11,635,961	1,144,088	-
39,906,524	-	-	-	5,445	5,243,572	-	72,785,710
77,318,153	5,178,297	7,753,985	161,497,964	348,394,569	261,243,700	8,928,928	73,123,633



CORPORATE GOVERNANCE

Risk Management

Table 4.a.1 Disclosure of Receivable and Reserves by Geography - Bank Individual

No.		Description	Jakarta	Central & Eastern Indonesia
(1)	(2)		(3)	(4)
1	Claims		650,606,849	203,405,457
2	Impaired Claims		25,036,256	3,952,226
	a. Not Yet Due		15,278,343	1,395,155
	b. Past Due		9,757,913	2,557,071
3	Reserves for Impairment Losses (CKPN) - Individual		11,648,065	382,157
4	Reserves for Impairment Losses (CKPN) - Collective		4,628,151	5,401,993
5	Written off claims		6,049,832	3,193,504

No.		Description	Jakarta	Central & Eastern Indonesia
(1)	(2)		(3)	(4)
1	Claims		618,953,171	189,572,893
2	Impaired Claims		16,181,395	7,323,333
	a. Not Yet Due		11,510,695	4,944,099
	b. Past Due		4,670,700	2,379,234
3	Reserves for Impairment Losses (CKPN) - Individual		10,214,975	4,198,118
4	Reserves for Impairment Losses (CKPN) - Collective		3,884,640	4,471,467
5	Written off claims		3,194,812	2,465,085

Risk Management

(In million rupiah)

31 DECEMBER 2019**the region**

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(10)
72,232,061	95,908,114	94,099,992	144,281,869	33,357,973	1,293,892,315
2,923,285	4,994,537	2,199,242	4,741,797	1,625,793	45,473,136
1,633,539	1,078,459	702,646	2,653,153	1,278,911	24,020,206
1,289,746	3,916,078	1,496,596	2,088,644	346,882	21,452,930
868,908	2,017,950	301,623	888,283	126,727	16,233,713
2,054,001	2,558,468	2,360,889	3,494,045	806,674	21,304,221
1,312,182	1,408,764	1,748,267	2,809,658	484,157	17,006,364

(In million rupiah)

31 DECEMBER 2018**the region**

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(10)
62,652,397	85,039,712	84,598,129	133,335,125	16,079,809	1,190,231,236
1,311,365	1,414,084	2,190,480	4,918,281	2,045,055	35,383,993
251,722	343,567	854,952	2,249,755	1,699,028	21,853,818
1,059,643	1,070,517	1,335,528	2,668,526	346,027	13,530,175
275,697	102,770	368,297	876,585	429,049	16,465,491
1,765,999	2,330,120	1,906,639	3,019,311	726,213	18,104,389
1,347,407	1,394,090	1,255,452	2,182,736	339,824	12,179,406



CORPORATE GOVERNANCE

Risk Management

Table 4.a.2 Disclosure of Receivable and Reserves by Geography - Bank Consolidated with Subsidiaries

No.	Description	Jakarta	Central & Eastern Indonesia
(1)	(2)	(3)	(4)
1	Claims	702,470,601	207,770,365
2	Impaired Claims	28,167,121	4,236,470
	a. Not Yet Due	17,525,656	1,593,512
	b. Past Due	10,641,465	2,642,958
3	Reserves for Impairment Losses (CKPN) - Individual	12,110,668	389,742
4	Reserves for Impairment Losses (CKPN) - Collective	4,944,502	5,469,249
5	Written off claims	6,265,414	3,268,593

No.	Description	Jakarta	Central & Eastern Indonesia
(1)	(2)	(3)	(4)
1	Claims	667,817,635	193,563,352
2	Impaired Claims	17,071,515	7,688,111
	a. Not Yet Due	12,247,815	5,185,717
	b. Past Due	4,823,700	2,502,394
3	Reserves for Impairment Losses (CKPN) - Individual	10,305,307	4,205,111
4	Reserves for Impairment Losses (CKPN) - Collective	4,191,774	4,556,254
5	Written off claims	3,458,110	2,476,722

Risk Management

(In million rupiah)

31 DECEMBER 2019**the region**

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(10)
76,027,810	109,750,233	96,574,648	149,722,242	32,763,148	1,375,079,047
3,414,846	5,562,999	2,403,136	5,562,407	1,625,793	50,972,772
1,811,268	1,568,895	828,102	3,168,277	1,278,911	27,774,621
1,603,578	3,994,104	1,575,034	2,394,130	346,882	23,198,151
940,282	2,265,742	311,322	1,001,371	126,727	17,145,854
2,152,876	2,669,273	2,405,583	3,603,166	806,674	22,051,323
1,408,612	1,422,855	1,784,471	2,872,974	484,157	17,507,076

(In million rupiah)

31 DECEMBER 2018**the region**

West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(5)	(6)	(7)	(8)	(9)	(10)
67,094,334	87,626,848	87,347,822	138,469,337	16,081,844	1,258,001,172
1,830,357	1,516,143	2,342,484	5,753,746	2,045,055	38,247,411
448,558	383,700	966,611	2,828,325	1,699,028	23,759,754
1,381,799	1,132,443	1,375,873	2,925,421	346,027	14,487,657
393,016	105,388	394,164	994,142	429,049	16,826,177
1,838,470	2,366,191	1,945,926	3,152,926	726,213	18,777,754
1,373,974	1,414,545	1,267,525	2,228,284	339,824	12,558,984



CORPORATE GOVERNANCE

Risk Management

Table 5.a.2 Disclosure of Receivable and Reserves - by Economic Sector -
Bank Consolidated with Subsidiaries

No	Economy Sectors
(1)	(2)
31 DECEMBER 2019	
1	Agriculture, Hunting and Forestry
2	Fishery
3	Mining and Excavation
4	Manufacturing
5	Electricity, Gas and Water
6	Construction
7	Wholesale and Retail Trading
8	Accommodation and Food and Beverage
9	Transportation, Warehouse and Communication
10	Financial Brokerage
11	Real Estate, Leasing and Corporate Services
12	Public Administration, Defense, and Compulsory Social Security
13	Education Services
14	Health and Social Services
15	Public, Socio-culture, Entertainment and other Personal Services
16	Personal services for household
17	International institution and other international extra agencies
18	Undefined Activities
19	Non-Business Activity
20	Others
	Total

Risk Management

(In million rupiah)

	Claims	Claims Impaired - Not yet due	Bill that has been impaired - has matured	Allowance for Impairment Losses (CKPN) - Individual	Allowance for Impairment Losses (CKPN) - Collective	Deleted book Claims
	(3)	(4)	(5)	(6)	(7)	(8)
	107,493,867	12,076,731	1,413,319	3,402,328	2,899,084	1,710,589
	5,794,348	134,753	591,591	302,359	238,879	125,871
	16,681,669	2,046,006	46,378	1,014,932	549,841	108,536
	80,409,619	5,139,203	9,922,609	8,755,735	1,636,860	650,278
	40,898,491	144,446	892,375	528,840	727,792	10,695
	42,995,187	1,344,296	671,606	587,366	672,882	1,655,878
	284,731,153	2,452,465	6,198,323	901,323	8,977,522	8,842,397
	10,581,415	1,190,709	441,808	211,947	273,470	153,248
	22,838,918	1,088,274	399,655	478,506	500,262	1,551,064
	9,815,828	74,081	43,073	19,241	173,594	23,116
	10,485,478	162,410	310,183	81,794	232,038	246,681
	5,364,788	303	8,004	-	157,069	6,402
	1,743,033	5,034	12,448	1,280	41,993	9,271
	7,650,827	54,391	22,843	7,142	71,527	33,288
	30,911,165	1,397,106	385,707	667,289	1,059,620	495,170
	1,701,038	3,557	28,238	-	69,250	46,385
	88	-	-	-	9	-
	24,440,680	81,154	477,338	104,852	729,476	25,489
	196,744,088	199,412	1,316,580	79,458	2,985,507	1,374,845
	473,797,367	180,290	16,073	1,462	54,648	437,873
	1,375,079,047	27,774,621	23,198,151	17,145,854	22,051,323	17,507,076



CORPORATE GOVERNANCE

Risk Management

Table 5.a.2 Disclosure of Receivable and Reserves - by Economic Sector -
Bank Consolidated with Subsidiaries

No	Economy Sectors
(1)	(2)
31 DECEMBER 2018	
1	Agriculture, Hunting and Forestry
2	Fishery
3	Mining and Excavation
4	Manufacturing
5	Electricity, Gas and Water
6	Construction
7	Wholesale and Retail Trading
8	Accommodation and Food and Beverage
9	Transportation, Warehouse and Communication
10	Financial Brokerage
11	Real Estate, Leasing and Corporate Services
12	Public Administration, Defense, and Compulsory Social Security
13	Education Services
14	Health and Social Services
15	Public, Socio-culture, Entertainment and other Personal Services
16	Personal services for household
17	International institution and other international extra agencies
18	Undefined Activities
19	Non-Business Activity
20	Others
	Total

Risk Management

(in million rupiah)

	Claims	Claims Impaired - Not yet due	Bill that has been impaired - has matured	Allowance for Impairment Losses (CKPN) - Individual	Allowance for Impairment Losses (CKPN) - Collective	Deleted book Claims
	(3)	(4)	(5)	(6)	(7)	(8)
	100,304,211	4,559,813	1,061,959	2,357,085	2,657,871	1,130,716
	4,471,879	406,451	68,892	309,698	161,064	112,190
	7,367,188	1,663,896	67,859	1,216,628	79,445	22,689
	72,162,139	8,987,837	650,444	5,990,716	1,333,999	566,103
	36,423,545	172,719	572,233	589,948	610,611	106,259
	35,515,380	1,782,951	1,665,168	2,350,576	466,359	1,385,479
	286,402,199	2,220,519	6,475,274	1,276,711	8,260,154	6,573,719
	8,265,111	911,083	317,825	536,180	193,222	164,485
	23,942,802	552,637	1,190,474	1,313,633	468,561	378,200
	4,767,971	191,375	79,803	35,155	86,292	233,327
	11,540,137	262,793	330,116	192,077	229,562	154,735
	5,387,366	197	2,184	-	155,009	2,362
	1,467,963	6,810	3,633	786	32,122	10,397
	3,985,312	86,690	31,396	13,766	67,807	15,898
	27,091,126	1,496,357	283,512	577,183	786,752	427,074
	1,877,548	2,865	30,679	-	73,139	38,602
	-	-	-	-	-	-
	7,955,751	96,402	253,385	13,726	347,708	123,329
	199,116,733	182,896	1,392,814	50,708	2,716,845	826,256
	419,956,811	175,463	10,007	1,601	51,232	287,164
	1,258,001,172	23,759,754	14,487,657	16,826,177	18,777,754	12,558,984



CORPORATE GOVERNANCE

Risk Management

Table 6.a.1 Disclosure of Details of Impairment Losses Mutation - Bank Individual

(in million rupiah)

No	Description	CKPN Individual	CKPN Collective
(1)	(2)	(3)	(4)
31 DECEMBER 2019			
1	CKPN Starting Balance	16,465,491	18,104,389
2	CKPN formation (recovery) in current periode (Net)	3,831,806	16,603,394
3	CKPN used to write off claims in the current period	(4,063,584)	(12,942,780)
4	Other formation (recovery) in current period	-	(460,782)
CKPN end balance		16,233,713	21,304,221

(In million rupiah)

No	Description	CKPN Individual	CKPN Collective
(1)	(2)	(3)	(4)
31 DECEMBER 2018			
1	CKPN Starting Balance	12,831,413	16,230,849
2	CKPN formation (recovery) in current periode (Net)	6,254,403	11,187,344
3	CKPN used to write off claims in the current period	(2,620,325)	(9,559,081)
4	Other formation (recovery) in current period	-	245,277
CKPN end balance		16,465,491	18,104,389

Risk Management

 Table 6.a.2 Disclosure of Details of Impairment Losses Mutation -
 Bank Consolidated with Subsidiaries

(in million rupiah)

No	Description	CKPN Individual	CKPN Collective
(1)	(2)	(3)	(4)
31 DECEMBER 2019			
1	CKPN Starting Balance	16,826,177	18,777,754
2	CKPN formation (recovery) in current periode (Net)	4,383,261	17,177,754
3	CKPN used to write off claims in the current period	(4,063,584)	(13,443,492)
4	Other formation (recovery) in current period	-	(460,692)
	CKPN end balance	17,145,854	22,051,324

(in million rupiah)

No	Description	CKPN Individual	CKPN Collective
(1)	(2)	(3)	(4)
31 DECEMBER 2018			
1	CKPN Starting Balance	13,323,725	16,781,220
2	CKPN formation (recovery) in current periode (Net)	6,163,892	11,648,849
3	CKPN used to write off claims in the current period	(2,661,440)	(9,897,544)
4	Other formation (recovery) in current period	-	245,229
	CKPN end balance	16,826,177	18,777,754



CORPORATE GOVERNANCE

Risk Management

Table 7.a.1 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale - Bank Only

	Portfolio Category	Rating Agency	Long-Term Rating				Net Receivable	
			AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-	
		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 Pemingkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-	id BBB+ s.d id BBB-	id BB+ s.d id BB-	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1	Government Receivables		1,831	-	-	12,663,003	2,270,150	
2	Public Sector Entity Receivables		5,579	46,962	-	14,855	-	
3	Multilateral Development Banks and International Institutions Receivables		-	-	-	-	-	
4	Banks Receivables		522,342	403,708	430,359	2,005,466	3,193,789	
5	Mortgage Loan							
6	Commercial Property Loan							
7	Employee/Pensioners Loan							
8	Micro Enterprise and Retail Portfolio Receivables							
9	Corporate Receivables		40,054	185,265	-	2,315,882	1,038,639	
10	Past Due Receivables							
11	Other Assets							
	TOTAL		569,806	635,935	430,359	16,999,206	6,502,578	

Risk Management

(In million rupiah)

31 DECEMBER 2019

Short Term Rating

B+ s.d B-	Kurang dari B-	A-1	A-2	A-3	Lower than A-3	Unrated	Total
B+ s.d B-	Kurang dari B-	F1+ s.d F1	F2	F3	Lower than F3		
B1 s.d B3	Kurang dari B3	P-1	P-2	P-3	Lower than P-3		
B+(idn) s.d B-(idn)	Kurang dari B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
[Idr]B+ s.d [Idr]B-	Kurang dari [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-	Kurang dari idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4		
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
-	-	-	-	-	-	324,615,012	339,549,996
-	-	-	-	-	-	84,039,922	84,107,318
-	-	-	-	-	-	-	-
3,865	-	-	-	-	-	70,194,436	76,753,965
-	-	-	-	-	-	244,263,173	247,843,013
3,865	-	-	-	-	-	723,112,543	748,254,292



CORPORATE GOVERNANCE

Risk Management

Table 7.a.2 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale - Bank Only

	Portfolio Category	Rating Agency	Long-Term Rating			Net Receivable	
			AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-
		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 Pemingkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-	id BBB+ s.d id BBB-	id BB+ s.d id BB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Government Receivables		-	-	-	-	-
2	Public Sector Entity Receivables		-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables						
4	Banks Receivables						
5	Mortgage Loan		1,375,519	578,088	1,160,841	5,225,366	3,607,572
6	Commercial Property Loan						
7	Employee/Pensioners Loan						
8	Micro Enterprise and Retail Portfolio Receivables						
9	Corporate Receivables		1,342,114	225,424	121,900	2,326,340	1,076,092
10	Past Due Receivables						
11	Other Assets		2,717,633	803,512	1,282,741	19,444,850	7,123,163
	TOTAL						

Risk Management

(In million rupiah)

31 DECEMBER 2018

						Short Term Rating	
B+ s.d B-	Kurang dari B-	A-1	A-2	A-3	Lower than A-3	Unrated	Total
B+ s.d B-	Kurang dari B-	F1+ s.d F1	F2	F3	Lower than F3		
B1 s.d B3	Kurang dari B3	P-1	P-2	P-3	Lower than P-3		
B+(idn) s.d B-(idn)	Kurang dari B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
[Idr]B+ s.d [Idr]B-	Kurang dari [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-	Kurang dari idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4	(15)	(16)
(9)	(10)	(11)	(12)	(13)	(14)	278,796,038	293,128,681
-	-	-	-	-	-	88,533,123	88,533,123
-	-	-	-	-	-	-	-
-	-	-	-	-	-	75,179,542	87,126,928
-	-	-	-	-	-	246,051,957	251,143,827
-	-	-	-	-	-	688,560,660	719,932,559



CORPORATE GOVERNANCE

Risk Management

Table 7.b.1 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale-
Bank Consolidated with Subsidiaries

	Portfolio Category	Rating Agency	Long-Term Rating			Net Receivable	
			AAA	AA+ s.d AA-	A+ s.d A-	BBB+ s.d BBB-	BB+ s.d BB-
		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 id A-	id BBB+ s.d id BBB-	id BB+ s.d id BB-
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Government Receivables		1,831	-	-	12,663,003	2,270,150
2	Public Sector Entity Receivables		140,579	46,962	-	73,645	-
3	Multilateral Development Banks and International Institutions Receivables		-	-	-	-	-
4	Banks Receivables		522,342	403,708	430,359	2,005,466	3,193,789
5	Mortgage Loan						
6	Commercial Property Loan						
7	Employee/Pensioners Loan						
8	Micro Enterprise and Retail Portfolio Receivables						
9	Corporate Receivables		98,480	185,265	-	2,315,882	1,038,639
10	Past Due Receivables						
11	Other Assets						
	TOTAL		763,232	635,935	430,359	17,057,996	6,502,578

Risk Management

(In million rupiah)

31 DECEMBER 2019

Short Term Rating

B+ s.d B-	Kurang dari B-	A-1	A-2	A-3	Lower than A-3	Unrated	Total
B+ s.d B-	Kurang dari B-	F1+ s.d F1	F2	F3	Lower than F3		
B1 s.d B3	Kurang dari B3	P-1	P-2	P-3	Lower than P-3		
B+(idn) s.d B-(idn)	Kurang dari B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
[Idr]B+ s.d [Idr]B-	Kurang dari [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-	Kurang dari idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4		
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
-	-	-	-	-	-	330,640,252	345,575,236
-	-	-	-	-	-	85,279,629	85,540,815
-	-	-	-	-	-	-	-
3,865	-	-	-	-	-	70,758,624	77,318,153
-	-	-	-	-	-	257,605,434	261,243,700
3,865	-	-	-	-	-	744,283,939	769,677,904



CORPORATE GOVERNANCE

Risk Management

Table 7.b.2 : Disclosure of Net Receivables Based on Portfolio Category and Rating Scale- Bank Consolidated with Subsidiaries

		Net Receivable					
		Rating Agency	Long-Term Rating				
Portfolio Category	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 Pemingkat Efek Indonesia	idAAA	idAA+ s.d idAA-	idA+ s.d id A-	id BBB+ s.d id BBB-	id BB+ s.d id BB-	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Government Receivables		-	-	-	11,893,144	2,439,499
2	Public Sector Entity Receivables		100,000	-	-	31,068	-
3	Multilateral Development Banks and International Institutions Receivables		-	-	-	-	-
4	Banks Receivables		1,389,254	578,088	1,160,841	5,262,213	3,607,572
5	Mortgage Loan						
6	Commercial Property Loan						
7	Employee/Pensioners Loan						
8	Micro Enterprise and Retail Portfolio Receivables						
9	Corporate Receivables		1,392,114	271,097	121,900	2,326,340	1,076,092
10	Past Due Receivables						
11	Other Assets						
	TOTAL		2,881,368	849,185	1,282,741	19,512,765	7,123,163

Risk Management

(In million rupiah)

31 DECEMBER 2018**Short Term Rating**

B+ s.d B-	Kurang dari B-	A-1	A-2	A-3	Lower than A-3	Unrated	Total
B+ s.d B-	Kurang dari B-	F1+ s.d F1	F2	F3	Lower than F3		
B1 s.d B3	Kurang dari B3	P-1	P-2	P-3	Lower than P-3		
B+(idn) s.d B-(idn)	Kurang dari B-(idn)	F1+(idn) s.d F1(idn)	F2(idn)	F3(idn)	Lower than F3(idn)		
[Idr]B+ s.d [Idr]B-	Kurang dari [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-	Kurang dari idB-	idA1	idA2	idA3 s.d id A4	Lower than idA4		
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
-	-	-	-	-	-	283,258,965	297,591,608
-	-	-	-	-	-	89,240,006	89,371,074
-	-	-	-	-	-	-	-
-	-	-	-	-	-	77,675,348	89,673,316
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	257,302,200	262,489,743
-	-	-	-	-	-	-	-
-	-	-	-	-	-	707,476,519	739,125,742



CORPORATE GOVERNANCE

Risk Management

Table 8.a: Disclosure of Counterparty Credit Risk : Derivative Transactions

(In million rupiah)

		31 DECEMBER 2018							
No	Variables Basis	Notional Amount			Derivative Receivable	Derivative Payable	Net Receivable before CRM	CRM (Credit Risk Mitigation)	Net Receivable after CRM
		< 1 Year	> 1 Year - < 5 Year	> 5 Year					
BANK ONLY									
1	Interest Rate	4,797,216	2,321,766	3,593,581	69,307	91,211	127,252	-	127,252
2	Foreign Exchange	36,686,066	164,766	1,303,205	374,364	168,737	1,104,707	-	1,104,707
3	Others	-	-	-	25,671	67,944	45,095	-	45,095
	TOTAL	41,483,282	2,486,532	4,896,786	469,342	327,892	1,277,054	-	1,277,054
BANK IN CONSOLIDATION									
1	Interest Rate	4,797,216	2,321,766	3,593,581	69,307	91,211	127,252	-	127,252
2	Foreign Exchange	36,686,066	164,766	1,303,205	374,364	168,737	1,104,707	-	1,104,707
3	Stock	-	-	-	-	-	-	-	-
4	Gold	-	-	-	-	-	-	-	-
5	Metals other than Gold	-	-	-	-	-	-	-	-
6	Others	-	-	-	25,671	67,944	45,095	-	45,095
	TOTAL	41,483,282	2,486,532	4,896,786	469,342	327,892	1,277,054	-	1,277,054

Risk Management

Table 8.a: Disclosure of Counterparty Credit Risk : Derivative Transactions

(In million rupiah)

		31 DECEMBER 2019								
No	Variables Basis	Notional Amount			Derivative Receivable	Derivative Payable	Net Receivable before CRM	CRM (Credit Risk Mitigation)	Net Receivable after CRM	
		< 1 Year	> 1 Year - < 5 Year	> 5 Year						
BANK ONLY										
1	Interest Rate	1,547,316	5,968,105	162,019	19,264	74,114	54,539	-	54,539	
2	Foreign Exchange	37,330,760	-	-	170,149	60,961	647,199	-	647,199	
3	Others	-	-	-	3,151	32,338	7,384	-	7,384	
	TOTAL	38,878,076	5,968,105	162,019	192,564	167,413	709,122	-	709,122	
BANK IN CONSOLIDATION										
1	Interest Rate	1,547,316	5,968,105	162,019	19,264	74,114	54,539	-	54,539	
2	Foreign Exchange	37,330,760	-	-	170,149	60,961	647,199	-	647,199	
3	Stock	-	-	-	-	-	-	-	-	
4	Gold	-	-	-	-	-	-	-	-	
5	Metals other than Gold	-	-	-	-	-	-	-	-	
6	Others	-	-	-	3,151	32,338	7,384	-	7,384	
	TOTAL	38,878,076	5,968,105	162,019	192,564	167,413	709,122	-	709,122	



CORPORATE GOVERNANCE

Risk Management

Table 8.b.1 : Disclosure of Counterparty Credit Risk : Repo Transaction
Bank Only

No.	Portfolio Category
(1)	(2)
1	Government Receivables
2	Public Sector Entity Receivables
3	Multilateral Development Banks and International Institutions Receivables
4	Banks Receivables
5	Micro Enterprise and Retail Portfolio Receivables
6	Corporate Receivables
	Total

Table 8.b.2 : Disclosure of Counterparty Credit Risk : Repo Transaction
Bank Consolidated with Subsidiaries

No.	Portfolio Category
(1)	(2)
1	Government Receivables
2	Public Sector Entity Receivables
3	Multilateral Development Banks and International Institutions Receivables
4	Banks Receivables
5	Micro Enterprise and Retail Portfolio Receivables
6	Corporate Receivables
	Total

Risk Management

(In million rupiah)

31 DECEMBER 2018				31 DECEMBER 2019			
Fair Value of Repo	Repo Liabilities	Net Receivables	RWA	Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
-	-	-	-	-	-	2,145,474	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
36,703,287	37,379,394	3,681,056	954,471	50,030,136	49,902,938	119,557	27,119
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
36,703,287	37,379,394	3,681,056	954,471	50,030,136	49,902,938	2,265,031	27,119

(In million rupiah)

31 DECEMBER 2018				31 DECEMBER 2019			
Fair Value of Repo	Repo Liabilities	Net Receivables	RWA	Fair Value of Repo	Repo Liabilities	Net Receivables	RWA
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
-	-	-	-	-	-	2,145,474	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
36,703,287	37,379,394	3,681,056	954,471	50,030,136	49,902,938	119,557	448,227
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
36,703,287	37,379,394	3,681,056	954,471	50,030,136	49,902,938	2,265,031	27,119



CORPORATE GOVERNANCE

Risk Management

Table 8.c.1 : Disclosure of Counterparty Credit Risk : Reverse Repo Transaction
Bank Only

No.	Portfolio Category
(1)	(2)
1	Government Receivables
2	Public Sector Entity Receivables
3	Multilateral Development Banks and International Institutions Receivables
4	Banks Receivables
5	Micro Enterprise and Retail Portfolio Receivables
6	Corporate Receivables
	Total

Table 8.c.2 : Disclosure of Counterparty Credit Risk : Reverse Repo Transaction
Bank Consolidated with Subsidiaries

No.	Portfolio Category
(1)	(2)
1	Government Receivables
2	Public Sector Entity Receivables
3	Multilateral Development Banks and International Institutions Receivables
4	Banks Receivables
5	Micro Enterprise and Retail Portfolio Receivables
6	Corporate Receivables
	Total

Risk Management

(In million rupiah)

31 DECEMBER 2018				31 DECEMBER 2019			
Net Receivables	CRM (Credit Risk Mitigation)	Net Receivable after CRM	RWA After CRM	Net Receivables	CRM (Credit Risk Mitigation)	Net Receivable after CRM	RWA After CRM
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
6,723,269	-	6,723,269	-	17,644,591	-	17,644,591	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,524,128	-	1,524,128	304,826	1,789,622	-	1,789,622	357,924
-	-	-	-	-	-	-	-
1,149,156	-	1,149,156	1,149,156	879,051	-	879,051	879,051
9,396,553	-	9,396,553	1,453,981	20,313,264	-	20,313,264	1,236,975

(In million rupiah)

31 DECEMBER 2018				31 DECEMBER 2019			
Net Receivables	CRM (Credit Risk Mitigation)	Net Receivable after CRM	RWA After CRM	Net Receivables	CRM (Credit Risk Mitigation)	Net Receivable after CRM	RWA After CRM
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
6,723,269	-	6,723,269	-	19,913,572	-	19,913,572	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,524,128	-	1,524,128	304,826	1,789,622	-	1,789,622	357,924
-	-	-	-	-	-	-	-
1,149,156	-	1,149,156	1,149,156	879,051	-	879,051	879,051
9,396,553	-	9,396,553	1,453,982	22,582,245	-	22,582,245	1,236,975



CORPORATE GOVERNANCE

Risk Management

Table 9.a.1 : Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Only

No.	Portfolio Category	0%	20%	25%	35%	40%
		(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	319,757,841	-	-	-	-
2	Public Sector Entity Receivables	1,838,595	323,874	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	28,155,675	-	-	-
5	Mortgage Loan	-	824,101	1,744,993	2,223,860	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	2,186,660	18,587,857	-	-	-
9	Corporate Receivables	21,474,822	225,319	-	-	-
10	Past Due Receivables	1,090	-	-	-	-
11	Other Assets	29,931,216	-	-	-	-
	Total Balance Sheet Exposure	375,190,224	48,116,826	1,744,993	2,223,860	-
B	Commitment/Contingency Exposure on Off Balance Sheet Transaction					
1	Government Receivables	259	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	753,261	-	-	-
5	Mortgage Loan	-	-	-	-	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
9	Corporate Receivables	-	-	-	-	-
10	Past Due Receivables	-	-	-	-	-
	Total Exposure TRA	259	753,261	-	-	-
C	Counterparty Credit Risk Exposure					
1	Government Receivables	19,791,896	-	-	-	-
2	Public Sector Entity Receivables	-	52,541	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	2,373,961	-	-	-
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-
7	Weighted Exposure from Credit Valuation Adjustment (CVA risk weighted assets)	-	-	-	-	-
	Total Exposure Counterparty Credit Risk	19,791,896	2,426,502	-	-	-

Risk Management

(In million rupiah)

31 DESEMBER 2019						RWA	Capital Charge
Net Exposure Receivables After Credit Risk Mitigation							
45%	50%	75%	100%	150%	Others		
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
-	-	-	-	-	-	-	-
-	70,976,665	-	-	-	-	35,553,108	2,844,249
-	-	-	-	-	-	-	-
-	23,518,251	-	3,193,789	-	-	20,584,049	1,646,724
-	-	-	-	-	-	1,379,419	110,354
-	-	-	7,744,517	-	-	7,744,517	619,561
-	160,847,222	-	-	-	-	80,423,611	6,433,889
-	-	324,974,031	-	-	-	247,448,095	19,795,848
-	-	-	221,220,975	-	-	221,266,039	17,701,283
-	-	-	64,063	7,969,632	-	12,018,512	961,481
-	-	-	42,791,446	63,048	-	42,886,018	3,430,881
-	255,342,138	324,974,031	275,014,790	8,032,680	-	669,303,368	53,544,269
-	-	-	-	-	-	-	-
-	10,822,339	-	-	-	-	5,411,170	432,894
-	-	-	-	-	-	-	-
-	18,682,606	-	-	-	-	9,491,955	759,356
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	84,844	-	-	-	63,633	5,091
-	-	-	4,022,605	-	-	4,022,605	321,808
-	-	-	-	-	-	-	-
-	29,504,945	84,844	4,022,605	-	-	18,989,363	1,519,149
-	-	-	-	-	-	-	-
-	93,304	-	-	-	-	57,160	4,573
-	-	-	-	-	-	-	-
-	76,422	-	-	-	-	513,003	41,040
-	-	-	-	-	-	-	-
-	-	-	899,292	-	-	899,292	71,943
-	-	-	-	-	-	193,123	15,450
-	169,726	-	899,292	-	-	1,662,578	133,006



CORPORATE GOVERNANCE

Risk Management

Table 9.a.1 : Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Only

No.	Portfolio Category					
		0%	20%	25%	35%	40%
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	286,356,952	-	-	-	-
2	Public Sector Entity Receivables	1,627,557	3,699,540	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	40,361,304	-	-	-
5	Mortgage Loan	-	12,742	6,992	27,139	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	1,253,506	18,858,390	-	-	-
9	Corporate Receivables	20,303,139	2,545,800	-	-	-
10	Past Due Receivables	1,017	-	-	-	-
11	Other Assets	27,170,587	-	-	-	-
	Total Balance Sheet Exposure	336,712,758	65,477,776	6,992	27,139	-
B	Commitment/Contingency Exposure on Off Balance Sheet Transaction					
1	Government Receivables	24,449	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	478,171	-	-	-
5	Mortgage Loan	-	-	-	-	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
9	Corporate Receivables	-	-	-	-	-
10	Past Due Receivables	-	-	-	-	-
	Total Exposure TRA	24,449	478,171	-	-	-
C	Counterparty Credit Risk Exposure					
1	Government Receivables	6,747,281	-	-	-	-
2	Public Sector Entity Receivables	-	46,386	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	4,587,790	-	-	-
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-
7	Weighted Exposure from Credit Valuation Adjustment (CVA risk weighted assets)	-	-	-	-	-
	Total Exposure Counterparty Credit Risk	6,747,281	4,634,176	-	-	-

Risk Management

(In million rupiah)

31 DECEMBER 2018							RWA	Capital Charge
Net Exposure Receivables After Credit Risk Mitigation								
45%	50%	75%	100%	150%	Others			
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
-	-	-	-	-	-	-	-	
-	69,674,646	-	-	-	-	35,577,231	2,846,178	
-	-	-	-	-	-	-	-	
-	23,927,858	-	-	-	-	20,036,190	1,602,895	
-	-	-	-	-	-	13,795	1,104	
-	-	-	2,920,473	-	-	2,920,473	233,638	
-	154,833,450	-	-	-	-	77,416,725	6,193,338	
-	-	288,723,154	-	-	-	220,314,044	17,625,124	
-	109,400	-	221,982,961	-	-	222,546,821	17,803,746	
-	-	-	1,014	7,585,679	-	11,379,533	910,363	
-	-	-	46,161,739	46,078	-	46,230,856	3,698,468	
-	248,545,354	288,723,154	271,066,187	7,631,757	-	636,435,668	50,914,853	
-	-	-	-	-	-	-	-	
-	13,140,348	-	-	-	-	6,570,174	525,614	
-	-	-	-	-	-	-	-	
-	16,482,138	-	-	-	-	8,336,703	666,936	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	348,395	-	-	-	261,296	20,904	
-	-	-	4,863,633	-	-	4,863,633	389,091	
-	-	-	-	-	-	-	-	
-	29,622,486	348,395	4,863,633	-	-	20,031,806	1,602,544	
-	-	-	-	-	-	-	-	
-	344,645	-	-	-	-	181,600	14,528	
-	-	-	-	-	-	-	-	
-	1,285,904	-	3,763	-	-	1,429,803	114,384	
-	-	-	-	-	-	-	-	
-	-	-	1,338,893	-	-	1,338,893	107,111	
-	-	-	-	-	-	92,268	7,381	
-	1,630,550	-	1,342,656	-	-	3,042,565	243,405	



CORPORATE GOVERNANCE

Risk Management

Table 9.b.1 : Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Consolidated with Subsidiaries

No.	Portfolio Category					
		0%	20%	25%	35%	40%
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	323,514,100	-	-	-	-
2	Public Sector Entity Receivables	1,838,595	458,874	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	28,518,933	-	-	-
5	Mortgage Loan	-	824,101	1,820,750	2,533,446	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	2,312,219	18,587,857	-	-	-
9	Corporate Receivables	22,191,892	225,319	-	-	-
10	Past Due Receivables	1,090	-	-	-	-
11	Other Assets	29,956,138	-	-	-	-
	Total Balance Sheet Exposure	379,814,034	48,615,084	1,820,750	2,533,446	-
B	Commitment/Contingency Exposure on Off Balance Sheet Transaction					
1	Government Receivables	259	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	753,261	-	-	-
5	Mortgage Loan	-	-	-	-	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
9	Corporate Receivables	-	-	-	-	-
10	Past Due Receivables	-	-	-	-	-
	Total Exposure TRA	259	753,261	-	-	-
C	Counterparty Credit Risk Exposure					
1	Government Receivables	22,060,877	-	-	-	-
2	Public Sector Entity Receivables	-	52,541	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	2,373,961	-	-	-
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-
7	Weighted Exposure from Credit Valuation Adjustment (CVA risk weighted assets)	-	-	-	-	-
	Total Exposure Counterparty Credit Risk	22,060,877	2,426,502	-	-	-

Risk Management

(In million rupiah)

31 DECEMBER 2019						RWA	Capital Charge
Net Exposure Receivables After Credit Risk Mitigation							
45%	50%	75%	100%	150%	Others		
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
-	-	-	-	-	-	-	-
-	72,247,162	-	-	-	-	36,215,357	2,897,229
-	-	-	-	-	-	-	-
-	23,719,181	-	3,193,789	-	-	20,757,166	1,660,573
-	-	-	-	-	-	1,506,713	120,537
-	-	-	7,753,877	-	-	7,753,877	620,310
-	161,497,948	-	-	-	-	80,748,974	6,459,918
-	-	327,375,960	-	-	-	249,343,711	19,947,497
-	58,426	-	233,613,676	-	-	234,405,024	18,752,402
-	-	-	228,373	8,699,465	-	13,277,572	1,062,206
-	-	-	43,100,467	67,028	-	42,886,018	3,430,881
-	257,522,717	327,375,960	287,890,182	8,766,493	-	686,894,412	54,951,553
-	-	-	-	-	-	-	-
-	10,850,339	-	-	-	-	5,085,317	406,825
-	-	-	-	-	-	-	-
-	18,682,606	-	-	-	-	5,578,308	446,265
-	-	-	-	-	-	-	-
-	-	-	108	-	-	71,943	5,755
-	16	-	-	-	-	-	-
-	-	118,533	-	-	-	117,659	9,413
-	-	-	4,255,095	-	-	5,548,266	443,861
-	-	-	-	-	-	-	-
-	29,532,961	118,533	4,255,203	-	-	16,401,493	1,312,119
-	-	-	-	-	-	-	-
-	93,304	-	-	-	-	57,160	4,573
-	-	-	-	-	-	-	-
-	76,422	-	-	-	-	513,003	41,040
-	-	-	-	-	-	-	-
-	-	-	899,292	-	-	899,292	71,943
-	-	-	-	-	-	193,123	15,450
-	169,726	-	899,292	-	-	1,662,578	133,006



CORPORATE GOVERNANCE

Risk Management

Tabel 9.b.1 : Table 9.b.1 : Disclosure of Net Exposure Receivables After Credit Risk Mitigation - Bank Consolidated with Subsidiaries

No.	Portfolio Category					
		0%	20%	25%	35%	40%
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	290,819,879	-	-	-	-
2	Public Sector Entity Receivables	1,627,557	3,799,540	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	42,669,475	-	-	-
5	Mortgage Loan	-	12,742	82,397	254,282	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	1,477,403	18,858,390	-	-	-
9	Corporate Receivables	21,123,364	2,595,800	-	-	-
10	Past Due Receivables	1,017	-	-	-	-
11	Other Assets	27,189,913	-	-	-	-
	Total Balance Sheet Exposure	342,239,133	67,935,947	82,397	254,282	-
B	Commitment/Contingency Exposure on Off Balance Sheet Transaction					
1	Government Receivables	24,449	-	-	-	-
2	Public Sector Entity Receivables	-	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	478,171	-	-	-
5	Mortgage Loan	-	-	-	2	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
9	Corporate Receivables	9,466	-	-	-	-
10	Past Due Receivables	-	-	-	-	-
	Total Exposure TRA	33,915	478,171	-	2	-
C	Counterparty Credit Risk Exposure					
1	Government Receivables	6,747,281	-	-	-	-
2	Public Sector Entity Receivables	-	46,386	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	-	4,587,790	-	-	-
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
6	Corporate Receivables	-	-	-	-	-
7	Weighted Exposure from Credit Valuation Adjustment (CVA risk weighted assets)	-	-	-	-	-
	Total Exposure Counterparty Credit Risk	6,747,281	4,634,176	-	-	-

Risk Management

(In million rupiah)

31 DECEMBER 2018						RWA	Capital Charge
Net Exposure Receivables After Credit Risk Mitigation							
45%	50%	75%	100%	150%	Others	(14)	(15)
(8)	(9)	(10)	(11)	(12)	(13)		
-	-	-	-	-	-	-	-
-	70,410,397	-	-	-	-	35,965,106	2,877,208
-	-	-	-	-	-	-	-
-	24,165,695	-	-	-	-	20,616,743	1,649,339
-	-	-	-	-	-	112,146	8,972
-	-	-	3,140,274	-	-	3,140,274	251,222
-	155,296,312	-	-	-	-	77,647,414	6,211,793
-	-	291,290,197	-	-	-	222,239,325	17,779,146
-	155,073	-	231,973,473	-	-	232,570,170	18,605,614
-	-	-	16,783	7,826,032	-	11,755,832	940,467
-	-	-	46,442,206	50,058	-	46,517,292	3,721,383
-	250,027,477	291,290,197	281,572,736	7,876,090	-	650,564,302	52,045,144
-	-	-	-	-	-	-	-
-	13,142,548	-	-	-	-	6,571,273	525,702
-	-	-	-	-	-	-	-
-	16,482,518	-	-	-	-	8,336,893	666,951
-	-	-	-	-	-	1	0
-	-	-	24,239	-	-	24,239	1,939
-	52	-	-	-	-	26	2
-	-	402,729	-	-	-	301,599	24,128
-	-	-	5,293,674	-	-	5,293,673	423,494
-	-	-	-	1,924	-	2,886	231
-	29,625,118	402,729	5,317,913	1,924	-	20,530,590	1,642,447
-	-	-	-	-	-	-	-
-	344,645	-	-	-	-	181,600	14,528
-	-	-	-	-	-	-	-
-	1,285,904	-	3,763	-	-	1,429,803	114,384
-	-	-	-	-	-	-	-
-	-	-	1,338,893	-	-	1,338,893	107,111
-	-	-	-	-	-	92,268	7,381
-	1,630,550	-	1,342,656	-	-	3,042,565	243,405



CORPORATE GOVERNANCE

Risk Management

Table 9.b.4.a Disclosure of Receivables and Loan-Loss Provisions by Region - Bank Only

No	Description
(1)	(2)
1	Receivable
2	Impaired Assets
	a. Current
	b. Past Due
3	Individual Impairment Provision - Individual
4	Individual Impairment Provision - Collective
5	Write-off

No	Description
(1)	(2)
1	Receivable
2	Impaired Assets
	a. Current
	b. Past Due
3	Individual Impairment Provision - Individual
4	Individual Impairment Provision - Collective
5	Write-off

Risk Management

(In million rupiah)

31 DECEMBER 2018

Region							
Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
618,953,171	189,572,893	62,652,397	85,039,712	84,598,129	133,335,125	16,079,809	1,190,231,236
16,181,395	7,323,333	1,311,365	1,414,084	2,190,480	4,918,281	2,045,055	35,383,993
11,510,695	4,944,099	251,722	343,567	854,952	2,249,755	1,699,028	21,853,818
4,670,700	2,379,234	1,059,643	1,070,517	1,335,528	2,668,526	346,027	13,530,175
10,214,975	4,198,118	275,697	102,770	368,297	876,585	429,049	16,465,491
3,884,640	4,471,467	1,765,999	2,330,120	1,906,639	3,019,311	726,213	18,104,389
3,194,812	2,465,085	1,347,407	1,394,090	1,255,452	2,182,736	339,824	12,179,406

(In million rupiah)

31 DECEMBER 2019

Region							
Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
650,606,849	203,405,457	72,232,061	95,908,114	94,099,992	144,281,869	33,357,973	1,293,892,315
25,036,256	3,952,226	2,923,285	4,994,537	2,199,242	4,741,797	1,625,793	45,473,136
15,278,343	1,395,155	1,633,539	1,078,459	702,646	2,653,153	1,278,911	24,020,206
9,757,913	2,557,071	1,289,746	3,916,078	1,496,596	2,088,644	346,882	21,452,930
11,648,065	382,157	868,908	2,017,950	301,623	888,283	126,727	16,233,713
4,628,151	5,401,993	2,054,001	2,558,468	2,360,889	3,494,045	806,674	21,304,221
6,049,832	3,193,504	1,312,182	1,408,764	1,748,267	2,809,658	484,157	17,006,364



CORPORATE GOVERNANCE

Risk Management

Table 9.b.4.b Disclosure of Receivables and Loan-Loss Provisions by Region -
Bank Consolidated with Subsidiaries

No	Description
(1)	(2)
1	Receivable
2	Impaired Assets
	a. Current
	b. Past Due
3	Individual Impairment Provision - Individual
4	Individual Impairment Provision - Collective
5	Write-off

No	Description
(1)	(2)
1	Receivable
2	Impaired Assets
	a. Current
	b. Past Due
3	Individual Impairment Provision - Individual
4	Individual Impairment Provision - Collective
5	Write-off

Risk Management

(In million rupiah)

31 DECEMBER 2018**Region**

	Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
	667,817,635	193,563,352	67,094,334	87,626,848	87,347,822	138,469,337	16,081,844	1,258,001,172
	17,071,515	7,688,111	1,830,357	1,516,143	2,342,484	5,753,746	2,045,055	38,247,411
	12,247,815	5,185,717	448,558	383,700	966,611	2,828,325	1,699,028	23,759,754
	4,823,700	2,502,394	1,381,799	1,132,443	1,375,873	2,925,421	346,027	14,487,657
	10,305,307	4,205,111	393,016	105,388	394,164	994,142	429,049	16,826,177
	4,191,774	4,556,254	1,838,470	2,366,191	1,945,926	3,152,926	726,213	18,777,754
	3,458,110	2,476,722	1,373,974	1,414,545	1,267,525	2,228,284	339,824	12,558,984

(In million rupiah)

31 DECEMBER 2019**Region**

	Jakarta	Central and Eastern Indonesia	West Java	Central Java & DIY	East Java	Sumatera	Others	Total
	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	702,470,601	207,770,365	76,027,810	109,750,233	96,574,648	149,722,242	32,763,148	1,375,079,047
	28,167,121	4,236,470	3,414,846	5,562,999	2,403,136	5,562,407	1,625,793	50,972,772
	17,525,656	1,593,512	1,811,268	1,568,895	828,102	3,168,277	1,278,911	27,774,621
	10,641,465	2,642,958	1,603,578	3,994,104	1,575,034	2,394,130	346,882	23,198,151
	12,110,668	389,742	940,282	2,265,742	311,322	1,001,371	126,727	17,145,854
	4,944,502	5,469,249	2,152,876	2,669,273	2,405,583	3,603,166	806,674	22,051,323
	6,265,414	3,268,593	1,408,612	1,422,855	1,784,471	2,872,974	484,157	17,507,076



CORPORATE GOVERNANCE

Risk Management

Table 9.b.5.a Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Only

No	Economy Sectors
(1)	(2)
31 DECEMBER 2018	
1	Agriculture, Hunting and Forestry
2	Fishery
3	Mining and Excavation
4	Manufacturing
5	Electricity, Gas and Water
6	Construction
7	Wholesale and Retail Trading
8	Accommodation and Food and Beverage
9	Transportation, Warehouse and Communication
10	Financial Brokerage
11	Real Estate, Leasing and Corporate Services
12	Public Administration, Defense, and Compulsory Social Security
13	Education Services
14	Health and Social Services
15	Public, Socio-culture, Entertainment and other Personal Services
16	Personal services for household
17	International institution and other international extra agencies
18	Undefined Activities
19	Non-Business Activity
20	Others
	Total

Risk Management

(In million rupiah)

	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Impairment Provision - Individual	Individual Impairment Provision - Collective	Write-Off
	(3)	(4)	(5)	(6)	(7)	(8)
	90,322,491	4,172,975	981,602	2,274,175	2,590,457	1,120,830
	4,093,319	385,803	62,295	309,460	150,935	112,190
	6,367,847	1,663,220	67,020	1,216,628	77,797	22,689
	65,906,758	8,656,791	521,378	5,969,411	1,099,296	533,264
	35,882,017	171,504	571,780	589,948	606,707	106,259
	32,444,818	1,620,898	1,649,082	2,305,856	429,280	1,385,140
	280,801,375	1,854,189	6,375,291	1,249,151	8,152,207	6,555,642
	7,670,885	845,145	151,300	449,390	182,440	164,458
	22,495,723	481,977	1,182,672	1,308,424	452,742	377,776
	3,482,796	739	8,643	112	60,655	215,349
	10,678,809	179,105	224,636	153,209	220,801	153,740
	5,386,747	197	1,758	-	154,958	2,362
	1,236,835	2,550	3,063	-	29,776	10,397
	3,636,102	82,196	31,273	13,660	64,101	15,898
	26,346,366	1,476,990	270,099	576,695	774,710	427,070
	1,836,856	1,314	30,460	-	72,349	38,602
	-	-	-	-	-	-
	6,835,161	91,485	6,382	-	271,053	111,484
	198,913,527	166,740	1,391,441	49,372	2,714,125	826,256
	385,892,804	-	-	-	-	-
	1,190,231,236	21,853,818	13,530,175	16,465,491	18,104,389	12,179,406



CORPORATE GOVERNANCE

Risk Management

Table 9.b.5.a Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors - Bank Only

No	Economy Sectors
(1)	(2)
31 DECEMBER 2019	
1	Agriculture, Hunting and Forestry
2	Fishery
3	Mining and Excavation
4	Manufacturing
5	Electricity, Gas and Water
6	Construction
7	Wholesale and Retail Trading
8	Accommodation and Food and Beverage
9	Transportation, Warehouse and Communication
10	Financial Brokerage
11	Real Estate, Leasing and Corporate Services
12	Public Administration, Defense, and Compulsory Social Security
13	Education Services
14	Health and Social Services
15	Public, Socio-culture, Entertainment and other Personal Services
16	Personal services for household
17	International institution and other international extra agencies
18	Undefined Activities
19	Non-Business Activity
20	Others
	Total

Risk Management

(In million rupiah)

	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Impairment Provision - Individual	Individual Impairment Provision - Collective	Write-Off
	(3)	(4)	(5)	(6)	(7)	(8)
	97,045,634	9,991,556	756,363	3,012,274	2,822,524	1,710,589
	5,259,728	121,091	582,942	301,790	228,135	125,871
	15,723,582	2,034,404	30,818	1,014,932	547,933	108,536
	73,266,152	4,650,699	9,732,070	8,436,728	1,422,496	587,439
	39,702,692	142,981	840,152	520,186	718,128	10,695
	38,157,767	1,137,482	577,101	558,906	600,754	1,655,878
	277,651,064	2,018,667	5,983,929	850,373	8,825,642	8,842,397
	9,746,746	1,114,427	273,258	156,180	259,957	153,248
	20,814,622	1,034,538	374,949	470,719	483,770	1,551,064
	8,557,846	1,606	5,840	19	156,547	23,116
	9,477,049	95,309	203,265	54,343	203,580	246,681
	5,351,377	31	8,004	-	157,002	6,402
	1,502,527	763	9,862	-	39,244	9,271
	7,184,872	49,564	22,042	6,810	66,070	33,288
	29,111,280	1,364,975	365,336	666,599	1,030,294	495,170
	1,657,226	1,673	28,083	-	68,236	46,385
	-	-	-	-	-	-
	23,026,876	78,070	365,048	104,419	696,493	25,489
	196,321,255	182,370	1,293,868	79,435	2,977,416	1,374,845
	434,334,020	-	-	-	-	-
	1,293,892,315	24,020,206	21,452,930	16,233,713	21,304,221	17,006,364



CORPORATE GOVERNANCE

Risk Management

Table 9.b.5.b Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors -
Bank Consolidated with Subsidiaries

No	Economy Sectors
(1)	(2)
	31 DECEMBER 2018
1	Agriculture, Hunting and Forestry
2	Fishery
3	Mining and Excavation
4	Manufacturing
5	Electricity, Gas and Water
6	Construction
7	Wholesale and Retail Trading
8	Accommodation and Food and Beverage
9	Transportation, Warehouse and Communication
10	Financial Brokerage
11	Real Estate, Leasing and Corporate Services
12	Public Administration, Defense, and Compulsory Social Security
13	Education Services
14	Health and Social Services
15	Public, Socio-culture, Entertainment and other Personal Services
16	Personal services for household
17	International institution and other international extra agencies
18	Undefined Activities
19	Non-Business Activity
20	Others
	Total

Risk Management

(In million rupiah)

	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Impairment Provision - Individual	Individual Impairment Provision - Collective	Write-Off
	(3)	(4)	(5)	(6)	(7)	(8)
	100,304,211	4,559,813	1,061,959	2,357,085	2,657,871	1,130,716
	4,471,879	406,451	68,892	309,698	161,064	112,190
	7,367,188	1,663,896	67,859	1,216,628	79,445	22,689
	72,162,139	8,987,837	650,444	5,990,716	1,333,999	566,103
	36,423,545	172,719	572,233	589,948	610,611	106,259
	35,515,380	1,782,951	1,665,168	2,350,576	466,359	1,385,479
	286,402,199	2,220,519	6,475,274	1,276,711	8,260,154	6,573,719
	8,265,111	911,083	317,825	536,180	193,222	164,485
	23,942,802	552,637	1,190,474	1,313,633	468,561	378,200
	4,767,971	191,375	79,803	35,155	86,292	233,327
	11,540,137	262,793	330,116	192,077	229,562	154,735
	5,387,366	197	2,184	-	155,009	2,362
	1,467,963	6,810	3,633	786	32,122	10,397
	3,985,312	86,690	31,396	13,766	67,807	15,898
	27,091,126	1,496,357	283,512	577,183	786,752	427,074
	1,877,548	2,865	30,679	-	73,139	38,602
	-	-	-	-	-	-
	7,955,751	96,402	253,385	13,726	347,708	123,329
	199,116,733	182,896	1,392,814	50,708	2,716,845	826,256
	419,956,811	175,463	10,007	1,601	51,232	287,164
	1,258,001,172	23,759,754	14,487,657	16,826,177	18,777,754	12,558,984



CORPORATE GOVERNANCE

Risk Management

Table 9.b.5.b Disclosure of Receivables and Loan-Loss Provisions by Economic Sectors -
Bank Consolidated with Subsidiaries

No	Economy Sectors
(1)	(2)
	31 DECEMBER 2019
1	Agriculture, Hunting and Forestry
2	Fishery
3	Mining and Excavation
4	Manufacturing
5	Electricity, Gas and Water
6	Construction
7	Wholesale and Retail Trading
8	Accommodation and Food and Beverage
9	Transportation, Warehouse and Communication
10	Financial Brokerage
11	Real Estate, Leasing and Corporate Services
12	Public Administration, Defense, and Compulsory Social Security
13	Education Services
14	Health and Social Services
15	Public, Socio-culture, Entertainment and other Personal Services
16	Personal services for household
17	International institution and other international extra agencies
18	Undefined Activities
19	Non-Business Activity
20	Others
	Total

Risk Management

(In million rupiah)

	Receivable	Type of Receivables - Current	Type of Receivables - Past Due	Individual Impairment Provision - Individual	Individual Impairment Provision - Collective	Write-Off
	(3)	(4)	(5)	(6)	(7)	(8)
	107,493,867	12,076,731	1,413,319	3,402,328	2,899,084	1,710,589
	5,794,348	134,753	591,591	302,359	238,879	125,871
	16,681,669	2,046,006	46,378	1,014,932	549,841	108,536
	80,409,619	5,139,203	9,922,609	8,755,735	1,636,860	650,278
	40,898,491	144,446	892,375	528,840	727,792	10,695
	42,995,187	1,344,296	671,606	587,366	672,882	1,655,878
	284,731,153	2,452,465	6,198,323	901,323	8,977,522	8,842,397
	10,581,415	1,190,709	441,808	211,947	273,470	153,248
	22,838,918	1,088,274	399,655	478,506	500,262	1,551,064
	9,815,828	74,081	43,073	19,241	173,594	23,116
	10,485,478	162,410	310,183	81,794	232,038	246,681
	5,364,788	303	8,004	-	157,069	6,402
	1,743,033	5,034	12,448	1,280	41,993	9,271
	7,650,827	54,391	22,843	7,142	71,527	33,288
	30,911,165	1,397,106	385,707	667,289	1,059,620	495,170
	1,701,038	3,557	28,238	-	69,250	46,385
	88	-	-	-	9	-
	24,440,680	81,154	477,338	104,852	729,476	25,489
	196,744,088	199,412	1,316,580	79,458	2,985,507	1,374,845
	473,797,367	180,290	16,073	1,462	54,648	437,873
	1,375,079,047	27,774,621	23,198,151	17,145,854	22,051,323	17,507,076



CORPORATE GOVERNANCE

Risk Management

Table 9.b.6.a Disclosure of Movements of Allowance for Impairment Losses (CKPN) Details-Bank Only

(In million rupiah)

No.	Description	31 DECEMBER 2018	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	12,831,413	16,230,849
2	Charge/release of impairment provision for the current year (Net)	6,254,403	11,187,344
3	Impairment provision for write-off	(2,620,325)	(9,559,081)
4	Other charge/release for the current year	-	245,277
CKPN Ending Balance		16,465,491	18,104,389

(In million rupiah)

No.	Description	31 DECEMBER 2019	
		Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	16,465,491	18,104,389
2	Charge/release of impairment provision for the current year (Net)	3,831,806	16,603,394
3	Impairment provision for write-off	(4,063,584)	(12,942,780)
4	Other charge/release for the current year	-	(460,782)
CKPN Ending Balance		16,233,713	21,304,221

Risk Management

Tabel 9.b.6.b Disclosure of Movements of Allowance for Impairment Losses (CKPN) Details-Bank Consolidated with Subsidiaries

(In million rupiah)

		31 DECEMBER 2018	
No.	Description	Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	13,323,725	16,781,220
2	Charge/release of impairment provision for the current year (Net)	6,163,892	11,648,849
3	Impairment provision for write-off	(2,661,440)	(9,897,544)
4	Other charge/release for the current year	-	245,229
CKPN Ending Balance		16,826,177	18,777,754

(In million rupiah)

		31 DECEMBER 2019	
No.	Description	Individual Impairment Provision	Collective Impairment Provision
(1)	(2)	(3)	(4)
1	Beginning balance of impairment provision	16,826,177	18,777,754
2	Charge/release of impairment provision for the current year (Net)	4,383,261	17,177,754
3	Impairment provision for write-off	(4,063,584)	(13,443,492)
4	Other charge/release for the current year	-	(460,692)
CKPN Ending Balance		17,145,854	22,051,324



CORPORATE GOVERNANCE

Risk Management

Table 9.d.1.a Disclosure of Rupiah Maturity Profile - Bank Only

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
1	Cash
2	Placement with BI
3	Placement with Other Bank
4	Marketable Securities
5	Loans
6	Receivable Others
7	Others
	Total Assets
	B. Liabilities
1	Third Party Funds
2	Liabilities to BI
3	Liabilities to Other Banks
4	Marketable Securities Issued
5	Fund Borrowings
6	Other Liabilities
7	Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
1	Commitment
2	Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
1	Commitment
2	Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cummulative

Risk Management

(In million rupiah)

31 DECEMBER 2018						
Balance	Maturity					
	≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month	
(3)	(4)	(5)	(6)	(7)	(8)	
25,922,039	25,922,039	-	-	-	-	
44,987,205	44,987,205	-	-	-	-	
6,927,459	6,607,459	120,000	200,000	-	-	
133,307,970	101,715,712	3,437,061	6,243,306	608,345	21,303,546	
690,303,000	9,387,391	5,173,406	10,523,649	44,367,713	620,850,841	
83,325,444	59,661,778	8,799,365	12,263,939	2,528,861	71,501	
57,409,715	10,221,479	4,665,947	142,556	9,454	42,370,279	
1,042,182,832	258,503,063	22,195,779	29,373,450	47,514,373	684,596,167	
781,715,291	534,708,143	227,999,440	8,945,457	3,024,348	7,037,903	
-	-	-	-	-	-	
6,611,613	6,568,603	43,010	-	-	-	
23,931,736	-	1,018,500	2,436,602	20,476,634	-	
28,528	85	6,381	-	-	22,062	
58,463,690	33,973,153	1,572,365	6,396,720	2,463,408	14,058,044	
5,542,456	1,079,782	3,534,245	415,959	12,311	500,159	
876,293,314	576,329,766	234,173,941	18,194,738	25,976,701	21,618,168	
165,889,518	(317,826,703)	(211,978,162)	11,178,712	21,537,672	662,977,999	
9,811,005	4,965,733	1,625,459	757,577	947,116	1,515,120	
3,823	-	-	-	-	3,823	
9,814,828	4,965,733	1,625,459	757,577	947,116	1,518,943	
108,366,650	14,705,558	10,767,016	21,081,712	13,723,501	48,088,863	
19,484,535	4,999,937	2,764,291	3,791,816	3,679,272	4,249,219	
127,851,185	19,705,495	13,531,307	24,873,528	17,402,773	52,338,082	
(118,036,357)	(14,739,762)	(11,905,848)	(24,115,951)	(16,455,657)	(50,819,139)	
47,853,161	(332,566,465)	(223,884,010)	(12,937,239)	5,082,015	612,158,860	



CORPORATE GOVERNANCE

Risk Management

Table 9.d.1.a Disclosure of Rupiah Maturity Profile - Bank Only

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
1	Cash
2	Placement with BI
3	Placement with Other Bank
4	Marketable Securities
5	Loans
6	Receivable Others
7	Others
	Total Assets
	B. Liabilities
1	Third Party Funds
2	Liabilities to BI
3	Liabilities to Other Banks
4	Marketable Securities Issued
5	Fund Borrowings
6	Other Liabilities
7	Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
1	Commitment
2	Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
1	Commitment
2	Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cummulative

Risk Management

(In million rupiah)

31 DECEMBER 2019					
Balance	Maturity				
	≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
(3)	(4)	(5)	(6)	(7)	(8)
28,707,946	28,707,946	-	-	-	-
-	-	-	-	-	-
67,951,091	65,134,179	2,816,912	-	-	-
144,202,490	109,901,638	5,447,347	296,136	4,594,720	23,962,649
747,164,947	11,374,347	6,978,699	10,959,239	52,791,784	665,060,878
81,280,549	60,717,284	8,511,931	9,753,563	1,881,944	415,827
59,854,072	7,777,225	3,192,061	1,182,547	28,302	47,673,937
1,129,161,095	283,612,619	26,946,950	22,191,485	59,296,750	737,113,291
829,934,620	694,240,709	94,973,315	12,742,948	9,447,589	18,530,059
-	-	-	-	-	-
12,804,411	11,804,461	999,950	-	-	-
24,508,838	-	-	1,743,375	980,342	21,785,121
28,193	85	-	-	6,380	21,728
70,753,620	43,798,384	9,174,380	4,127,653	162,021	13,491,182
6,287,308	1,638,193	3,495,132	28,216	17,550	1,108,217
944,316,990	751,481,832	108,642,777	18,642,192	10,613,882	54,936,307
184,844,105	(467,869,213)	(81,695,827)	3,549,293	48,682,868	682,176,984
3,767,825	2,566,053	661,984	274,058	265,730	-
881	-	-	-	-	881
3,768,706	2,566,053	661,984	274,058	265,730	881
132,134,382	27,129,758	25,779,286	24,713,558	18,755,008	35,756,772
19,202,454	3,954,280	2,068,400	3,943,505	3,979,414	5,256,855
151,336,836	31,084,038	27,847,686	28,657,063	22,734,422	41,013,627
(147,568,130)	(28,517,985)	(27,185,702)	(28,383,005)	(22,468,692)	(41,012,746)
37,275,975	(496,387,198)	(108,881,529)	(24,833,712)	26,214,176	641,164,238



CORPORATE GOVERNANCE

Risk Management

Table 9.d.1.b Disclosure of Foreign Currency Maturity Profile - Bank Only

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
1	Cash
2	Placement with BI
3	Placement with Other Bank
4	Marketable Securities
5	Loans
6	Receivable Others
7	Others
	Total Assets
	B. Liabilities
1	Third Party Funds
2	Liabilities to BI
3	Liabilities to Other Banks
4	Marketable Securities Issued
5	Fund Borrowings
6	Other Liabilities
7	Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
1	Commitment
2	Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
1	Commitment
2	Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cummulative

Risk Management

(In million rupiah)

31 DECEMBER 2018					
Balance	Maturity				
	≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
(3)	(4)	(5)	(6)	(7)	(8)
1,248,545	1,248,545	-	-	-	-
17,823,278	17,823,278	-	-	-	-
12,943,658	11,029,264	1,575,207	339,187	-	-
42,084,796	27,305,602	4,617,466	34,512	-	10,127,216
79,465,552	2,179,107	15,449,333	1,625,843	1,415,439	58,795,830
36,064,958	26,904,719	4,905,528	2,980,851	1,254,215	19,645
2,386,420	70,938	688,240	1,275,423	324	351,495
192,017,207	86,561,453	27,235,774	6,255,816	2,669,978	69,294,186
116,317,273	49,214,097	47,429,866	7,172,277	12,490,042	10,991
-	-	-	-	-	-
2,492,761	2,492,761	-	-	-	-
7,142,940	-	-	-	-	7,142,940
39,344,382	830,193	3,637,058	7,912,167	-	26,964,964
10,652,247	1,360,604	5,786,880	2,562,016	940,968	1,779
938,542	68,315	404,267	326,687	-	139,273
176,888,145	53,965,970	57,258,071	17,973,147	13,431,010	34,259,947
15,129,062	32,595,483	(30,022,297)	(11,717,331)	(10,761,032)	35,034,239
10,389,380	3,696,645	4,749,691	694,311	1,083,967	164,766
-	-	-	-	-	-
10,389,380	3,696,645	4,749,691	694,311	1,083,967	164,766
51,879,148	6,996,912	19,372,370	6,799,297	6,544,059	12,166,510
26,329,441	1,797,166	1,692,696	5,938,963	4,345,047	12,555,569
78,208,589	8,794,078	21,065,066	12,738,260	10,889,106	24,722,079
(67,819,209)	(5,097,433)	(16,315,375)	(12,043,949)	(9,805,139)	(24,557,313)
(52,690,147)	27,498,050	(46,337,672)	(23,761,280)	(20,566,171)	10,476,926



CORPORATE GOVERNANCE

Risk Management

Table 9.d.1.b Disclosure of Foreign Currency Maturity Profile - Bank Only

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
1	Cash
2	Placement with BI
3	Placement with Other Bank
4	Marketable Securities
5	Loans
6	Receivable Others
7	Others
	Total Assets
	B. Liabilities
1	Third Party Funds
2	Liabilities to BI
3	Liabilities to Other Banks
4	Marketable Securities Issued
5	Fund Borrowings
6	Other Liabilities
7	Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
1	Commitment
2	Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
1	Commitment
2	Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cummulative

Risk Management

(In million rupiah)

31 DECEMBER 2019					
Balance	Maturity				
	≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
(3)	(4)	(5)	(6)	(7)	(8)
1,223,270	1,223,270	-	-	-	-
-	-	-	-	-	-
46,461,607	7,526,280	38,935,327	-	-	-
49,339,321	36,140,111	2,400,999	528,487	263,768	10,005,956
74,855,414	2,608,789	1,289,009	926,852	1,705,166	68,325,598
40,643,909	26,747,749	4,334,506	3,896,782	5,664,872	-
1,393,244	166,127	485,501	138,713	30,168	572,735
213,916,765	74,412,326	47,445,342	5,490,834	7,663,974	78,904,289
139,815,386	97,107,281	15,006,361	9,837,717	17,089,943	774,084
-	-	-	-	-	-
5,067,180	4,025,992	1,041,188	-	-	-
13,807,293	-	-	-	-	13,807,293
29,132,943	-	5,553,000	-	-	23,579,943
6,344,511	1,269,195	2,679,206	1,191,903	496,128	708,079
928,095	205,203	432,369	152,280	16,549	121,694
195,095,408	102,607,671	24,712,124	11,181,900	17,602,620	38,991,093
18,821,357	(28,195,345)	22,733,218	(5,691,066)	(9,938,646)	39,913,196
3,234,678	1,115,899	1,221,904	712,336	184,539	-
2,924	-	-	-	-	2,924
3,237,602	1,115,899	1,221,904	712,336	184,539	2,924
39,225,047	4,151,647	19,953,592	3,185,079	2,949,470	8,985,259
25,633,822	2,914,757	1,201,505	7,471,354	3,659,451	10,386,755
64,858,869	7,066,404	21,155,097	10,656,433	6,608,921	19,372,014
(61,621,267)	(5,950,505)	(19,933,193)	(9,944,097)	(6,424,382)	(19,369,090)
(42,799,910)	(34,145,850)	2,800,025	(15,635,163)	(16,363,028)	20,544,106



CORPORATE GOVERNANCE

Risk Management

Table 9.d.1.c Disclosure of Rupiah Maturity Profile - Bank Consolidated with Subsidiaries

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
	1 Cash
	2 Placement with BI
	3 Placement with Other Bank
	4 Marketable Securities
	5 Loans
	6 Receivable Others
	7 Others
	Total Assets
	B. Liabilities
	1 Third Party Funds
	2 Liabilities to BI
	3 Liabilities to Other Banks
	4 Marketable Securities Issued
	5 Fund Borrowings
	6 Other Liabilities
	7 Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cummulative

Risk Management

(In million rupiah)

31 DECEMBER 2018						
Balance	Maturity					
	≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month	
(3)	(4)	(5)	(6)	(7)	(8)	
26,155,113	26,155,113	-	-	-	-	
50,518,622	50,518,622	-	-	-	-	
6,071,680	5,751,680	120,000	200,000	-	-	
152,878,121	109,390,997	6,252,460	8,678,041	2,615,095	25,941,528	
728,003,382	10,805,131	8,787,727	12,158,135	47,482,455	648,769,933	
85,996,032	62,306,336	8,825,395	12,263,939	2,528,861	71,501	
53,216,461	10,691,497	4,665,947	142,556	383,087	37,333,374	
1,102,839,411	275,619,376	28,651,529	33,442,671	53,009,498	712,116,336	
826,222,359	564,139,784	241,112,477	10,877,707	3,054,488	7,037,903	
-	-	-	-	-	-	
6,743,526	6,692,865	50,661	-	-	-	
24,047,276	-	1,018,500	2,436,602	20,592,174	-	
483,123	50,085	-	406,382	-	26,656	
58,950,357	34,136,786	1,598,395	6,396,720	2,463,408	14,355,048	
16,016,772	1,746,135	3,574,501	912,616	23,290	9,760,230	
932,463,413	606,765,655	247,354,534	21,030,027	26,133,360	31,179,837	
170,375,998	(331,146,279)	(218,703,005)	12,412,645	26,876,138	680,936,500	
9,811,005	4,965,733	1,625,459	757,577	947,116	1,515,120	
112,273	17,154	21,751	5,949	20,277	47,142	
9,923,278	4,982,887	1,647,210	763,526	967,393	1,562,262	
110,132,763	14,886,748	11,073,660	21,460,727	14,156,806	48,554,822	
18,556,420	5,003,613	2,774,954	3,817,715	3,707,577	3,252,561	
128,689,183	19,890,361	13,848,614	25,278,442	17,864,383	51,807,383	
(118,765,905)	(14,907,474)	(12,201,404)	(24,514,916)	(16,896,990)	(50,245,121)	
51,610,093	(346,053,753)	(230,904,409)	(12,102,271)	9,979,148	630,691,379	



CORPORATE GOVERNANCE

Risk Management

Table 9.d.1.c Disclosure of Rupiah Maturity Profile - Bank Consolidated with Subsidiaries

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
	1 Cash
	2 Placement with BI
	3 Placement with Other Bank
	4 Marketable Securities
	5 Loans
	6 Receivable Others
	7 Others
	Total Assets
	B. Liabilities
	1 Third Party Funds
	2 Liabilities to BI
	3 Liabilities to Other Banks
	4 Marketable Securities Issued
	5 Fund Borrowings
	6 Other Liabilities
	7 Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cummulative

Risk Management

(In million rupiah)

31 DECEMBER 2019						
Balance	Maturity					
	≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month	
(3)	(4)	(5)	(6)	(7)	(8)	
28,967,663	28,967,663	-	-	-	-	
-	-	-	-	-	-	
70,323,691	67,370,129	2,953,562	-	-	-	
169,812,944	123,702,500	7,532,152	3,668,281	4,178,591	30,731,420	
791,529,041	13,115,122	10,584,204	12,908,781	56,901,716	698,019,218	
83,860,934	63,165,429	8,511,931	9,753,563	1,881,944	548,067	
55,587,614	8,308,003	3,228,855	1,185,860	551,808	42,313,088	
1,200,081,887	304,628,846	32,810,704	27,516,485	63,514,059	771,611,793	
729,940,859	729,940,859	-	-	-	-	
-	-	-	-	-	-	
12,999,010	11,999,059	999,951	-	-	-	
24,815,034	-	-	-	2,686,847	22,128,187	
1,512,817	85	-	-	156,380	1,356,352	
71,300,965	43,945,889	9,191,126	4,127,653	162,021	13,874,276	
20,792,518	2,186,200	4,346,273	28,411	2,523,142	11,708,492	
861,361,203	788,072,092	14,537,350	4,156,064	5,528,390	49,067,307	
338,720,684	(483,443,246)	18,273,354	23,360,421	57,985,669	722,544,486	
3,767,825	2,566,053	661,984	274,058	265,730	-	
899	-	-	-	-	899	
3,768,724	2,566,053	661,984	274,058	265,730	899	
133,514,164	27,234,884	26,078,828	25,187,519	19,251,599	35,761,334	
19,414,907	3,970,543	2,099,557	3,971,802	4,102,182	5,270,823	
152,929,071	31,205,427	28,178,385	29,159,321	23,353,781	41,032,157	
(149,160,347)	(28,639,374)	(27,516,401)	(28,885,263)	(23,088,051)	(41,031,258)	
189,560,337	(512,082,620)	(9,243,047)	(5,524,842)	34,897,618	681,513,228	



CORPORATE GOVERNANCE

Risk Management

Table 9.d.1.d Disclosure of Foreign Currency Maturity Profile - Bank Consolidated with Subsidiaries

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
	1 Cash
	2 Placement with BI
	3 Placement with Other Bank
	4 Marketable Securities
	5 Loans
	6 Receivable Others
	7 Others
	Total Assets
	B. Liabilities
	1 Third Party Funds
	2 Liabilities to BI
	3 Liabilities to Other Banks
	4 Marketable Securities Issued
	5 Fund Borrowings
	6 Other Liabilities
	7 Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]
	Difference Cummulative

Risk Management

(In million rupiah)

31 DECEMBER 2018					
Balance	Maturity				
	≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
(3)	(4)	(5)	(6)	(7)	(8)
1,266,512	1,266,512	-	-	-	-
17,823,278	17,823,278	-	-	-	-
12,604,471	11,029,264	1,575,207	-	-	-
42,307,757	27,312,592	4,617,466	34,512	159,263	10,183,924
79,991,899	2,179,822	15,449,335	1,656,501	1,428,068	59,278,173
37,412,268	28,252,029	4,905,528	2,980,851	1,254,215	19,645
2,652,696	71,012	688,256	1,538,892	957	353,579
194,058,881	87,934,509	27,235,792	6,210,756	2,842,503	69,835,321
118,046,378	49,441,160	48,914,840	7,189,170	12,490,217	10,991
-	-	-	-	-	-
2,387,632	2,387,632	-	-	-	-
7,142,940	-	-	-	-	7,142,940
39,974,306	830,193	3,637,058	8,542,091	-	26,964,964
10,656,707	1,365,050	5,786,894	2,562,016	940,968	1,779
951,585	76,831	404,267	326,687	2,083	141,717
179,159,548	54,100,866	58,743,059	18,619,964	13,433,268	34,262,391
14,899,333	33,833,643	(31,507,267)	(12,409,208)	(10,590,764)	35,572,930
10,389,380	3,696,645	4,749,691	694,311	1,083,967	164,766
-	-	-	-	-	-
10,389,380	3,696,645	4,749,691	694,311	1,083,967	164,766
51,887,669	7,003,440	19,372,702	6,799,297	6,545,720	12,166,510
26,329,631	1,797,166	1,692,696	5,938,963	4,345,237	12,555,569
78,217,300	8,800,606	21,065,398	12,738,260	10,890,957	24,722,079
(67,827,920)	(5,103,961)	(16,315,707)	(12,043,949)	(9,806,990)	(24,557,313)
(52,928,587)	28,729,682	(47,822,974)	(24,453,157)	(20,397,754)	11,015,617



CORPORATE GOVERNANCE

Risk Management

Table 9.d.1.d Disclosure of Foreign Currency Maturity Profile - Bank Consolidated with Subsidiaries

No	Portfolio Category
(1)	(2)
I	BALANCE SHEET
	A. Assets
	1 Cash
	2 Placement with BI
	3 Placement with Other Bank
	4 Marketable Securities
	5 Loans
	6 Receivable Others
	7 Others
	Total Assets
	B. Liabilities
	1 Third Party Funds
	2 Liabilities to BI
	3 Liabilities to Other Banks
	4 Marketable Securities Issued
	5 Fund Borrowings
	6 Other Liabilities
	7 Others
	Total Liabilities
	Assets and Liabilities Difference on Balance Sheet
II	OFF BALANCE SHEET
	A. Off Balance Sheet Receivables
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Receivable
	B. Off Balance Sheet Liabilities
	1 Commitment
	2 Contingencies
	Total Off Balance Sheet Liabilities
	Difference of Assets and Liabilities in Off Balance Sheet
	Difference [(IA-IB)+(IIA-IIB)]

Risk Management

(In million rupiah)

31 DECEMBER 2019					
Balance	Maturity				
	≤ 1 month	>1 month - 3 month	>3 month - 6 month	> 6 month - 12 month	> 12 month
(3)	(4)	(5)	(6)	(7)	(8)
1,251,551	1,251,551	-	-	-	-
-	-	-	-	-	-
46,531,036	7,526,280	39,004,756	-	-	-
49,739,779	36,443,740	2,400,999	528,487	263,768	10,102,785
76,663,575	2,636,279	1,349,521	1,068,528	2,224,350	69,384,897
41,094,234	27,180,769	4,351,811	3,896,782	5,664,872	-
1,398,925	166,179	485,517	138,713	30,801	577,715
216,679,100	75,204,798	47,592,604	5,632,510	8,183,791	80,065,397
139,885,425	97,177,320	15,006,361	9,837,717	17,089,943	774,084
-	-	-	-	-	-
4,970,819	3,929,631	1,041,188	-	-	-
13,807,293	-	-	-	-	13,807,293
29,408,954	-	4,894,434	-	-	24,514,520
6,344,536	1,269,219	2,679,207	1,191,903	496,128	708,079
919,755	205,203	432,369	152,280	16,549	113,354
195,336,782	102,581,373	24,053,559	11,181,900	17,602,620	39,917,330
21,342,318	(27,376,575)	23,539,045	(5,549,390)	(9,418,829)	40,148,067
3,234,678	1,115,899	1,221,904	712,336	184,539	-
2,924	-	-	-	-	2,924
3,237,602	1,115,899	1,221,904	712,336	184,539	2,924
39,305,767	4,164,767	19,961,928	3,231,821	2,961,992	8,985,259
25,636,457	2,914,757	1,201,505	7,471,354	3,662,086	10,386,755
64,942,224	7,079,524	21,163,433	10,703,175	6,624,078	19,372,014
(61,704,622)	(5,963,625)	(19,941,529)	(9,990,839)	(6,439,539)	(19,369,090)
(40,362,304)	(33,340,200)	3,597,516	(15,540,229)	(15,858,368)	20,778,977



CORPORATE GOVERNANCE

Risk Management

Table 10.a. : Disclosure of Net Exposure Receivable and Credit Risk Mitigation Technique - Bank Only

31 DECEMBER 2018						
No.	Portfolio Category	Net Receivables	Guaranteed			
			Collaterals	Guarantees	Credit Insurance	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	286,356,952	-	-	-	-
2	Public Sector Entity Receivables	75,001,743	1,627,557	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	64,289,162	-	-	-	-
5	Mortgage Loan	46,873	-	-	-	-
6	Commercial Property Loan	2,920,473	-	-	-	-
7	Employee/Pensioners Loan	154,833,450	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	308,835,050	1,253,506	-	18,858,390	-
9	Corporate Receivables	244,941,300	20,303,139	-	-	-
10	Past Due Receivables	7,587,710	1,017	-	-	-
11	Other Assets	73,378,404	-	-	-	-
	Total Balance Sheet Exposure	1,218,191,117	23,185,219	-	18,858,390	-
B	Balance Sheet Exposure					
1	Government Receivables	24,449	-	-	-	-
2	Public Sector Entity Receivables	13,140,348	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	16,960,309	-	-	-	-
5	Mortgage Loan	-	-	-	-	-
6	Commercial Property Loan	-	-	-	-	-
7	Employee/Pensioners Loan	-	-	-	-	-
8	Micro Enterprise and Retail Portfolio Receivables	348,395	-	-	-	-
9	Corporate Receivables	4,863,633	-	-	-	-
10	Past Due Receivables	-	-	-	-	-
	Total Administrative Account Exposure	35,337,134	-	-	-	-
C	Counterparty Credit Risk Exposure					
1	Government Receivables	6,747,281	-	-	-	-
2	Public Sector Entity Receivables	391,032	-	-	-	-
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	-
4	Banks Receivables	5,877,457	-	-	-	-
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	-
6	Corporate Receivables	1,338,893	-	-	-	-
	Total Counterparty Credit Risk Exposure	14,354,663	-	-	-	-
	Total (A+B+C)	1,267,882,914	23,185,219	-	18,858,390	-

Risk Management

(In million rupiah)

31 DECEMBER 2019						
Unsecured	Guaranteed					Unsecured
	Net Receivables	Collaterals	Guarantees	Credit Insurance	Others	
(8) = (3)- [(4)+(5)+(6)+(7)]	(9)	(10)	(11)	(12)	(13)	(14) = (9)- [(10)+(11)+(12)+(13)]
286,356,952	319,757,841	-	-	-	-	319,757,841
73,374,186	73,139,134	1,838,595	-	-	-	71,300,539
-	-	-	-	-	-	-
64,289,162	54,867,715	-	-	-	-	54,867,715
46,873	4,792,954	-	-	-	-	4,792,954
2,920,473	7,744,517	-	-	-	-	7,744,517
154,833,450	160,847,222	-	-	-	-	160,847,222
288,723,154	345,748,548	2,186,660	-	18,587,857	-	324,974,031
224,638,161	242,921,116	21,474,822	-	-	-	221,446,294
7,586,693	8,034,785	1,090	-	-	-	8,033,695
73,378,404	72,785,710	-	-	-	-	72,785,710
1,176,147,508	1,290,639,542	25,501,167	-	18,587,857	-	1,246,550,518
24,449	259	-	-	-	-	259
13,140,348	10,822,339	-	-	-	-	10,822,339
-	-	-	-	-	-	-
16,960,309	19,435,867	-	-	-	-	19,435,867
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
348,395	84,844	-	-	-	-	84,844
4,863,633	4,022,605	-	-	-	-	4,022,605
-	-	-	-	-	-	-
35,337,134	34,365,914	-	-	-	-	34,365,914
6,747,281	19,791,896	-	-	-	-	19,791,896
391,032	145,845	-	-	-	-	145,845
-	-	-	-	-	-	-
5,877,457	2,450,383	-	-	-	-	2,450,383
-	-	-	-	-	-	-
1,338,893	899,292	-	-	-	-	899,292
14,354,663	23,287,416	-	-	-	-	23,287,416
1,225,839,305	1,348,292,872	25,501,167	-	18,587,857	-	1,304,203,848



CORPORATE GOVERNANCE

Risk Management

Table 10.b. : Disclosure of Net Exposure Receivable and Credit Risk Mitigation Technique - Bank Consolidated with Subsidiaries

31 DECEMBER 2018						
No.	Portfolio Category	Net Receivables	Guaranteed			Others
			Collaterals	Guarantees	Credit Insurance	
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A	Balance Sheet Exposure					
1	Government Receivables	290,819,879	-	-	-	
2	Public Sector Entity Receivables	75,837,494	1,627,557	-	-	
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	
4	Banks Receivables	66,835,170	-	-	-	
5	Mortgage Loan	349,421	-	-	-	
6	Commercial Property Loan	3,140,274	-	-	-	
7	Employee/Pensioners Loan	155,296,312	1,485	-	-	
8	Micro Enterprise and Retail Portfolio Receivables	311,625,990	1,477,403	-	18,858,390	
9	Corporate Receivables	255,847,710	21,123,364	-	-	
10	Past Due Receivables	7,843,832	1,017	-	-	
11	Other Assets	73,682,177	-	-	-	
	Total Balance Sheet Exposure	1,241,278,259	24,230,826	-	18,858,390	-
B	Balance Sheet Exposure					
1	Government Receivables	24,449	-	-	-	
2	Public Sector Entity Receivables	13,142,548	-	-	-	
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	
4	Banks Receivables	16,960,689	-	-	-	
5	Mortgage Loan	2	-	-	-	
6	Commercial Property Loan	24,239	-	-	-	
7	Employee/Pensioners Loan	52	-	-	-	
8	Micro Enterprise and Retail Portfolio Receivables	402,729	597	-	-	
9	Corporate Receivables	5,303,140	9,466	-	-	
10	Past Due Receivables	1,924	-	-	-	
	Total Administrative Account Exposure	35,859,772	10,063	-	-	-
C	Counterparty Credit Risk Exposure					
1	Government Receivables	6,747,281	-	-	-	
2	Public Sector Entity Receivables	391,032	-	-	-	
3	Multilateral Development Banks and International Institutions Receivables	-	-	-	-	
4	Banks Receivables	5,877,457	-	-	-	
5	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-	
6	Corporate Receivables	1,338,893	-	-	-	
	Total Counterparty Credit Risk Exposure	14,354,663	-	-	-	-
	Total (A+B+C)	1,291,492,694	24,240,889	-	18,858,390	-

Risk Management

(In million rupiah)

31 DECEMBER 2019						
Unsecured	Net Receivables	Guaranteed				Unsecured
		Collaterals	Guarantees	Credit Insurance	Others	
(8) = (3)- [(4)+(5)+(6)+(7)]	(9)	(10)	(11)	(12)	(13)	(14) = (9)- [(10)+(11)+(12)+(13)]
290,819,879	323,514,100	-	-	-	-	323,514,100
74,209,937	74,544,631	1,838,595	-	-	-	72,706,036
-	-	-	-	-	-	-
66,835,170	55,431,903	-	-	-	-	55,431,903
349,421	5,178,297	-	-	-	-	5,178,297
3,140,274	7,753,877	-	-	-	-	7,753,877
155,294,827	161,497,948	-	-	-	-	161,497,948
291,290,197	348,276,036	2,312,219	-	18,587,857	-	327,375,960
234,724,346	256,089,312	22,191,892	-	-	-	233,897,420
7,842,815	8,928,928	1,090	-	-	-	8,927,838
73,682,177	73,123,633	-	-	-	-	73,123,633
1,198,189,043	1,314,338,665	26,343,796	-	18,587,857	-	1,269,407,012
24,449	259	-	-	-	-	259
13,142,548	10,850,339	-	-	-	-	10,850,339
-	-	-	-	-	-	-
16,960,689	19,435,867	-	-	-	-	19,435,867
2	-	-	-	-	-	-
24,239	108	-	-	-	-	108
52	16	-	-	-	-	16
402,132	118,533	-	-	-	-	118,533
5,293,674	4,255,095	-	-	-	-	4,255,095
1,924	-	-	-	-	-	-
35,849,709	34,660,217	-	-	-	-	34,660,217
6,747,281	22,060,877	-	-	-	-	22,060,877
391,032	145,845	-	-	-	-	145,845
-	-	-	-	-	-	-
5,877,457	2,450,383	-	-	-	-	2,450,383
-	-	-	-	-	-	-
1,338,893	899,292	-	-	-	-	899,292
14,354,663	25,556,397	-	-	-	-	25,556,397
1,248,393,415	1,374,555,279	26,343,796	-	18,587,857	-	1,329,623,626



CORPORATE GOVERNANCE

Risk Management

Table 11.a.1 : Disclosure of Securitization Exposure - Bank Only

(In million rupiah)

		31 DECEMBER 2018					
No.	Securitization Exposure	Assets Value being securitized	Assets Value being securitized		Profit/Loss from securitization activity	RWA	Capital Reduction
			Past Due	Current			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Bank acts as Originating Creditor - Example of exposure type: Claim secured by residential property	-			-		
2	Bank acts as Provider of Credit Enhancements						-
	a. First loss facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
	b. Second loss facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
3	Bank acts as Provider of Liquidity Facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
4	Bank acts as Service Provider - Example of exposure type: Claim secured by residential property	-					
5	Bank acts as Custodian Bank - Example of exposure type: Claim secured by residential property	-					
6	Bank acts as Investor						
	a. Senior tranche - Example of exposure type: Claim secured by residential property	-	-	-	-	-	-
	b. Junior tranche - Example of exposure type: Claim secured by residential property	-	-	-	-		-

Risk Management

 Tabel 11.b.1 : Disclosure of Securitization Exposure -
 Bank Consolidated with Subsidiaries

(In million rupiah)

		31 DECEMBER 2018					
No.	Securitization Exposure	Assets Value being securitized	Assets Value being securitized		Profit/Loss from securitization activity	RWA	Capital Reduction
			Past Due	Current			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Bank acts as Originating Creditor - Example of exposure type: Claim secured by residential property	-			-		
2	Bank acts as Provider of Credit Enhancements						-
	a. First loss facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
	b. Second loss facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
3	Bank acts as Provider of Liquidity Facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
4	Bank acts as Service Provider - Example of exposure type: Claim secured by residential property	-					
5	Bank acts as Custodian Bank - Example of exposure type: Claim secured by residential property	-					
6	Bank acts as Investor						
	a. <i>Senior tranche</i> - Example of exposure type: Claim secured by residential property	-	-	-	-	-	-
	b. <i>Junior tranche</i> - Example of exposure type: Claim secured by residential property	-	-	-	-		-



CORPORATE GOVERNANCE

Risk Management

Table 11.a.2 : Disclosure of Securitization Exposure - Bank Only

(In million rupiah)

31 DECEMBER 2019							
No.	Securitization Exposure	Assets Value being securitized	Impaired Assets Value being securitized		Profit/Loss from securitization activity	RWA	Capital Reduction
			Past Due	Current			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Bank acts as Originating Creditor - Example of exposure type: Claim secured by residential property	-			-		
2	Bank acts as Provider of Credit Enhancements						-
	a. First loss facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
	b. Second loss facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
3	Bank acts as Provider of Liquidity Facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
4	Bank acts as Service Provider - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
5	Bank acts as Custodian Bank - Example of exposure type: Claim secured by residential property	-					
6	Bank acts as Investor						
	a. Senior tranche - Example of exposure type: Claim secured by residential property	-	-	-	-	-	-
	b. Junior tranche - Example of exposure type: Claim secured by residential property	-	-	-	-		-

Risk Management

Tabel 11.b.2 : Disclosure of Securitization Exposure - Bank Consolidated with Subsidiaries

(In million rupiah)

		31 DECEMBER 2019					
No.	Securitization Exposure	Assets Value being securitized	Impaired Assets Value being securitized		Profit/Loss from securitization activity	RWA	Capital Reduction
			Past Due	Current			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Bank acts as Originating Creditor - Example of exposure type: Claim secured by residential property	-			-		
2	Bank acts as Provider of Credit Enhancements						-
	a. First loss facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
	b. Second loss facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
3	Bank acts as Provider of Liquidity Facility - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
4	Bank acts as Service Provider - Example of exposure type: Claim secured by residential property	-	-	-	-	-	
5	Bank acts as Custodian Bank - Example of exposure type: Claim secured by residential property	-					
6	Bank acts as Investor						
	a. Senior tranche - Example of exposure type: Claim secured by residential property	-	-	-	-	-	-
	b. Junior tranche - Example of exposure type: Claim secured by residential property	-	-	-	-		-



CORPORATE GOVERNANCE

Risk Management

Table 12.a. : Disclosure of Summary of Transaction Activity Securitization Assets of Bank Acting as a Creditor of Origin - Bank Only

No	Portfolio Category	31 DECEMBER 2018		31 DECEMBER 2019	
		Assets Value being securitized	Sales Profits (Loss)	Assets Value being securitized	Sales Profits (Loss)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables	-	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	-	-	-
5.	Mortgage Loan	-	-	-	-
6.	Commercial Property Loan	-	-	-	-
7.	Employee/Pensioners Loan	-	-	-	-
8.	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-
9.	Corporate Receivables	-	-	-	-
10.	Past Due Receivables	-	-	-	-
11.	Other Assets	-	-	-	-
	TOTAL	-	-	-	-

Risk Management

Tabel 12.b. : Disclosure of Summary of Transaction Activity Securitization Assets of Bank Acting as a Creditor of Origin - Bank In Consolidation with Subsidiary

No	Portfolio Category	31 DECEMBER 2018		31 DECEMBER 2019	
		Assets Value being securitized	Sales Profits (Loss)	Assets Value being securitized	Sales Profits (Loss)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Government Receivables	-	-	-	-
2.	Public Sector Entity Receivables	-	-	-	-
3.	Multilateral Development Banks and International Institutions Receivables	-	-	-	-
4.	Banks Receivables	-	-	-	-
5.	Mortgage Loan	-	-	-	-
6.	Commercial Property Loan	-	-	-	-
7.	Employee/Pensioners Loan	-	-	-	-
8.	Micro Enterprise and Retail Portfolio Receivables	-	-	-	-
9.	Corporate Receivables	-	-	-	-
10.	Past Due Receivables	-	-	-	-
11.	Other Assets	-	-	-	-
TOTAL		-	-	-	-



CORPORATE GOVERNANCE

Table 13.a. : Disclosure of Credit RWA under Standardized Approach - Bank Only

a. Disclosure of Asset Exposure on Balance Sheet

No	Portfolio Category
(1)	(2)
1. Government Receivables	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
5. Mortgage Loan	
6. Commercial Property Loan	
7. Employee/Pensioners Loan	
8. Micro Enterprise and Retail Portfolio Receivables	
9. Corporate Receivables	
10. Past Due Receivables	
11. Other Assets	
TOTAL	

b. Disclosure of Commitment/Contingency Exposure in Off Balance Sheet

No	Portfolio Category
(1)	(2)
1. Government Receivables	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
5. Mortgage Loan	
6. Commercial Property Loan	
7. Employee/Pensioners Loan	
8. Micro Enterprise and Retail Portfolio Receivables	
9. Corporate Receivables	
10. Past Due Receivables	
TOTAL	

c. Disclosure of Counterparty Credit Risk Exposure

No	Portfolio Category
(1)	(2)
1. Government Receivables	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
5. Micro Enterprise and Retail Portfolio Receivables	
6. Corporate Receivables	
7. Weighted Exposure from Credit Valuation Adjustment (CVA risk weighted assets)	
TOTAL	

(In million rupiah)

31 DECEMBER 2018			31 DECEMBER 2019		
Net Receivables	RWA Before CRM	RWA After CRM	Net Receivables	RWA Before CRM	RWA After CRM
(3)	(4)	(5)	(6)	(7)	(8)
286,356,952	-	-	319,757,841	-	-
75,001,743	36,391,010	35,577,231	73,139,134	36,472,405	35,553,108
-	-	-	-	-	-
64,289,162	20,036,190	20,036,190	54,867,715	20,584,049	20,584,049
46,873	13,795	13,795	4,792,954	1,379,419	1,379,419
2,920,473	2,920,473	2,920,473	7,744,517	7,744,517	7,744,517
154,833,450	77,416,725	77,416,725	160,847,222	80,423,611	80,423,611
308,835,050	231,626,288	220,314,044	345,748,548	259,311,411	247,448,095
244,941,300	242,849,960	222,546,821	242,921,116	242,740,861	221,266,039
7,587,710	11,381,058	11,379,533	8,034,785	12,020,147	12,018,512
73,378,404	-	46,230,856	72,785,710	-	42,886,018
1,218,191,117	622,635,499	636,435,668	1,290,639,542	660,676,420	669,303,368
-	-	-	-	-	-

31 DECEMBER 2018			31 DECEMBER 2019		
Net Receivables	RWA Before CRM	RWA After CRM	Net Receivables	RWA Before CRM	RWA After CRM
(3)	(4)	(5)	(6)	(7)	(8)
24,449	-	-	259	-	-
13,140,348	6,570,174	6,570,174	10,822,339	5,411,170	5,411,170
-	-	-	-	-	-
16,960,309	8,336,703	8,336,703	19,435,867	9,491,955	9,491,955
-	-	-	-	-	-
-	-	-	-	-	-
348,395	261,296	261,296	84,844	63,633	63,633
4,863,633	4,863,633	4,863,633	4,022,605	4,022,605	4,022,605
-	-	-	-	-	-
35,337,134	20,031,806	20,031,806	34,365,914	18,989,363	18,989,363
-	-	-	-	-	-

31 DECEMBER 2018			31 DECEMBER 2019		
Net Receivables	RWA Before CRM	RWA After CRM	Net Receivables	RWA Before CRM	RWA After CRM
(3)	(4)	(5)	(6)	(7)	(8)
6,747,280	-	-	19,791,896	-	-
391,032	181,600	181,600	145,845	57,160	57,160
-	-	-	-	-	-
5,877,457	1,429,803	1,429,803	2,450,383	513,003	513,003
-	-	-	-	-	-
1,338,893	1,338,893	1,338,893	899,292	899,292	899,292
-	-	92,268	-	-	193,123
14,354,663	2,950,297	3,042,564	23,287,416	1,469,455	1,662,577
-	-	(0)	-	-	-



CORPORATE GOVERNANCE

Risk Management

d. Disclosure of Credit RWA under Standardized Approach (Settlement Risk)

No	Type of Transactions
(1)	(2)
1.	Delivery versus payment
a.	Capital Charge 8% (5-15 days)
b.	Capital Charge 50% (16-30 days)
c.	Capital Charge 75% (31-45 days)
d.	Capital Charge 100% (more than 45 days)
2.	Non-delivery versus payment
TOTAL	

e. Securitization Exposure

(In million rupiah)

No	Type of Transactions	31 DECEMBER 2018		31 DECEMBER 2019	
		Capital Deduction Factor	RWA	Capital Deduction Factor	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Supporting Credit facility that meets the requirements	-	-	-	-
a.	First Loss Facility				
b.	Second Loss Facility				
2.	Supporting Credit facility that do not meet the requirements	-	-	-	-
a.	Bank acts as Originating Creditor				
b.	Bank are not as Originating Creditor				
3.	Liquidity facilities that meet the requirements		-		-
4.	Liquidity facilities that do not meet the requirements	-	-	-	-
a.	Bank acts as Originating Creditor				
b.	Bank are not as Originating Creditor				
5.	Purchase of Asset-Backed Securities that meet the requirements	-	-	-	-
a.	Senior Tranche				
b.	Junior Tranche				
6.	Purchase of Asset-Backed Securities that do not meet the requirements	-	-	-	-
7.	Securitisation exposures that are not covered by the provisions of Bank Indonesia on the principles of prudence in asset securitization for banks.		-		-
TOTAL		-	-	-	-

Risk Management

31 DECEMBER 2018			31 DECEMBER 2019		
Exposure Value	Capital Deduction Factor	RWA After CRM	Exposure Value	Capital Deduction Factor	RWA After CRM
(3)	(4)	(5)	(6)	(7)	(8)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

f. Disclosure of Total Credit Risk Measurement

(In million rupiah)

	31 DECEMBER 2018	31 DECEMBER 2019
Total Credit Risk RWA	659,319,661	689,093,355
Total Capital Deduction Factor		



CORPORATE GOVERNANCE

Risk Management

Table 13.b. : Disclosure of Credit RWA under Standardized Approach - Bank Consolidated with Subsidiaries

a. Disclosure of Asset Exposure on Balance Sheet

No	Portfolio Category
(1)	(2)
1. Government Receivables	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
5. Mortgage Loan	
6. Commercial Property Loan	
7. Employee/Pensioners Loan	
8. Micro Enterprise and Retail Portfolio Receivables	
9. Corporate Receivables	
10. Past Due Receivables	
11. Other Assets	
TOTAL	

b. Disclosure of Commitment/Contingency Exposure in Off Balance Sheet

No	Portfolio Category
(1)	(2)
1. Government Receivables	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
5. Mortgage Loan	
6. Commercial Property Loan	
7. Employee/Pensioners Loan	
8. Micro Enterprise and Retail Portfolio Receivables	
9. Corporate Receivables	
10. Past Due Receivables	
TOTAL	

Risk Management

(In million rupiah)

31 DECEMBER 2018			31 DECEMBER 2019		
Net Receivables	RWA Before CRM	RWA After CRM	Net Receivables	RWA Before CRM	RWA After CRM
(3)	(4)	(5)	(6)	(7)	(8)
290,819,879	-	-	323,514,100	-	-
75,837,494	36,778,885	35,965,107	74,544,631	37,134,653	36,215,356
-	-	-	-	-	-
66,835,170	20,616,744	20,616,744	55,431,903	20,757,166	20,757,166
349,421	112,146	112,146	5,178,297	1,506,714	1,506,714
3,140,274	3,140,274	3,140,274	7,753,877	7,753,878	7,753,878
155,296,312	77,648,156	77,647,414	161,497,948	80,748,974	80,748,974
311,625,990	233,719,493	222,239,326	348,276,036	261,207,027	249,249,541
255,847,710	253,693,534	232,570,170	256,089,314	255,879,846	233,687,954
7,843,832	11,757,357	11,755,831	8,928,928	13,279,206	13,277,571
73,682,177	-	46,517,294	73,123,634	-	43,201,010
1,241,278,259	637,466,589	650,564,306	1,314,338,668	678,267,464	686,398,163
-	-	-	-	-	-

31 DECEMBER 2018			31 DECEMBER 2019		
Net Receivables	RWA Before CRM	RWA After CRM	Net Receivables	RWA Before CRM	RWA After CRM
(3)	(4)	(5)	(6)	(7)	(8)
24,449	-	-	259	-	-
13,142,548	6,571,274	6,571,274	10,850,339	5,425,170	5,425,170
-	-	-	-	-	-
16,960,689	8,336,893	8,336,893	19,435,867	9,491,955	9,491,955
2	1	1	-	-	-
24,239	24,239	24,239	108	108	108
52	26	26	16	8	8
402,729	302,047	301,599	118,535	88,902	88,901
5,303,139	5,303,140	5,293,674	4,255,094	4,255,094	4,255,094
1,924	2,886	2,886	-	-	-
35,859,771	20,540,506	20,530,592	34,660,218	19,261,237	19,261,236



CORPORATE GOVERNANCE

c. Disclosure of Counterparty Credit Risk Exposure

No	Portfolio Category
(1)	(2)
1. Government Receivables	
a. Receivables to Government of Indonesia	
b. Receivables to Other Countries Government	
2. Public Sector Entity Receivables	
3. Multilateral Development Banks and International Institutions Receivables	
4. Banks Receivables	
a. Short Term Receivables	
b. Long Term Receivables	
5. Micro Enterprise and Retail Portfolio Receivables	
6. Corporate Receivables	
7. Weighted Exposure from Credit Valuation Adjustment (CVA risk weighted assets)	
TOTAL	

d. Exposure that Arise Credit Risk due to Failure of Settlement (settlement risk)

No	Type of Transactions
(1)	(2)
1. Delivery versus payment	
a. Capital Charge 8% (5-15 days)	
b. Capital Charge 50% (16-30 days)	
c. Capital Charge 75% (31-45 days)	
d. Capital Charge 100% (more than 45 days)	
2. Non-delivery versus payment	
TOTAL	

e. Securitization Exposure

No	Type of Transactions
(1)	(2)
1. Supporting Credit facility that meets the requirements	
2. Supporting Credit facility that are not met 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 meets the requirements	
6. Purchase of Asset-Backed Securities that do not meet the requirements	
7. Securitisation exposures that are not covered by the provisions of Bank Indonesia on the principles of prudence in asset securitization for banks.	
TOTAL	

f. Disclosure of Exposure in Sharia Business Unit

(In million rupiah)

No	Type of Transactions	31 DECEMBER 2018		31 DECEMBER 2019	
		Capital Deduction Factor	RWA	Capital Deduction Factor	RWA
(1)	(2)	(3)	(4)	(5)	(6)
1.	Total Exposure	-	16,817,831	-	19,719,349

31 DECEMBER 2018			31 DECEMBER 2019		
Net Receivables	RWA Before CRM	RWA After CRM	Net Receivables	RWA Before CRM	RWA After CRM
(3)	(4)	(5)	(6)	(7)	(8)
6,747,280	-	-	22,060,877	-	-
6,747,280	-	-	22,060,877	-	-
-	-	-	-	-	-
391,032	181,600	181,600	145,845	57,160	57,160
-	-	-	-	-	-
5,877,458	1,429,804	1,429,804	2,450,383	513,003	513,003
4,857,917	978,455	978,455	2,301,293	460,283	460,283
1,019,541	451,349	451,349	149,090	52,720	52,720
-	-	-	-	-	-
1,338,893	1,338,893	1,338,893	899,292	899,292	899,292
-	-	92,268	-	-	193,123
14,354,663	2,950,298	3,042,566	25,556,397	1,469,455	1,662,577
-	-	-	-	-	-

31 DECEMBER 2018			31 DECEMBER 2019		
Exposure Value	Capital Deduction Factor	RWA After CRM	Exposure Value	Capital Deduction Factor	RWA After CRM
(3)	(4)	(5)	(6)	(7)	(8)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

31 DECEMBER 2018		31 DECEMBER 2019	
Capital Deduction Factor	RWA	Capital Deduction Factor	RWA
(3)	(4)	(5)	(6)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

g. Disclosure of Total Credit Risk Measurement

(In million rupiah)

	31 DECEMBER 2018	31 DECEMBER 2019
Total RWA Credit Risk	690,764,915	726,179,371
Total Factor of Capital Reduction		



CORPORATE GOVERNANCE

Risk Management

Table 14 : Disclosure of Market Risk Standardized Method

(In million rupiah)

No.	Type of Risk	31 DECEMBER 2018				31 DECEMBER 2019			
		Bank		Consolidated		Bank		Consolidated	
		Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA	Capital Charge	RWA
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Interest Rate Risk								
	a. Specific Risk	699	8,732	699	8,732	25,196	314,949	25,196	314,949
	b. General Risk	15,152	189,397	21,926	274,082	154,172	1,927,156	171,936	2,149,206
2	Foreign Exchange Risk	870,448	10,880,601	875,721	10,946,508	243,332	3,041,654	248,891	3,111,139
3	Equity Risk *)			-	-			-	-
4	Commodity Risk*)			-	-			-	-
5	Option Risk	-	-	-	-	674,317	8,428,962	674,317	8,428,962
	Total	886,298	11,078,730	898,346	11,229,322	1,097,018	13,712,721	1,120,341	14,004,256

*) For bank with subsidiaries that have such risk exposures

REPORT ON THE APPLICATION OF RISK MANAGEMENT INTEREST RATE RISK IN THE BANKING BOOK

Bank name : PT. Bank Rakyat Indonesia (Persero) Tbk. (Individual)
Report Month : December 2019

Qualitative Analysis

- Interest Rate Risk in The Banking Book (IRRBB) is a risk due to movement of interest rates in the market as opposed to the position of the Banking Book which has the potential to impact on BRI's capital and profitability both now and in the future. BRI's interest rate risk is captured from the adjustment of asset interest rate slower than the adjustment of liability interest rates, this is because the composition of BRI's assets is dominated by fixed interest rates and has longer repricing maturities.
- In IRRBB risk mitigation, BRI formulated a strategy for managing the impact of interest rate movements through the Assets & Liability Management (ALCO) and Risk Management Committee (RMC) committee. ALCO is held every month to discuss asset and liability management strategies which include balanced pricing, asset allocation, funding mix, gap management, and capital management. Whereas RMC is carried out every quarter with one of the discussions being the current market risk profile and risk issue.
- BRI calculates IRRBB on a quarterly basis using the Economic Value of Equity (EVE) and Net Interest Income (NII) methods. The EVE method uses a long-term perspective in calculating interest rate sensitivity to BRI's Tier 1 capital and has adjusted to the guidelines of the Financial Services Authority. Whereas the NII method uses a short-term perspective in calculating interest rate sensitivity to BRI's estimated income in one year.

Risk Management

Qualitative Analysis

- 4 The scenarios used in the BRI IRRBB calculation are as follows:
- a. Parallel Up (400 bps)
 - b. Parallel Down (400 bps)
 - c. Steepener (350 bps)
 - d. Flattener (350 bps)
 - e. Short Rate Up (500 bps)
 - f. Short Rate Down (500 bps)
-
- 5
- a. In calculating cash flows, instruments of assets and liabilities with float interest rates use risk free sourced from JIBOR & Government Bonds for rupiah currency. Risk free forex uses LIBOR and Government Bonds USD. The margins used are sourced from the average margins of each instrument segment. The instrument assets and liabilities with a fixed interest rate use the benchmark yield charged to the instrument as the basis for determining cash flow.
 - b. Non Maturity Deposit (NMD) account, namely current account and savings account placed overnight, a time scale of 3 to 4 years & 4 to 5 years in accordance with the maximum caps specified by the regulator. NMD which is placed on the longest time scale is a BRI core fund that has a lower interest rate sensitivity than non-core funds that are placed on the overnight time scale.
 - c. Determination of prepayment risk based on historical data in accordance with the loan segment and products within a period deemed adequate. Baseline calculation of prepayment percentage is the limit of the total outstanding loan balance before maturity to the total loan balance per each segment. Whereas in determining early redemption, the method used uses a historical approach with adequate data sources and uses other relevant approaches. The percentage of the baseline used in early redemption is the balance of the deposit which is repaid before maturity within a certain period of time against the total deposit balance of the current month.
 - d. The IRRBB calculation uses the rupiah and USD currencies. All currencies other than that currency are aggregated into USD calculations.
-

Quantitative Analysis

Demand Deposits and Savings accounts are deposits that do not have a term and contractually have an overnight maturity. Behaviorally, BRI consolidated placing current accounts and savings in 3 separate time buckets:

- a. Overnight (non corefund), Demand Deposits (56.77) and Savings (17.63%)
 - b. 3 to 4 years (corefund), Demand Deposits (28.06%) and Savings (0.05%)
 - c. 4 to 5 years (corefund), Demand Deposits (15.17%) and Savings (82.33%)
-



CORPORATE GOVERNANCE

Risk Management

CALCULATION REPORT OF IRRBB

Bank name : PT. Bank Rakyat Indonesia (Persero) Tbk. (Individual)
Report Month : December 2019

In Million Rupiah	Δ EVE		Δ NII	
	T	T - 1	T	T - 1
Parallel Up	(11,343,668)	(11,038,863)	(457,635)	(473,413)
Parallel Down	11,736,571	11,408,791	458,737	474,540
Steeper	(6,083,804)	(5,660,113)		
Flattener	3,323,392	2,981,774		
Short Rate Up	(4,312,673)	(4,561,670)		
Short Rate Down	4,327,963	4,578,375		
Negative Maximum Value (absolute)	11,343,668	11,038,863	457,635	473,413
Tier 1 Capital (to Δ EVE) or Projected Income (to Δ NII)	187,381,567	177,740,593	84,755,306	86,075,259
Maximum Value divided by Tier 1 Capital (to Δ EVE) or Projected Income (to Δ NII)	6.05%	6.21%	0.54%	0.55%

REPORT ON THE APPLICATION OF RISK MANAGEMENT INTEREST RATE RISK IN THE BANKING BOOK

Bank name : PT. Bank Rakyat Indonesia (Persero) Tbk. (Consolidation)
Report Month : December 2019

Qualitative Analysis

- Interest Rate Risk in The Banking Book (IRRBB) is a risk due to movement of interest rates in the market as opposed to the position of the Banking Book which has the potential to impact on BRI's capital and profitability both now and in the future. BRI's interest rate risk is captured from the adjustment of asset interest rate slower than the adjustment of liability interest rates, this is because the composition of BRI's assets is dominated by fixed interest rates and has longer repricing maturities.

Risk Management

Qualitative Analysis

- 2 In IRRBB risk mitigation, BRI formulated a strategy for managing the impact of interest rate movements through the Assets & Liability Management (ALCO) and Integrated Risk Management Committee (RMC) committee. ALCO is held every month to discuss asset and liability management strategies which include balanced pricing, asset allocation, funding mix, gap management, and capital management. Whereas the Integrated RMC is carried out bank wide with a subsidiary discussing the assessment of market risk profiles and the latest risk issue.
- 3 BRI carries out semi-annual consolidated IRRBB calculations using the Economic Value of Equity (EVE) and Net Interest Income (NII) methods. The EVE method uses a long-term perspective in calculating interest rate sensitivity to BRI's Tier 1 capital and has adjusted to the guidelines of the Financial Services Authority. Whereas the NII method uses a short-term perspective in calculating interest rate sensitivity to BRI's estimated income in one year.
- 4 The scenarios used in the BRI IRRBB calculation are as follows:
 - a. Parallel Up (400 bps)
 - b. Parallel Down (400 bps)
 - c. Steepener (350 bps)
 - d. Flattener (350 bps)
 - e. Short Rate Up (500 bps)
 - f. Short Rate Down (500 bps)
- 5
 - a. In calculating cash flows, instruments of assets and liabilities with float interest rates use risk free sourced from JIBOR & Government Bonds for rupiah currency. Risk free forex uses LIBOR and Government Bonds USD. The margins used are sourced from the average margins of each instrument segment. The instrument assets and liabilities with a fixed interest rate use the benchmark yield charged to the instrument as the basis for determining cash flow.
 - b. Non Maturity Deposit (NMD) account, namely current account and savings account placed overnight, a time scale of 3 to 4 years & 4 to 5 years in accordance with the maximum caps specified by the regulator. NMD which is placed on the longest time scale is a BRI core fund that has a lower interest rate sensitivity than non-core funds that are placed on the overnight time scale.
 - c. Determination of prepayment risk based on historical data in accordance with the loan segment and products within a period deemed adequate. Baseline calculation of prepayment percentage is the limit of the total outstanding loan balance before maturity to the total loan balance per each segment. Whereas in determining early redemption, the method used uses a historical approach with adequate data sources and uses other relevant approaches. The percentage of the baseline used in early redemption is the balance of the deposit which is repaid before maturity within a certain period of time against the total deposit balance of the current month.
 - d. The IRRBB calculation uses the rupiah and USD currencies. All currencies other than that currency are aggregated into USD calculations.

Quantitative Analysis

Demand Deposits and Savings accounts are deposits that do not have a term and contractually have an overnight maturity. Behaviorally, BRI consolidated placing current accounts and savings in 3 separate time buckets:

- a. Overnight (non corefund), Demand Deposits (56.77) and Savings (17.63%)
- b. 3 to 4 years (corefund), Demand Deposits (28.06%) and Savings (0.05%)
- c. 4 to 5 years (corefund), Demand Deposits (15.17%) and Savings (82.33%)



CORPORATE GOVERNANCE

Risk Management

CALCULATION REPORT OF IRRBB

Bank name : PT. Bank Rakyat Indonesia (Persero) Tbk. (Consolidation)
Report Month : December 2019

In Million Rupiah	Δ EVE		Δ NII	
	T	T - 1 (June)	T	T - 1 (June)
Parallel Up	(12,372,900)	(11,512,920)	(476,222)	(475,778)
Parallel Down	12,797,122	11,889,981	477,377	476,969
Steeper	(6,599,391)	(5,800,602)	-	-
Flattener	3,588,167	3,008,473	-	-
Short Rate Up	(4,546,888)	(4,669,155)	-	-
Short Rate Down	4,563,240	4,686,181	-	-
Negative Maximum Value (absolute)	12,372,900	11,889,981	476,222	476,969
Tier 1 Capital (for Δ EVE) or Projected Income (for Δ NII)	196,586,828	177,754,217	89,104,918	92,356,053
Maximum Value divided by Tier 1 Capital (to Δ EVE) or Projected Income (to Δ NII)	6.29%	6.69%	0.53%	0.52%

Table 15 : Disclosure of Liquidity Coverage Ratio (LCR)

2018	LCR (%)			
	I	II	III	IV
	(1)	(2)	(3)	(4)
Bank Only	236.07%	219.87%	203.97%	201.29%
Bank In Consolidation	237.76%	218.91%	206.23%	204.60%
2019	LCR (%)			
	I	II	III	IV
	(1)	(2)	(3)	(4)
Bank Only	215.26%	201.76%	195.57%	229.98%
Bank In Consolidation	215.46%	203.47%	197.39%	227.12%

Risk Management

Table 15 : Disclosure of Liquidity Coverage Ratio (LCR)

	NSFR (%)			
	I	II	III	IV
	(1)	(2)	(3)	(4)
2018				
Bank Only	128.31%	126.64%	130.40%	133.50%
Bank In Consolidation	129.66%	126.96%	129.87%	133.50%

	NSFR VALUE (%)			
	I	II	III	IV
	(1)	(2)	(3)	(4)
2019				
Bank Only	134.57%	128.69%	130.57%	136.17%
Bank In Consolidation	134.42%	128.41%	129.46%	135.91%

Table 16.a : Disclosure of Operational Risk - Bank Only

(In million rupiah)

No.	Approach used	31 DECEMBER 2018			31 DECEMBER 2019		
		Gross Revenues (Average in Last 3 Years)	Capital Charge	RWA	Gross Revenues (Average in Last 3 Years)	Capital Charge	RWA
		(3)	(4)	(5)	(6)	(7)	(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Basic Indicator Approach	79,045,252	11,856,788	148,209,848	88,647,633	13,297,145	166,214,312
	Total	79,045,252	11,856,788	148,209,848	88,647,633	13,297,145	166,214,312

Table 16.b : Disclosure of Operational Risk - Bank Consolidated with Subsidiaries

(In million rupiah)

No.	Approach used	31 DECEMBER 2018			31 DECEMBER 2019		
		Gross Revenues (Average in Last 3 Years)	Capital Charge	RWA	Gross Revenues (Average in Last 3 Years)	Capital Charge	RWA
		(3)	(4)	(5)	(6)	(7)	(8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Basic Indicator Approach	81,188,816	12,178,322	152,229,031	91,022,315	13,653,347	170,666,840
	Total	81,188,816	12,178,322	152,229,031	91,022,315	13,653,347	170,666,840



CORPORATE GOVERNANCE

Risk Management

Standards Calculation Disclosure Basel III

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

31 DECEMBER 2019

(In million rupiah)

Main Core Capital (Common Equity Tier I) / CET 1: Instruments and Additional Paid in Capital		
1.	Ordinary shares (including stock surplus)	7,042,798
2.	Retained earning	177,036,543
3.	Accumulated other comprehensive income (and other reserves)	20,569,085
4.	Phase out capital of CET 1	N/A
5.	Non-controlling interests to be taken into account	1,979,595
6.	CET 1 before regulatory adjustment	206,628,021
	CET 1: Reduction Factor (Regulatory Adjustment)	
7.	The difference in amount of fair value adjustment of financial instruments in the trading book	0
8.	Goodwill	820,386
9.	Others intangible assets (other than Mortgage-Servicing Rights)	6,257
10.	Deferred tax assets are derived from future profitability	N/A
11.	Cash-flow hedge reserve	N/A
12.	Shortfall of provisions to expected losses	N/A
13.	Profits from sales of Assets in securitization transactions	0
14.	Increase / decrease in fair value of financial liabilities (DVA)	0
15.	Pension Assets definite benefits	N/A
16.	Investment in own shares (if not already in the net in the capital BALANCE SHEET)	N/A
17.	Cross ownership of CET 1 instruments in other entities	0
18.	Investment in bank capital, financial assets and insurance outside the Consolidated scope in terms of conditions, net short positions are permitted, where the Bank does not have more than 10% of the issued share capital (amount above the 10% limit)	N/A
19.	Significant investment in ordinary shares of the Bank, financial entities and insurance outside the Consolidated scope in terms of conditions, allowed net short positions (amount above the limit of 10%)	N/A
20.	Mortgage servicing rights	0
21.	Deferred tax assets derived from temporary differences (amount above the 10% net limit of tax liabilities)	N/A
22.	Amount exceeds 15% limit of:	N/A
23.	significant investment in common stock financials	N/A
24.	Mortgage servicing rights	N/A
25.	deferred tax from temporary differences	N/A
26.	Adjustments based on national specific provisions	8,582,026
26a.	Differences of Earning Assets Allowance and Allowance for Imparment Losses	66,101
26b.	Earning Assets Allowance on non-productive Assets	46,059
26c.	Deferred Tax Assets	4,291,091
26d.	Investment	4,166,431
26e.	Lack of capital in insurance subsidiaries	0
26.f	Securitization Exposure	0
26.g	Others	12,344

Risk Management

Standards Calculation Disclosure Basel III

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

31 DECEMBER 2019

(In million rupiah)

27.	Adjustments to CET 1 result AT1 and Tier 2 smaller daripada pengurangannya factor.	0
28.	Total deduction (regulatory adjustment) to CET 1	9,408,669
29.	Total CET 1 after deduction	197,219,352
	Additional Core Capital (AT 1): Instruments	
30.	AT 1 instruments issued by banks (including stock surplus)	0
31.	Which is classified as equity based on accounting standards	0
32.	Which is classified as a liability based on accounting standards	0
33.	Including the phase out of the Capital of the AT 1	N/A
34.	AT1 instruments issued by Subsidiaries are recognized in the Consolidated KPMM calculation	0
35.	Instruments issued by Subsidiaries including phase out	N/A
36.	Total AT 1 before regulatory adjustment	0
	Additional Core Capital: Reduction Factor (Regulatory Adjustment)	
37.	AT 1 investasi on the instrument itself	N/A
38.	Cross-ownership in AT-1 instrument in another entity.	0
39.	Investments in bank capital, financial entities and insurance outside the Consolidated scope in terms of conditions, net short positions are permitted, where the Bank does not have more than 10% of the issued share capital (amount above the 10% limit)	N/A
40.	Significant investment in the Bank's capital, financial entity and insurance outside the Consolidated scope in terms of (net short positions imposed)	N/A
41.	Adjustments based on specific provisions of national	
41.a	Placement of funds in instruments other AT 1 Bank	0
42.	Adjustments to the AT 1 due to Tier 2 is smaller than the factor reduction	0
43.	Total deduction (regulatory adjustment) to AT 1	0
44.	Total AT 1 after deduction	0
45.	The amount of core capital (Tier 1) (CET 1 + AT 1)	197,219,352
	Supplementary capital (Tier 2): Instruments and backup	
46.	Tier 2 instruments issued by banks (including stock surplus)	1,150,000
47.	Phase out capital including Tier 2	N/A
48.	Tier 2 instruments issued by subsidiaries are recognized in the calculation of CAR in Consolidated	0
49.	Yng issued capital of a subsidiary that includes phase out	N/A
50.	PPA general reserves on earning Assets that must be calculated with the highest amount of 1.25% of RWA Credit Risk	9,046,077
51.	Total supplementary capital (Tier2) before deduction	10,196,077
	Supplementary capital (Tier 2): Factor Reduction (Regulatory Adjustment)	
52.	Investment in own Tier 2 instruments	N/A
53.	Cross-ownership in Tier 2 instrument in another entity	0



CORPORATE GOVERNANCE

Risk Management

Standards Calculation Disclosure Basel III

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

31 DECEMBER 2019

(In million rupiah)

54.	Investment in bank capital, financial assets and insurance outside the Consolidated scope in terms of conditions, net short positions are permitted, where the Bank does not have more than 10% of the issued share capital (amount above the 10% limit)	N/A
55.	Significant investment in the Bank's capital, financial entity and insurance outside the Consolidated scope in terms of (net short positions imposed)	N/A
56.	Adjustments based on national specific provisions	
56.a	Sinking Fund	0
56.b	Placement of funds in Tier 2 instruments with other banks	35,999
57.	Total deduction (regulatory adjustment) supplementary capital	35,999
58.	Total supplementary capital (Tier 2) after regulatory adjustments	10,160,078
59.	Total Capital (Tier + supplementary capital)	207,379,430
60.	Total Risk Weighted Assets (RWA)	910,850,467
	Fulfillment of the Minimum Capital Adequacy Ratio (CAR) and Supplementary Capital (Capital Buffer)	
61.	Main Core Capital ratio (CET 1) - a percentage of RWA	21.65%
62.	The ratio of core capital (Tier 1) - a percentage of RWA	21.65%
63.	Total Capital ratio - the percentage of the RWA	22.77%
64.	The additional capital (buffer) - a percentage of RWA	
65.	Capital conservation buffer	2.50%
66.	countercyclical Buffer	0.00%
67.	Capital surcharge D-SIB	2.50%
68.	For conventional commercial banks: Main Core Capital (CET 1) available to meet Additional Capital (Buffer) and percentage of RWA For branch offices of a Bank domiciled abroad: The portion of the Business Fund placed in CEMA (expressed as a percentage of RWA) available to meet Buffer. National minimum (if different from Basel 3)	
69.	The lowest ratio of 1 national CET (if different from the Basel 3)	N/A

Risk Management

Standards Calculation Disclosure Basel III

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

31 DECEMBER 2019

(In million rupiah)

70.	The lowest ratio of Tier 1 national (if different from the Basel 3)	N/A
71.	The lowest ratio of total national capital (if different from the Basel 3) Total under restriction reduction (before risk weighting)	N/A
72.	Non-significant investments in capital of other financial entities	N/A
73.	Significant investment in the ordinary shares of financial entities	N/A
74.	Mortgage servicing rights (net of tax liabilities)	N/A
75.	Deferred tax assets derived from temporary differences (net of tax liabilities) Capital worn to any provision of Tier 2	N/A
76.	Provisions that can be recognized as Tier 2 in accordance with an exposure based on a standard approach (before stamp)	N/A
77.	Capital on provisions recognized as Tier 2 based on the standard approach	N/A
78.	Provisions that can be recognized as Tier 2 in accordance with an exposure based approach to the IRB (before stamp)	N/A
79.	Capital on provisions recognized as Tier 2 based on IRB approach Capital instruments that include phasing out (only valid between 1 Jan 2018 to 1 Jan 2022)	N/A
80.	Capital on CET 1 which includes phase out	N/A
81.	The amounts excluded from the CET 1 for their capital (excess over capital after redemptions and maturities)	N/A
82.	Capital on AT1 which includes phase out	N/A
83.	Amount excluded from AT1 because of a capital (excess above capital after redemptions and maturities)	N/A
84.	Capital on Tier2 which includes phase out	N/A
85.	The amounts excluded from T2 for their capital (excess over capital after redemptions and maturities)	N/A

Note :

1) Filled by the Bank based on the results of reconciliation between the capital components in accordance with the Format of the Disclosure Standard Capital Calculation with the same posts in the published BALANCE SHEET (only shown if there is reconciliation as in Part 2).



CORPORATE GOVERNANCE

Risk Management

Capital Reconciliation

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

NO	POSTS	Balance Sheet		
		Balance Sheet Publication	Balance Sheet Consolidated with coverage under the terms of prudential	
		BI Position 31-Dec-19	Position 31-Dec-19	
ASSETS				
1.	Cash	100	29,931,216	30,219,214
2.	Placement with BI	120	166,528,550	171,862,318
3.	Placements on Other Banks	130	26,885,477	27,005,763
4.	Receivable Spot and Derivatif	135	193,091	210,396
5.	Securities			
	a. Measured at fair value through profit / loss	138	12,725,189	17,712,056
	b. Available for sale	143	71,596,668	78,149,825
	c. Held to maturity	144	38,876,554	51,079,219
	d. Loans and receivables	145	33,876,763	33,876,762
6.	Securities sold under repurchase agreements (repo)	160	50,030,136	50,030,136
7.	Receivable on securities purchased under resale agreements (Reverse Repo)	164	20,313,264	22,582,244
8.	Acceptances Receivable	166	9,344,684	9,346,065
9.	Credit			
	a. Measured at fair value through profit / loss		-	-
	b. Available for sale	172	-	-
	c. Held to maturity	173	-	-
	d. Loans and receivables	175	859,570,853	877,443,750
10.	Sharia financing	174	-	25,021,168
11.	Finance Lease Receivables		-	4,104,095
12.	Inclusion	200	12,369,341	745,815
	Recognized in CET 1 (as a deduction)			(4,166,431)
	Recognized in the calculation of RWA			1,646
	Investments in Subsidiaries			298
	Not recognized in CET 1			4,910,302
13.	Allowance for Impairment Losses of Financial Assets - / -			
	a. Securities	201	(132,241)	(132,999)
	b. Credit	202	(37,537,934)	(38,363,840)
	c. Others	206	-	(50)

Risk Management

Capital Reconciliation

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

NO	POSTS	Balance Sheet		
		Balance Sheet Publication	Consolidated with coverage under the terms of prudential	
		BI	Position	Position
		31-Dec-19	31-Dec-19	
14.	Intangible Assets	212		
	Goodwill		-	749,622
	Recognized in CET 1 (as a deduction)			(820,386)
	Recognized in CET 1 (as a deduction)			(6,257)
	Not recognized in CET 1			1,576,265
	Assets Intangible Others			
	Intangible Assets Accumulated Amortization - / -	213	-	(21,742)
15.	15. Fixed Assets and Inventory		41,942,453	44,075,681
	Accumulated Depreciation of Fixed Assets and Inventory - / -		(11,876,990)	(12,643,051)
16.	16. Non-earning Assets			
	a. Abandoned property		20,425	20,425
	b. Foreclosed assets		61,402	65,104
	c. Deffered account		-	-
	d. Inter-office Assets			
17.	17. Allowance for Impairment Losses Non-Financial Assets - / -		-	-
18.	18. Lease Financing		-	-
19.	19. Deferred Tax Assets		4,023,020	4,541,300
	Recognized in Tier 1			4,291,091
	Not recognized in Tier 1			250,209
20.	20. Others Assets		14,335,938	19,079,563
	TOTAL ASSETS		1,343,077,860	1,416,758,840
	LIABILITY AND EQUITY			
1.	Current Account	300	167,842,557	168,484,601
2.	Savings	320	404,360,261	405,355,483
3.	Time Deposits	330	397,547,188	413,223,653
4.	Investment revenue sharing		-	33,791,388
5.	Loans from Bank Indonesia	340	58,667	58,667
6.	Loans from Other Banks	350	18,018,416	18,458,190
7.	Spot and Derivative liabilities	351	167,858	184,605
8.	Debt on securities sold under agreements to repurchase (repo)	352	49,902,938	49,902,938



CORPORATE GOVERNANCE

Risk Management

Capital Reconciliation

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

NO	POSTS	Balance Sheet		
		Balance Sheet Publication	Consolidated with coverage under the terms of prudential	
		BI	Position	
		31-Dec-19	31-Dec-19	
9.	Debt Acceptances	353	9,344,684	9,346,065
10.	Issued securities	355	38,316,131	38,620,837
11.	Loans received		29,645,439	32,371,188
	a. The loans can be counted as capital		500,000	500,000
	b. Loans received Others	360	29,145,439	31,871,188
	Recognized in Tier 2			1,150,000
	Not recognized in Tier 2			30,721,188
12.	Guarantee deposit	370	15,141	17,561
13.	Interoffice liabilities			
	a. Conducting operations in Indonesia	393	-	-
	b. Conduct operations outside Indonesia	394	-	-
14.	Deferred tax liabilities	396	-	-
15.	Liabilities Others	400	24,193,118	38,159,329
	TOTAL LIABILITIES		1,139,412,398	1,208,066,876
17.	Paid-up capital			
	a. Authorized capital	421	15,000,000	15,000,000
	b. The capital has not been paid - / -	422	(8,832,709)	(8,832,709)
	c. The repurchased shares (treasury stock) - / -		(2,106,014)	(2,106,014)
18.	Additional paid in capital			
	a. Agio	431	2,981,523	2,982,189
	b. Disagio -/-	432	-	(81,195)
	e. Others		21,796	44,205
	i. Enhancer factor	453		
	1) Warrants issued			
	a) Based on common shares			
	b) Others		-	-
	2) Stock Option		-	-
	a) Based on common shares		-	22,409
	b) Based on a special common shares issued in the context of employee compensation program / management		-	-
	c) Others		-	-
	3) Others		21,796	21,796
	ii. Deduction -/-			
	Others		21,796	21,796
	Income (loss) Comprehensive Others	454	-	-
	a. Adjustments due to the translation of financial statements		-	-

Risk Management

Capital Reconciliation

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

NO	POSTS	Balance Sheet		
		Balance Sheet Publication	Consolidated with coverage under the terms of prudential	
		BI	Position	
		31-Dec-19	31-Dec-19	
19.	b. Gain (loss) on change in value of Financial Assets Available-for-sale			
	i. enhancer factor	436	(14,868)	(14,970)
	ii. Deduction - / -		(14.868)	(14,970)
	Accumulated comprehensive income Others who reported in CET 1		(14.868)	(14.868)
	Accumulated comprehensive income Others who are not reported in CET 1			(102)
	d. Assets revaluation increment in fixed		726,681	715.770
	f. Gains (losses) on defined benefit plan actuarial Reserve	440	726,681	715.770
		445	-	-
	a. General reserves		726,681	697.185
	Profit and loss		-	18,585
	a. Year-last year		16,864,083	17,099,207
	Recognized in Tier 1		-	16.864.083
	Not recognized in Tier 1		-	235.124
	b. Running Year		198.584	189.519
20.	Recognized in Tier 1			
	Not recognized in Tier 1	451	3,022,685	3,022,685
	TOTAL EQUITY ATTRIBUTABLE TO OWNERS	-	-	3.022.685
	Minority interest (minority interest)		-	0
	Recognized in CET 1	452	-	-
21.	Profit and loss			-
	a. Year-last year	461	141,775,016	143.890.921
	Recognized in Tier 1			142,937,516
	Not recognized in Tier 1			953.405
	b. Running Year	465	34,028,685	34,413,825
	Recognized in Tier 1			34.099.027
	Not recognized in Tier 1			314.798
	TOTAL EQUITY ATTRIBUTABLE TO OWNERS		203,665,462	206.323.433
22.	Minority interest (minority interest)	398	-	2.460.903
	Recognized in CET 1			1.979.595
	Not recognized in CET 1			481.309
	TOTAL EQUITY		203,665,462	208.784.336
	TOTAL LIABILITIES AND CAPITAL		1,343,077,860	1.416.758.840



CORPORATE GOVERNANCE

Risk Management

Capital Disclosure Instrument Feature Details

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
1.	Issuer	BRI	Filled with the issuer of the instrument
2.	Identification number	BBRI	Filled with unique identification on the issuance of such instruments (eg ISIN number listed on the exchange, etc.)
3.	Law used	Indonesia	Filled with the law are used, for example: Indonesian law
	The treatment of the instruments under the provisions of CAR	Paid-up capital	
4.	At the time of the transition period	N/A	PBI does not adopt the transitional period
5.	After the transition period	N/A	Filled with a choice: CET1; AT1; AT2; or noteligible
6.	Do instruments eligible for Solo / Group or Group and Solo	N/A	Filled with a choice: Solo; Group; or Group and Solo
7.	This type of instrument	Common stock	Filled with the kind of instrument with the option; Common stock; Preferred Shares; Subordinated Securities; Subordinated loans; securities or loans Others
8.	The amounts recognized in the calculation of CAR		Filled In million rupiah
9.	Par value of the instrument	6,167,290.50	Filled In million rupiah
10.	Accounting classification	Equity	Filled with a choice: Equity Liabilities - amortized Cost; Liabilities - Fair Value Option; Non-controlling
11.	Publication date	10-Nov-03	Filled: mm / dd / yyyy
12.	No Maturity (perpetual) or at maturity	Perpetual	Filled with a choice: Perpetual; With Maturity
13.	Maturity date	N/A	For instruments with maturity, Filled maturity date; dd / mm / yyyy, for a perpetual instrument Filled: No due date
14.	Execution of call options with the approval of the Bank Supervisor	Not	Filled with a choice: Yes; or not
15.	Date of call option, number of withdrawals and requirements of call option Others (if any)	Not	Filled with the date call option (Dd / mm / yyyy), requirements call Option Others and the number of withdrawals (In milion rupiah)

Risk Management

Capital Disclosure Instrument Feature Details

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
16.	Subsequent call option	N/A	Filled when da features numbers subsequent call option (How many times call option to do)
	Coupon / dividend	N/A	
17.	Fixed or floating	N/A	Filled with the option:
18.	The level of the coupon rate or index Another is an advanced reference	N/A	Filled with the rate of the coupon or index the reference of the coupon rate or dividend
19.	Presence or absence dividend stopper	Not	Filled with a choice: Yes; or not
20.	Fully discretionary, partial or mandatory	N/A	Does the bank have full rights or partial to cancel the coupon or dividend or can not mebatalkan coupon / dividend. Filled with the option: fully discretionary; PartialDiscretionary ly; mandatory
21.	Whether there is a step up feature or other incentives	N/A	Filled with a choice: Yes; or not
22.	Noncumulative or cumulative	N/A	Filled with the option: Noncumulative; or Cumulative
23.	convertible or non-convertible	N/A	Filled with the option: convertible; Non-convertible
24.	If, convertible, mention trigger pointhis	N/A	Filled with the conditions (trigger point) When the instruments are converted, including the point of non-viability,
25.	If, convertible, Whether whole or in part	N/A	Filled with an explanation for each trigger pointwhether the instrument will: (i) must be converted in full; (ii) the possibility converted in full or in part; or (iii) must be converted partly
26.	If converted, how rate conversion	N/A	Filled with explanation rate conversion of the instrument
27.	If converted, whether mandatory or optional	N/A	Filled with explanation rate conversion of the instrument
28.	If converted, specify the type of instrument conversion	N/A	Filled with the option: mandatory; optional; N / A
29.	If converted, specify issuer of the instrument it converts into	N/A	Filled with a choice: CET1; AT1; T2; or N / A



CORPORATE GOVERNANCE

Risk Management

Capital Disclosure Instrument Feature Details

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
30.	Features write-down	N/A	Filled with explanation issuer of the instrument it converts into
31.	If write-down specify trigger its	N/A	Filled with a choice: Yes; or not
32.	If write-down whether full or partial	N/A	Filled with an explanation of the conditions or trigger point write-down features, including ponit of non-viability,
33.	If write-down permanent or temporary	N/A	Filled with a choice: Permanent; or Temporary
34.	If write-down temporary, explain the mechanism writeup	N/A	Filled with explanation of mechanism writeup
35.	The hierarchy of the instrument at the time of liquidation	N/A	Filled with an explanation of the instrument at the time of liquidation hierarchy
36.	Is the transition to feature non-compliant	N/A	Filled with a choice: Yes; or not
37.	If yes, please explain the features non-compliant	N/A	Filled with an explanation of the features non-compliant
1.	Issuer	PT BANK RAKYAT INDONESIA (PERSERO), TBK	Filled with the issuer of the instrument
2.	Identification number	IDA000091201 (ISIN CODE)	Filled with unique identification on the issuance of such instruments (eg ISIN number listed on the exchange, etc.)
3.	Law used	Indonesian law	Filled with the law are used, for example: Indonesian law
	The treatment of the instruments under the provisions of CAR		
4.	At the time of the transition period	-	PBI does not adopt the transitional period
5.	After the transition period	AT2	Filled with a choice: CET1; AT1; AT2; or noteligible
6.	Are eligible instruments for Solo / Group or Group and Solo	Solo	Filled with a choice: Solo; Group; or Group and Solo
7.	Type of instrument	Subordinated bonds	Filled with the kind of instrument with pilih; Common stock; Preferred Shares; Subordinated Securities; Subordinated Pinajman; securities or loans Others
8.	The amounts recognized in the calculation of CAR	50%	Filled In million rupiah

Risk Management

Capital Disclosure Instrument Feature Details

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
9.	Par value of the instrument	100%	Filled In million rupiah
10.	accounting classification	Liability	Filled with a choice: Equity Liabilities - amortized Cost; Liabilities - Fair Value Option; Non-controlling
11.	publication date	6/26/2018	Filled: mm / dd / yyyy
12.	No Maturity (perpetual) or at maturity		Filled with a choice: Perpetual; With Maturity
13.	Due date	6/26/2023	For instruments with maturity, Filled maturity date; dd / mm / yyyy, for a perpetual instrument Filled: No due date
14.	Execution call option the approval of the Supervisory Bank	-	Filled with a choice: Yes; or not
15.	Date of call option, number of withdrawals and requirements of call option Others (if any)	-	Filled with the date call option (Dd / mm / yyyy), requirements call Option Others and the number of withdrawals (In milion rupiah)
16.	Subsequent call option	-	Filled if there is a feature of the number of subsequent call options (how many times the call option is carried out)
	Coupon / dividend	7.70%	
17.	Fixed or floating	Fixed	Filled with the option: - fixed : When a coupon or dividend is fixed during the term of the instrument; - floating : When a coupon or dividend is floating during the term of the instrument; - fixed to floating : If the coupon / dividend today is fixed, But it could turn out to be floating future or; - floating to fixed : If the coupon / dividend today is floating, But it could turn out to be fixed in the future.
18.	The level of the coupon rate or index Another is an advanced reference	-	Filled with the rate of the coupon or index the reference of the coupon rate or dividend
19.	Presence or absence dividend stopper	-	Filled with a choice: Yes; or not



CORPORATE GOVERNANCE

Risk Management

Capital Disclosure Instrument Feature Details

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
20.	fully discretionary, partial or mandatory	fully discretionary, partial or mandatory call by FSA	Does the bank have full rights or partial to cancel the coupon or dividend or can not cancelled coupon / dividend. Filled with the option: fully discretionary; Partial Discretionary ly; mandatory
21.	Are there features step up or other incentives	Not	Filled with a choice: Yes; or not
22.	Noncumulative or cumulative	cummulative	Filled with the option: Noncumulative; or Cumulative
23.	convertible or non-convertible	Non -convertible	Filled with the option: convertible; Non-convertible
24.	If, convertible, mention trigger pointhis	-	Filled with the conditions (trigger point) When the instruments are converted, including the point of non-viability,
25.	If, convertible, Whether whole or in part	-	Filled with an explanation for each trigger pointwhether the instrument will: (i) must be converted in full; (ii) the possibility converted in full or in part; or (iii) must be converted partly
26.	If converted, how rate conversion	-	Filled with explanation rate conversion of the instrument
27.	If converted, whether mandatory or optional	-	Filled with explanation rate conversion of the instrument
28.	If converted, specify the type of instrument conversion	-	Filled with the option: mandatory; optional; N / A
29.	If converted, specify issuer of the instrument it converts into	-	Filled with a choice: CET1; AT1; T2; or N / A
30.	features write-down	Yes	Filled with explanation issuer of the instrument it converts into
31.	If write-down specify trigger its	Yes	Filled with a choice: Yes; or not

Risk Management

Capital Disclosure Instrument Feature Details

PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

Capital Disclosure Instrument Feature Details			Charging Guidelines
No.	Question	Answer	
32.	If write-down whether full or partial	1. The main core capital ratio (CET 1) Bank holding in Consolidated <= 5.125% 2. There are plans to undertake capital investment authority to the Bank parent who was considered potentially disrupted the continuity of its business; and 3. there is a command of the FSA for the conductwrite down,	Filled with an explanation of the conditions or trigger point features write-downIncluding ponit of non-viability,
33.	If write-down permanent or temporary	Permanent / Temporary	Filled with a choice: Permanent; or Temporary
34.	If write-down temporary, explain the mechanism writeup	FSA orders	Filled with penjelasasn mechanism writeup
35.	The hierarchy of the instrument at the time of liquidation	Holders of Subordinated Bonds is not entitled to precedence of creditors and Subordinated Bonds Others tidakdijamin by any collateral	Filled with an explanation of the instrument at the time of liquidation hierarchy
36.	Is the transition to feature non-compliant	Not	Filled with a choice: Yes; or not
37.	If yes, please explain the features non-complain	Not	Filled with an explanation of the features non-compliant

Guidelines for charging

1. Every capital instruments issued by banks should be disclosed in the Feature Details Capital Disclosures.
2. These disclosures using the format provided by Basel, and is the minimum standard. Banks can add other important features in the bank by the bank or the supervisory bank ratings are important features to be revealed.
3. Banks are required to update the disclosures that when there are changes in the features of capital instruments, such as when there is the publication of a new instrument, a payment, withdrawal or conversion or write down, Or any other material change from the existing capital instruments.
4. In the event that there are features that are not applicable or irrelevant, then filled with N / A.
5. Explanation definition of posts in the Capital Disclosures Feature details can be found in Annex 3 to the document Composition of Capital Disclosure Requirements issued by Basel Committee on Banking Supervision, June 2012.



CORPORATE GOVERNANCE

Risk Management

LIABILITIES CALCULATION OF CAPITAL ADEQUACY (CAR) PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

	31 DECEMBER 2019	
	BRI	Consolidated
I. CORE CAPITAL (Tier 1)	187,012,209	197,219,352
1. Main Core capital (CET 1)	187,012,209	197,219,352
1.1. Paid-in Capital (Net of Treasury Shares)	6,424,794	6,424,794
a. Common stock	6,424,794	6,424,794
b. preferred stock	0	0
1.2. Additional reserve capital *)	196,978,130	198,099,127
1.2.1. Incremental Factors:	197,035,154	198,254,264
1.2.1.1. Others Comprehensive Income	17,590,764	17,577,033
1.2.1.1.1. The excess of the translation of financial statements	0	0
1.2.1.1.2. Potential benefits from the increase in fair value of financial Assets Available-for-sale	726,681	712,950
1.2.1.1.3. Assets revaluation surplus Balance fixed	16,864,083	16,864,083
1.2.1.2. Others additional capital reserves (other Disclosed reserves)	179,444,390	180,677,232
1.2.1.2.1. Agio	618,004	618,004
1.2.1.2.2. General reserves	3,022,685	3,022,685
1.2.1.2.3. Profit-year last year	141,775,016	142,937,516
a. Profit last year	141,775,016	142,937,516
b. Increase / decrease in fair value of financial liabilities	0	0
c. Assets sales gains in securitization transactions	0	0
1.2.1.2.4. Profit year running	34,028,685	34,099,027
a. Profit year running	34,028,685	34,099,027
1.2.1.2.5. Capital Deposit Fund	0	0
1.2.1.2.6. Others	0	0
1.2.2. Offsetting Factors:	57,024	155,137
1.2.2.1. Others Comprehensive Income	14,868	30,633
1.2.2.1.1. The difference is less translation of financial statements	14,868	14,868
1.2.2.1.2. Potential losses from a decline in fair value of financial Assets Available-for-sale	0	15,765

Risk Management

 LIABILITIES CALCULATION OF CAPITAL ADEQUACY (CAR)
 PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

		31 DECEMBER 2019	
		BRI	Consolidated
1.2.2.2.	Others additional capital reserves (other Disclosed reserves)	42,156	124,504
1.2.2.2.1.	Disagio	0	0
1.2.2.2.2.	Loss-year last year	0	0
1.2.2.2.3.	Loss year running	0	0
1.2.2.2.4.	The difference is less between Allowance Assets (PPA) and the Allowance for Impairment Losses (CKPN) on earning Assets	0	66,101
1.2.2.2.5.	The difference is less amount of fair value adjustment of financial instruments in the Trading Book	0	0
1.2.2.2.6.	Non-earning Assets PPA which shall be established	42,156	46,059
1.2.2.2.7.	Others	0	12,344
1.3.	Non-controlling interests to be taken into account	0	1,979,595
1.4.	Main Core Capital Reduction Factor *)	16,390,715	9,284,165
1.4.1.	Deferred tax calculation	4,023,020	4,291,091
1.4.2.	goodwill	0	820,386
1.4.3.	Difference Intangible Assets Others	0	6,257
1.4.4.	Inclusion are taken into account as deduction	12,367,695	4,166,431
1.4.5.	Lack of capital in insurance subsidiaries	0	0
1.4.6.	securitization Exposure	0	0
1.4.7.	Capital Reduction Factor major core Others	0	0
2.	Additional Core Capital / Additional Tier 1 (AT 1) *)	0	0
2.1.	Instruments that meet the requirements of AT1	0	0
2.2.	Agio / Disagio	0	0
2.3.	Offsetting Factors: Investment in Tier 2 instruments AT1 dan other banks *)	0	0



CORPORATE GOVERNANCE

Risk Management

LIABILITIES CALCULATION OF CAPITAL ADEQUACY (CAR) PT BANK RAKYAT INDONESIA (PERSERO) Tbk

(In million rupiah)

		31 DECEMBER 2019	
		BRI	Consolidated
II.	COMPLETE CAPITAL (Tier 2)	8,974,441	10,160,078
1	Capital instruments in the form of shares or other that meet Tier 2 requirements	350,000	1,150,000
a	Preferred stock (cumulative perpetual, non perpetual), net of repurchase	0	0
b	Subordinated securities (cumulative perpetual, non-perpetual), net of repurchase	350,000	1,150,000
c	Subordinated loans (cumulative perpetual, non-perpetual), net of repurchases	0	0
d	Mandatory convertible bond	0	0
e	Issuance of Tier 2 by subsidiaries in the form of banks and non-banks purchased by other parties (consolidated)	0	0
f	Amortization based on remaining period (+/-)	0	0
2	Agio/disagio	0	0
3	PPA general reserves for earning assets that must be formed (maximum 1.25% Credit Risk RWA)	8,624,441	9,046,077
4	Supplementary deduction factor *)	0	35,999
TOTAL CAPITAL		195,986,650	207,379,430
ASSET WEIGHED BY RISK			
	ATMR CREDIT RISK	689,093,355	726,179,371
	RISK OF MARKET RISK	13,712,721	14,004,256
	OPERATIONAL RISK ATMR	166,214,312	170,666,840
	TOTAL RWA	869,020,388	910,850,467
	CAR RATIO ACCORDING TO RISK PROFILE (%)	9.60%	9.61%
ALLOCATION OF MEETING CAR			
	From CET 1 (%)	8.57%	8.49%
	From AT1 (%)	0.00%	0.00%
	From Tier 2 (%)	1.03%	1.12%
CAR RATIO			
	CET ratio 1 (%)	21.52%	21.65%
	Tier 1 ratio (%)	21.52%	21.65%
	Tier 2 ratio (%)	1.03%	1.12%
	Total Ratio (%)	22.55%	22.77%
	CET FOR BUFFER (%)	12.95%	13.16%
PERCENTAGE BUFFER MUST BE COMPLIED BY THE BANK (%)		5.000%	5.000%
	Capital Conversion Buffer (%)	2.500%	2.500%
	Countercyclical Buffer (%)	0.000%	0.000%
	Capital Surcharge untuk D-SIB (%)	2.500%	2.500%

1) Presentation of details may not be displayed if the value is null.

Satu Layar Berjuta Transaksi

Nikmati kemudahan transaksi dengan Internet Banking BRI yang menawarkan beragam fitur terdapan untuk urusan perbankan.



INTERNET
BANKING **BRI**

06

CORPORATE SOCIAL RESPONSIBILITY



BRI adopts Sustainable Finance principles and GCG best practices in carrying out its business activities and as the implementation of its corporate social responsibility. As the largest financial institution in Indonesia, the Bank also fully supports the Government of Indonesia's commitment in realising Sustainable Development Goals (SDGs).





CORPORATE SOCIAL RESPONSIBILITY

BRI'S COMMITMENT IN CORPORATE SOCIAL RESPONSIBILITY

BRI's commitment in fulfilling corporate social responsibility while simultaneously showing its relationship with the stakeholders is reflected in one of the Bank's Mission statement, namely creating optimal values and benefits for stakeholders with due observance to sustainable financial principles and Good Corporate Governance best practices.

In accordance with the mission statement, BRI supports efforts to achieve sustainability goals by implementing Sustainable Finance principles and good corporate governance practices in carrying out its business activities. The Bank fully supports the Government of Indonesia, including the Financial Services Authority (OJK) in achieving Sustainable Development Goals (SDGs). SDGs are a joint initiative on a global scale in balancing the achievement of environmental, social and economic aspects in the performance of every implementation of development

activities, within the scope of government and business sphere, which are formulated in 17 sustainable development goals – the Global Goals.

The Government of Indonesia has stated its commitment to support SDGs by issuing Presidential Regulation No.59/2017 on the Implementation of Achieving Sustainable Development Goals. As the largest bank in Indonesia, BRI states its support through the implementation of sustainable finance in reference to the implementation of Financial Services Authority Regulation No.51/POJK.03/2017.

As part of its support for sustainable development which is also a manifestation of its corporate social responsibility commitments, BRI has established a variety of strategic initiatives, including:

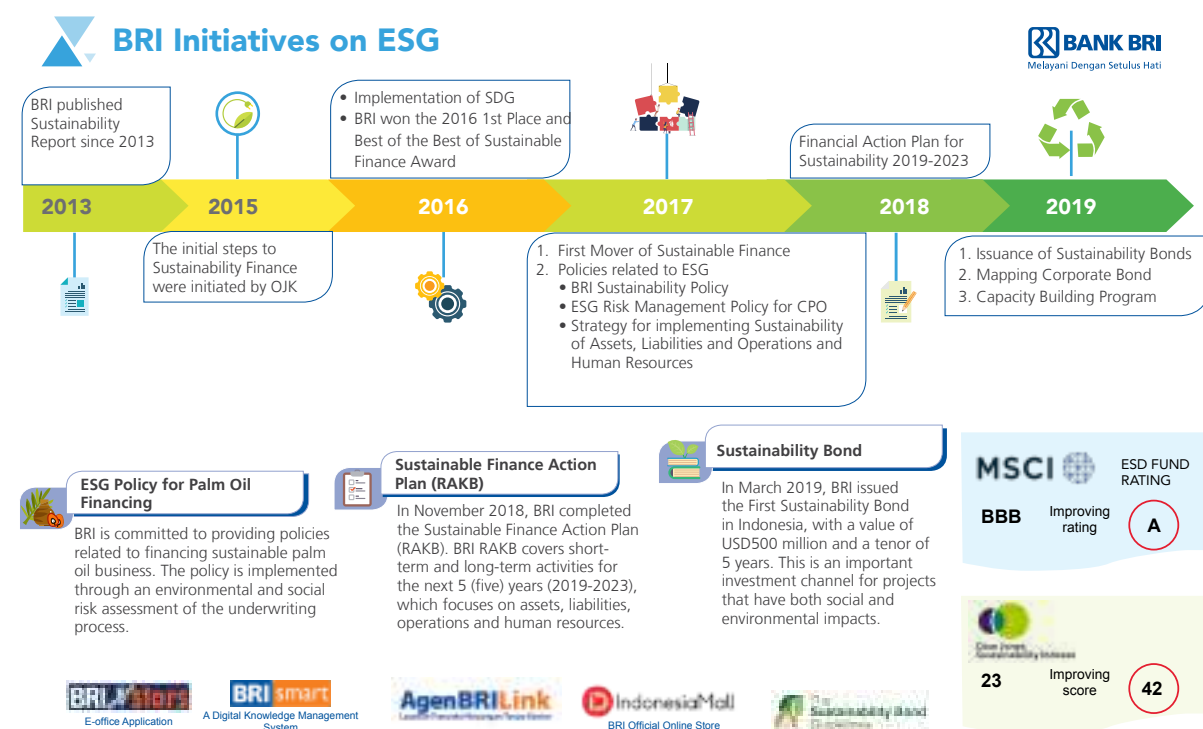
- Provision of support for the development of prioritised economic sectors, namely sectors that have considerable multiplier effects such as energy, agriculture, manufacturing, infrastructure, and Micro, Small and Medium Enterprises (MSMEs).
- Provision of financial access for all communities including disadvantaged groups and remote area population.
- Active participation in directing joint efforts to improve people's welfare and encourage their participation in conserving the environment.
- Application of credit financing policies to environmentally friendly business sectors which are certified for consistent management of environmental impact analysis
- Efficient and environmentally friendly operational management
- Development of staff competence in understanding social and environmental policies and procedures and their application in every business activity.

Corporate Social Responsibility

FIRST MOVER ON SUSTAINABLE BANKING – BRI’S INITIATIVES IN ESG (ENVIRONMENTAL, SOCIAL & GOVERNANCE)

Since 2017, BRI together with six national banks and one sharia bank have been designated as ‘First Movers on Sustainable Banking’ by OJK as part of the implementation of the 2015-2019 OJK Sustainability Financial Road Map. In accordance with the plan, BRI together with other seven banks formed the Indonesian Sustainable Finance Initiative (IKBI) in 2018.

In the IKBI management, BRI is appointed as the Chairperson. This role demonstrates the magnitude of BRI’s support and commitment in achieving sustainable development goals through the application of sustainable finance in Indonesia. The establishment of IKBI as a communication forum is expected to be able to support the realisation of all BRI’s commitments in delivering all programs in the Sustainable Finance road map and its implementation, namely Financial Services Authority Regulation No.51/POJK.03/2017. As Chair of IKBI, BRI seeks to prioritise strategic programs, conduct outreach and build partnerships and initiate a variety of pilot projects in order to develop an applicable green business model.





CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility

DUE DILIGENCE AND MITIGATION ON SOCIAL, ECONOMIC AND ENVIRONMENTAL IMPACTS

Prior to formulating and carrying out social and environmental responsibility programs with the aim of providing added value to stakeholders, improving environmental quality and enhancing social life, BRI has examined the social, economic and environmental impacts of its business activities comprehensively in order to conduct relevant mitigation.

Mitigation of social impacts on workers is carried out through the implementation of employment, health and safety policies. In order to receive feedback on mitigation, BRI conducts regular employee engagement surveys.

Mitigation of social impacts on BRI customers is carried out with reference to Financial Services Authority Regulation No.1/POJK.07/2013 on Consumer Protection in Financial Services Sector and Bank of Indonesia Regulation No.7/7/PBI/2005 on Settlement of Customer Complaint which has amended by Bank of Indonesia Regulation No.10/10/PBI/2008 on Customer Protection. BRI has also compiled and implemented Operational Standards and Guidelines (SOP) on the Customer Complaint Management. This step is followed by the adoption of guidelines for managing customer complaints and conducting regular Customer Satisfaction surveys, especially for retail customers, small customers, micro and ultra micro customers.

To mitigate economic impacts, BRI has prepared a Bank Business Plan to direct effective and efficient business activities in achieving the set targets. Since 2018, BRI has also formulated and implemented a Sustainable Finance Action Plan (RAKB) as stipulated in Financial Services Authority Regulation No.51/POJK.03/2017 on Applications of Sustainable Finance to Financial Services Institution, Issuer and Publicly listed Companies. The RAKB document serves as a guideline for BRI in order to have the amount of funding and financing portfolios it manages being aligned with the efforts to achieve SDGs and increase the percentage of Sustainable Finance financing portfolios.

Mitigation of environmental impacts is carried out through environmentally friendly banking operations programs and the adoption of environmentally friendly credit policies. In carrying out credit analysis for the corporate segment, BRI requires compliance with the Environmental Impact Analysis (AMDAL) provisions, as well as periodic compliance reviews. BRI also provides funding support for organisations engaged in the development of renewable energy, development of environmentally friendly transportation and implementation of various energy efficiency initiatives, and organisations that apply the concept of sustainability.

BRI is also pioneering the distribution of funding on green infrastructure and social infrastructure development initiatives that are relevant to the SDGs from various global funding institutions that have high dedication to sustainability issues.

In summary, in carrying out its social environmental responsibility programs BRI has fulfilled the principles of:

1. Positive contribution to the achievement of SDGs.
2. Supporting income distribution and increasing economic and social welfare of the community.
3. Involving and promoting harmonious cooperation to meet the expectations of stakeholders.
4. Complying with statutory provisions.
5. Understanding and empathising with the concerns of the global community on sustainability issues.
6. Becoming one entity with all BRI business activities.

Corporate Social Responsibility

IMPORTANT STAKEHOLDERS IMPACTED BY OR INFLUENCING BANK ACTIVITIES

BRI has carefully identified the main stakeholder groups that experience or generate significant impacts on business activities. This process is done in order to be able to manage its resources optimally in developing business scale, maintaining business continuity and meeting stakeholder expectations well.

The identification result informs BRI's policies in managing stakeholder engagement as well as managing the issues arising from each stakeholder group. BRI has subsequently formulated a community empowerment program and a program to support environmental preservation that is in line with the context of sustainability and business activities.

A full description of the topic and methods for engaging key stakeholder groups is presented in the BRI Sustainability Report - Identification of Needs and Stakeholder Approaches. As an overview, the main stakeholder groups that BRI has identified are:

- Investors
- Customers
- Employees and Labour Union
- Local Communities
- Government
- Non-Governmental Organisations (NGOs)

Following the above result, BRI has listed 13 (thirteen) material topics with high significant impact on sustainability of the Bank's business, as well as critical for stakeholders, namely:

- Economic Performance and Financial Inclusion
- Product Portfolio and Loan Quality
- Sustainable Finance Action Plan
- Information Technology
- Indirect Economic Effects
- Employment
- Protection of Customer Information

- Anti-Corruption
- Waste Management
- Emission Management
- Energy Management
- Investment
- Local Community

BRI then develops strategic initiatives to mitigate economic, social and environmental impacts and summarizes them in the Strategic Initiatives for Achieving Sustainable Finance, consisting of:

- Initiatives to increase understanding of the added values from applying Sustainable Finance values to Workers and Debtors, including:
 - Conducting active coordination with corporate debtors through gathering forums, in order to jointly commit and implement sustainable business management by taking into account environmental, social and economic impacts.
 - Involving workers of relevant Divisions in the Environmental Analysis Training (TAL) with the topic of Renewable Energy and other topics related to Sustainable Finance.
- Sustainable Finance Strategy Development Initiative on Assets, Liabilities, Equity and Human Capital management.
- Environmentally friendly Operations Management Initiative, focusing on:
 - Energy Management
 - Emission Management
 - Waste Management
 - Greening Program Support
- Green Funding Initiative, involving the issuance of Sustainable Bonds and collaboration with Sustainable Fund Founding.
- Green Lending Initiative, including the establishment of ESG Policy in Financing the Palm Oil Industry and other Green Financing policies.
- BRI Digitalisation Initiative, consisting of: Digital Core, Digital Ecosystem and New Digital Preposition
- Community Empowerment Initiative.
- Financial Literacy Initiatives and Financial Inclusion Support



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility

Furthermore, in the economic aspect, as one of the largest Financial Business Groups in Indonesia, BRI's business development is carried out by referring to the concept of sustainable finance, namely:

1. Loan approval policy in place that confirms that loans are given only to environmentally friendly business sectors, proven by environmental impact analysis management.
2. Refrain from providing credit financing to businesses that are harmful to the environment.
3. Carrying out corporate operations management that is efficient, friendly, and environmentally safe.
4. Participating in coaching, educating, training, and empowering communities to create clean and environmentally friendly practices.

GOVERNANCE AND STRATEGIES OF CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION

To safeguard the implementation of corporate social responsibility, especially of RAKB, BRI has established BRI Sustainability General Policy through Decree of Board of Directors No.05-DIR/EMP/O&/2018 and Decree of Board of Directors No.S.17-DIR/DMR/04/2017.

The formulation of RAKB is supervised directly by Risk Management Director, with Steering Committee members including Finance Director, Corporate Business Director, Compliance Director, assisted by Sustainable Finance (SF) from Enterprise and Management Portfolio (EMP) Division, Corporate Development and Strategy (CDS) Division, Corporate Secretariat Division (SKP), State-Owned Enterprise 2, Agribusiness, Retail and Middle Business, Compliance Division, Credit Risk Analysis Division, Acceptable Risk Criteria Division and Credit Risk Analysis Division, and BRI Internal Audit work unit. The SF Team is coordinated by the Enterprise Risk and Portfolio Management Division.

For its Social and Community Development Program activities, BRI has established a work unit of Small

Business and Partnership Division (BKC) and Corporate Secretariat Division (SKP) as the party in charge of the program. Community development activities in CSR programs are carried out in the form of Partnership Programs (PK) and Community Development Program (BL). The planning, implementation and evaluation of this program are part of the responsibilities of BKC Division and SKP Division.

The Community Development Program is implemented with the aim of improving the welfare of surrounding community as well as gaining community support for the operational and business continuity of BRI's work units. The Community Development Program is realised in a special program of BRI Peduli, which consists of several supporting programs, namely: Indonesia Peduli, Indonesia Cerdas, Indonesia Sehat, Indonesia Membangun, Indonesia Takwa, Indonesia Lestari and Indonesia Sejahtera. The Partnership Program is realised through the provision of partnership loans and coaching grants that are intended to empower the community's economy. A more complete description of Community Social Development CSR Program is given in other relevant section of this Chapter's description.

CORPORATE SOCIAL RESPONSIBILITIES RELATED TO HUMAN RIGHTS

Commitment

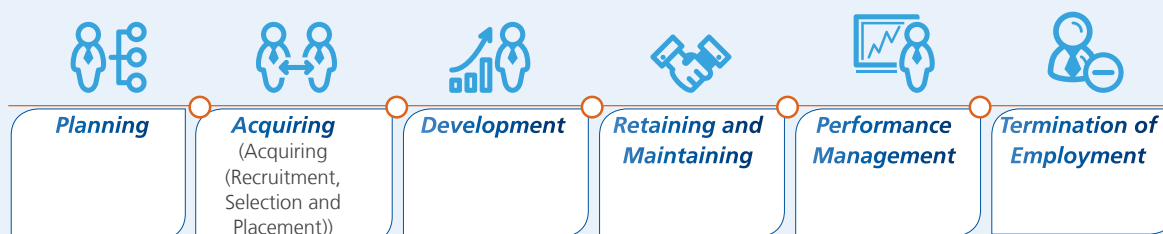
BRI is fully committed to upholding human rights in carrying out its operations. The scope of social responsibility related to human rights includes assuring freedom of association, preventing acts of discrimination, regulating working time, granting dispensation due to emergency conditions, and ensuring freedom of worship.

Corporate Social Responsibility

Implementation Policy and Strategy

BRI establishes the principle of equality and equal opportunity as the primary policy for employee management, which are one of the basic principles of human rights. The Human Capital management strategy carried out by BRI refers to the Bank's Human Capital Architecture. The purpose of implementing this strategy is to improve the competence of human resources in all levels of the organisation and the creation of a favorable and dignified work environment.

The implementation of the Human Capital Architecture covers the entire cycle of human resource management stages, starting from the recruitment to termination of employment:



Furthermore, in order to obtain feedback on improving the quality of human resource management in the Human Capital Architecture, BRI conducts Employee Engagement Survey.

Detailed discussion regarding the implementation of the Human Capital Architecture is presented in the description of Human Capital Management in this Annual Report.

Implementation of Human Rights

To safeguard human rights as part of its corporate social responsibility, BRI ensures that the following rights can be exercised:

- Freedom of Association and Assembly**
 In order to create a dignified and respectful industrial relationship, BRI builds employment relations with workers based on the Collective Labour Agreement (CLA) document that is discussed and agreed upon together with the Labour Union. The current CLA is valid for the period of 2017 – 2019. Its content reflects the outcome of the deliberation and agreement reached between the Bank's management with the Labour Union as the legitimate representative of BRI employees. At the time of the writing of this Annual Report, BRI Management and the Labour Union were carrying out a series of discussion and review to agree on the CLA for the next period. BRI guarantees the freedom of employees to form Labour Union, supports their activities and treats them as partners in building a dignified industrial relation and building a conducive work environment. This commitment is demonstrated by the steady discussion of Collective Labour Agreement mentioned above.
- Certainty of Work Hours**
 BRI guarantees the right of employees to work in accordance with the work hours stipulated together in the Collective Labour Agreement and in accordance with the applicable laws and regulations. If there are conditions that require a job to be completed and carried out outside of the regular work hours, BRI guarantees the rights of employees to receive adequate compensation, in accordance with applicable laws and regulations and in accordance with the provisions in the Staffing Guidelines.



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility

- Leave Rights**
 BRI respects the right of workers to apply for leave, to take a break from work routines, while continuing to bear the workers' financial rights. In accordance with the points of agreement in the Collective labour Agreement and in the Personnel Guidelines, there are several types of covered leave that can be submitted by workers, including: Annual Leave, Public Holidays Leave, Menstrual Leave, Maternal Leave, Miscarriage Leave and Special Duty Leave.
- Religious Activities**
 BRI respects the right of workers to get adequate time to perform religious rituals in accordance with their respective religions. In addition, at the request of workers, BRI can provide time for workers to carry out the holy religious journey according to their religious teachings.
- Permission to be Absent from Work**
 For certain personal reasons in accordance with the Staffing Regulations and as agreed in Collective labour Agreement, BRI may give off-day permits for workers. Some of these specific conditions include: marriage; wedding of employee's child registered as a family member at the company, childbirth of spouse registered as a family member at the company, circumcision of child registered as a family member at the company; death of an immediate family member and so on. the number of permits granted is regulated in a worker regulation.
- Complaints on Employment Issues**
 BRI gives the right to express opinions regarding employment issues and provides a resolution mechanism.
- Employee Engagement Survey**
 In order to improve the quality of HC management, in 2019 BRI again conducted an employee engagement survey, as a means of feedback from all employees. The results of the survey conducted by an independent third party showed employee engagement rate of 78.2%. On the other hand, the employee turnover rate in 2019 was 2.29%, lower than the national banking industry average.

CORPORATE SOCIAL RESPONSIBILITY RELATED TO FAIR OPERATIONS

Commitment

BRI is fully committed to carrying out its responsibility related to fair operations by implementing operational policies that observe the principles of fairness, transparency and accountability in dealing with business partners, as well as interactions with internal parties. BRI views the social responsibility application related to fair operations is also a form of BRI's commitment to continuously improve the quality of GCG implementation.

Policy

BRI's corporate social responsibility related to fair operations is realised by implementing operational policies involving the prevention of conflicts of interest, anti-corruption and fraud policies through the application of the Whistleblowing System (WBS), the Code of Conduct and anti-gratification policies.

Implementation

Social responsibility related to fair operations is carried out by BRI through:

- Prevention of Conflict of Interest**
 All BRI management and employees are prohibited from being involved in the decision-making process that potentially creates conflict of interest. If such case occurs, consequently the people with potential conflict of interests at all management level, including top management and employees, are prohibited from being involved in the entire decision-making process.
- Statement of Integrity and Compliance with Code of Conduct**
 BRI requires all levels of management and employees to periodically make statement of integrity and compliance towards the Bank's Code of Conduct. The first statement would be submitted upon employment and after a new employee completes induction stage which covers corporate values and the provisions in the code of conduct.

Corporate Social Responsibility

- Implementation of anti-corruption and anti-fraud policies through Whistleblowing System (WBS). WBS is an early detection mechanism of fraud that may cause financial losses and other impacts that can damage BRI's credibility. WBS is managed with the full support of the top management and overseen by Board of Commissioners. WBS reporting can be done through BRI website and PO BOX.
- Prohibition of Gratification
BRI prohibits employees of all levels from granting or receiving gifts in any form. To ensure this rule is enforced, BRI has established a Gratification Control Unit under the management of the Compliance Directorate. Working closely with the Human Capital Directorate, this unit requires all BRI management and employees to sign the Integrity Pact as mentioned earlier. To show this commitment to external parties, BRI always publishes in mass media the statement related to the prohibition of gratifications provided to all BRI employees.



CORPORATE SOCIAL RESPONSIBILITY

ENVIRONMENTAL SUSTAINABILITY

BRI is fully committed to running its business in a more environmentally friendly way. In addition, through its financing services, BRI is also determined to support economic activities that are environmentally friendly.



COMMITMENT

Realizing this commitment, BRI has formed a special division that manages environmental aspects under the Fixed Assets Management Division and the Goods and Services Procurement Division. This division carries out strategic policy, monitoring and supervision functions. In BRI's operations, environmental sustainability management is applied to achieve efficient energy consumption, e.g. water, paper, and other energy from natural resources.

To report its activities that support environmental preservation specifically and for the attainment of sustainable development goals that have been carried out more comprehensively, BRI issues Sustainability Report that refers to the international reporting standard of the Global Reporting Initiative (GRI) on a regular basis.

Implementation Policy and Strategy

In accordance with the mandate of Financial Services Authority Regulation No.51/POJK.03/2017 and referring to relevant environmental laws, BRI has compiled a comprehensive corporate policy that integrates the risks of environmental, social and governance into existing economic/business aspects. The policy is stated in the BRI Sustainability General Policy through Decree Nokep.S.16-DIR/DMR/04/2017, as the highest policy in BRI's Sustainable Finance implementation. Through this policy, BRI has established risk mitigation integration framework of Environmental, Social and Governance (ESG) in the customer service process and the credit assessment process, including sectoral policies for the commodity sector that are exposed to environmental risks such as forest destruction. The strategies for implementing this policy being outlined in Decree No.17-DIR/DMR/04/2017) and designed for each field, namely: Assets, Liabilities, Operations and Human Capital.

Environmental Sustainability

BRI has also established specific policies related to environmentally friendly banking activities, green banking, through the issuance of Environmental, Social and Governance (ESG) Risk Management for Palm Oil Sub-Sector (Circular Letter Nose.S.27-DIR/DMR/04/2017), bearing in mind that this sub sector is suspected to have a major impact on Indonesia's tropical forest environment. This policy sets the ESG Implementation Indicators to be considered in the palm oil sector, and in the document requirements checklist.

Overall, BRI's strategy in implementing Sustainable Finance is to ensure that BRI has a long-term sustainable business. The basis for implementing the policy covering the following:

1. Prioritizing the principle of energy saving, environmental preservation, attention to social aspect and good governance as well as prioritising energy conservation.
2. Communication and Public Relations Strategies are developed to support the advancement of the Bank in terms of corporate image that being carried out with efficient resources.
3. Implement operational initiatives: paperless, e-office, green building, green IT infrastructure, digital operations, 3R (Reduce, Reuse, Recycle), CSR BRI Peduli, E-Learning, Provision of "Bike to Work" bicycle parking and others.

Activities

The realisation of activities that are also the implementation of the RAKB is essentially grouped into four areas, namely: Environmentally Friendly Financing, Environmentally Friendly Funding, CSR BRI Peduli, and Environmentally Friendly Operational Activities.

Environmentally Friendly Financing

BRI is committed to implementing Green Banking, financing activity that emphasises maintaining the sustainability aspect of business actors who receive financial support from the Bank. BRI has developed an environmentally friendly financing policy for the Palm Oil sector. In addition to observing to environmental requirements, the Bank also pays attention to the social aspects of palm oil financing, including mapping plantation areas to avoid overlapping with surrounding communities and conservation areas.

BRI palm oil debtors are required to have registered to or being certified by Roundtable Sustainable Palm Oil (RSPO) or Indonesia Sustainable Palm Oil (ISPO). This requirement applies to all corporate debtors.

The same approach applies to similar financing in other plantation industries, as well as in other sectors that require extensive land management and in the manufacturing sector.

BRI also opens the opportunity to fund the development of new and renewable energy power projects such as wind power plant, hydroelectric power plant and solar power plant, including micro hydro plants in settlements close to protected forest areas.

Environmental Funding

BRI has initiated an environmentally friendly funding by issuing the first Sustainability Bond in Indonesia with a nominal value of USD500 million and a 5-year tenor in March 2019. All funds obtained by mandatory being directed to support the financing of various projects related to achieving the sustainability objectives.

In addition to issuing Sustainability Bond, BRI seeks to collaborate with various global financial institutions that supports the cause of achieving sustainability goals.

Environmentally Friendly Operational Initiatives

Various environmentally friendly initiatives implemented by BRI are:

- **Energy Management**

Energy management is carried out based on the principle of conservation, in line with Letter of JBR Division No.B.612-JBR/KJR/07/2013 on July 9, 2013, which calls for conserving energy, water and other natural resources. The approach taken is to save energy consumption, both electricity and fuel. Optimal energy management will also mean a reduction in potential carbon dioxide (greenhouse gas) emissions.



CORPORATE SOCIAL RESPONSIBILITY

Environmental Sustainability

Savings in electricity consumption are done by applying several approaches, namely:

1. Usage of energy-efficient LED lights
2. Application of work culture to turn off electricity in the room if there is no work activity.
3. Setting of elevator operating hours.

The calculation of electricity usage is based on the meter usage figures listed in the electricity payment account at the Central Office Building, Jakarta. The effectiveness of energy management is then measured by calculating the energy intensity, which is the ratio between the total electricity usage with the total used area of the Central Building office.

Data shows that electricity consumption at headquarters in 2019 was 11,742,243kWh, up 10.6% from consumption of 10,613,440 kWh in 2018. The increase occurred solely due to additional activities at the Head Office, including an increase in used area of office space.

BRI's commitment in maintaining a clean environment is also demonstrated by the use of Pertamina as fuel for the company's operational vehicles, replacing the use of Premium. This is in line with the Government's policy since 2012 which requires all operational vehicles of state-owned enterprises (BUMN) to use non-subsidized fuel oil.

Efforts to save fuel consumption in operational vehicles are carried out by limiting the lifetime of operational vehicles and conducting periodic maintenance, therefore, their fuel consumption is more efficient. In addition, BRI further requires each vehicle to use fuel oil that is more environmentally friendly. With these measures, the increase in the volume of fuel consumption by operational vehicles at the Head Office can be controlled, namely reaching 262.26 kiloliters in

2019, or only increased by 13.8% from 230.51 kiloliters in 2018.

- **Usage of New and Renewable Energy Sources**

BRI further pursues to optimise the use of electricity from renewable energy sources. BRI ATM machine operations in several regions have been equipped with solar cell devices as electricity generation. Until the end of 2019, ATM units equipped with solar cells have reached 20 units and are located in several major cities in the country with sufficient sunlight intensity, namely in Medan, Palembang, Pekanbaru, Bandar Lampung, Denpasar, Makassar, Manado and Jayapura.

- **Emission Management**

BRI also participates in controlling carbon dioxide (Greenhouse Gas/GHG) emission, one of the exhaust gases coming from the use of fossil fuels (fuel oil, coal and gas) for electricity generation activities and transportation activities. Electricity, fuel consumption and the intensity of official travel transportation produce GHG emissions in a volume that is directly proportional to the amount of consumption intended. Therefore, GHG emission management approach is similar with the approach taken in managing energy consumption.

In managing GHG emissions, BRI operates policies of saving electricity consumption, efficient use of operational vehicles and managing the intensity of official travel.

Through the development of digital technology-based communication and telecommunications systems via BRISat, the Bank seeks to reduce the intensity of official travel for coordination meetings with Regional Offices and Branch Offices. Meetings like these are now replaced by the Teleconference system. Official travel is now prioritised only in the context of visits to

Environmental Sustainability

prospective customers or in the context of site visits to existing customers as a step to oversee their business performance.

By taking this approach, the intensity of official travel has been successfully managed from 221,222 business trips in 2018, to 473,228 business trips in 2019.

Another emission management initiative that is carried out is by using new renewable energy sources, as has been implemented at several ATM facilities in several large cities, as previously mentioned.

- **Paperless System**

BRI is committed to improving operational efficiency through saving paper usage with the support of technology systems that have always been developed by BRI. It is a well-integrated information system for the internal interests of BRI and the Customer, supported by applications that are very supportive of operational efficiency. The various paperless applications that have been implemented for BRI customers are:

1. e-tax, a tax reporting application for customers. BRI is the first provider in Indonesia;
2. e-Form, paperless form for frontline services in the BRI Operating Units;
3. e-statement, providing information via registered email;
4. New account swap to help customers connect loan product and clearing account, without having to have two separate accounts;
5. ATM without printed receipt;
6. BRISPOT, an application using Android-based system and connection via Internet, enabling micro loan decisions to be made on-site therefore making the process faster and paperless;
7. MY BRI, an application using Android-based system and connection via Internet, allowing consumer loan decisions to be made on-site therefore making the process faster and paperless.

These various paperless-based operational activities have made BRI's paper consumption continue to decline, as shown in the following table.

Description	2019	2018	2017
Paper Use volume	11,877	13,641	30,800



CORPORATE SOCIAL RESPONSIBILITY

Environmental Sustainability

Digitalisation Process – Supporting BRI's Operational Efficiency

Various applications based on digital technology have now been developed, namely:

1. Intranet and internet are connected real-time to enable real-time communication.
2. BRI's Employee attendance is recorded with EDC
3. BRISTARS integrated applications which implements operational efficiency and consists of integrated applications as follows:
 - a. e-Rekrutmen, a tool for prospective worker wanting to join BRI through an online application.
 - b. Digitalised Assessment, an online assessment of employee's competency.
 - c. e-Mutasi, which automates the process of employee transfer between BRI work units.
 - d. Personal Data app, an automated application that contains employee's personal data.
 - e. e-Cuti enables employee to apply for leave of absence and supervisor to approve the request online.
 - f. e-SPJ is an application that enables employee to apply for official travel request, have the documentation and approval without paper.
 - g. e-Fasilitas Pinjaman Pekerja, an online application for employee to apply for loan facility online.
 - h. e-Jaminan Pemeliharaan Kesehatan, an online application to apply for reimbursement of medical expenses online.
 - i. e-Lembur is an online application that issues Overtime Work Orders and automates the overtime payment.
4. BRIHC (BRI Human Capital) that manages HR business processes.
5. SMK (Performance Management System) to monitor employee performance online.
6. Industrial Relations Portal to monitor violations of labour discipline.
7. e-Pensiun, which provides information on employee retirement benefits.
8. e-Corporate Culture, to monitor the implementation of BRI's work culture among employees.
9. HR Consultation and Information provides the latest information about HR.
10. e-Filing, to meet the obligation of tax reporting as a taxpayer.
11. Digital Office provides efficiency and effectiveness of internal correspondence.
12. Online Survey is customer satisfaction survey of BRI employee/work unit respondents.
13. BRISMILE (Electronic Logistics Information Management System) consists of Fixed Assets Procurement Module, Fixed Assets Management Module and Budget Module.
14. BRIPEDIA is an encyclopedic application of BRI policy and procedure.
15. Innovation portal is an application that provides BRI employees forum for ideas and innovation.
16. BRISmart is e-learning management system application for BRI Employees.
17. BRIShare is knowledge management system application for BRI Employees.
18. BRISPOT is credit approval system application for micro credit.

• Other Environmental Impact Management

BRI also runs various other initiatives as part of the Bank's support in achieving sustainable development goals, including:

1. 1.Solid waste management in collaboration with licensed companies;
2. 2.The use of lightweight fire extinguishers (APAR) made from environmentally friendly materials;
3. 3.Replacing freon containing chlorofluorocarbon (CFC), with a halotron type freon.

CORPORATE SOCIAL RESPONSIBILITY FOR EMPLOYMENT, HEALTH AND SAFETY

BRI is fully committed to fulfilling the rights of its workers, managing and developing their competencies by referring to the applicable laws and regulations in the field of employment, health and safety.



COMMITMENT

The Bank always ensures that every employee has equal opportunities in terms of competency improvement, performance appraisal, career development and remuneration. The Bank is also committed to creating favorable and comfortable working conditions, which drives all workers to be motivated to show their best abilities.

As a form of commitment to continuously enhance the quality of human capital management, BRI regularly conducts an employee engagement survey (EES) to get feedback to improve management.

Implementation Policy and Strategy

The basic policy that is applicable in the Bank involves providing equal opportunities, anti-discrimination treatment based on gender and ethnicity and assurance for all employees to develop themselves, get the best career and position and receive compensation according

to their performance. In addition, the implementation of strategies to meet the Bank's responsibilities towards employment, health, and safety can be reflected in the enforcement of work agreements between the Bank and employees' representatives in the Workers' Union as outlined in the Collective Labour Agreement (CLA).

BRI routinely conducts negotiations with the Workers' Union to develop and agree on CLA which is valid every two years with a maximum extension of one year. The CLA that is currently in effect is the 2019-2021 CLA. BRI's CLA has been approved by Ministry of Manpower and Transmigration of the Republic of Indonesia as the authorised institution that ensures compliance with applicable laws and regulations.

In addition to the enforcement of the CLA, the Bank develops and enacts internal policies as complement in



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility For Employment, Health and Safety

carrying out responsibilities in the field of employment, involving:

1. Career Development;
2. Compensation and Benefits;
3. Performance Management; and
4. Industrial Relations.

To ensure that the provisions of agreement in the CLA and internal policies are implemented appropriately and optimally, human capital management is carried out in a Human Capital Management Framework that combines three main elements in HC management, namely, Human Capital, Cultural and Organisational Development, as stated in the discussion of "HC Management".

Furthermore, the Bank decides HC management and development under the Human Capital Director and Risk Management Director, including the Human Capital Policy and Development Division, Human Capital Operational Division, Contract and Outsourced Employee Management Division, BRI Corporate University and Operational and Market Risk Management Division.

The Scope and Formulation of Employment, Health and Safety Responsibilities

The scope of implementation of Corporate Social Responsibility related to employment, health and work safety consists of:

- Implementation of employment programs (realisation of gender equality in employment opportunities, use

of local labour, equality in participating in education and training programs and in obtaining fair remuneration, freedom of association, complaints mechanisms and pension programs.

- Program for providing health facilities (Fitness Club, Sports Club and BPJS Insurance), and
- Work safety program (periodic inspection of fire extinguisher and emergency training).

PERFORMED ACTIVITIES

The implementation of the policy and scope above is elaborated as follows:

Gender equality

In carrying out its operational activities, the Bank guarantees that there is no discrimination based on gender, ethnicity, religion or race. Female permanent workers can support their families without any conditions. Job opportunities and career development are carried out by considering the competence of each employee through measurable methods. This commitment can be seen from the comparison of female and male employees in BRI, which shows a figure of 42.92% female (2018: 42.98%) and 57.08% male employees (2018: 57.01%) of a total of 91,620 employees (2018: 89,943 employees).

BRI also provides equal work opportunity to persons with disabilities by recruiting them and now has almost equal female to male employee ratio, as shown in the following table.

Gender	2018		2019	
	Person	%	Person	%
Male	40	42,11%	33	50,00%
Female	55	57,89%	33	50,00%
Total Employees with Disabilities	95		66	

Furthermore, with respect to the potential empowerment of local employees, the Bank also provides equal opportunities that enable employees to join and contribute for BRI. This is emphasised in the recruitment policy which describes if there are equal assessment outcomes of a recruitment process in a local area, candidates from the surrounding area are more considered to get the opportunity to work at BRI.

Corporate Social Responsibility For Employment, Health and Safety

Personal Development Opportunities

The Bank provides equal opportunities to all employees, both men and women, to participate in development and training programs and to be given career opportunities to attain higher levels of position, in accordance with their competencies and performances.

Since 2016, BRI has implemented Blended Learning, an educational method with a combination of in-class face-to-face learning and e-learning. The Bank has organised various training programs with a total number of participants of 4,231,199 from January to December 2019 (2018: 2,803,224 participants).

Remuneration and Benefits

Bank BRI provides fair, competitive compensation and takes into account business strategy and development. BRI's wage structure is designed to provide compensation to employee in accordance with the employees' competencies and workload, regardless of gender. Compensation to employee is given within a framework that is fair, competitive, and in accordance with the needs and abilities of the Bank. Compensation is divided into 2 (two), namely permanent compensation consisting of basic wages and allowances, as well as variable compensation given to employee based on performance achievements.

The bank implements wage increase policy based on work performance (merit-based increase). With this policy in place, employees with high achievement will also receive high wage increase. In addition, in order to encourage optimal work performance, BRI has a variable compensation program that is given to employees who successfully achieve and exceed performance targets. Highly accomplished employees will also get high variable compensation. Conversely, underperforming employees will get low variable compensation, or no variable compensation at all.

BRI always ensures that the minimum wage given to employees from their initial employment is above the applicable minimum wage of each region of the Bank. The addition of employees and the fulfillment of compensation and benefits have an impact on increasing allocation of funds for employees. However, BRI considers this allocation, which is also intended to enhance employee competency in a comprehensive manner, is an accountable investment.

By implementing the defined job reward policy, in accordance with the development of business scale and in line with the increasing number of employees, BRI's labour management costs increases proportionately each year, as follows.

Labour Management Costs

Komponen	Bank Only (Million Rp)			
	2016	2017	2018	2019
Salary, Wages, and Allowances	8.542.413	9.096.616	10.590.613	14.061.266
Bonus, incentives, and profit sharing	5.816.691	6.234.168	5.874.193	5.926.232
Education and Development	578.568	534.097	603.053	697.354
Medical Allowance	358.918	371.686	397.009	444.399
Jamsostek Contribution	522.249	606.823	678.206	758.300
Termination of Employment (Severance Pay – Permanent Employee)	153.281	304.976	309.403	310.478
Defined Contribution Pension Plan	231.105	256.675	291.569	325.460
Defined Benefit Pension Plan	308.429	289.150	442.565	538.594
Defined Benefit Pension Plan	513.384	457.552	744.509	432.692
Gratuity for Services	150.349	155.894	129.291	267.737
Others	472.964	508.695	1.157.543	748.286
Total	17.648.351	18.816.332	21.217.954	24.510.799



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility For Employment, Health and Safety

Employee Engagement

Every year BRI conducts Employee Engagement Survey which aims to identify Employees' attachment to the Bank. To maintain independence and avoid conflicts of interest, Employee Engagement Survey at BRI is conducted by a Work Unit outside Human Capital Directorate that is in charge of corporate research.

In analysing employee engagement, the Bank uses the Aon Hewitt Engagement Model. This approach tries to see the effect of engagement drivers, which are areas where management can exercise control and action, in influencing employee engagement.

The engagement drivers used in this survey include:

1. Company Vision and Mission
2. Communication
3. Leadership
4. Teamwork
5. Work and Personal Balance
6. Development Opportunities
7. Compensation
8. Workplace Conditions and Resources

The 2019 Employee Survey which was held internally showed that 78.2% of workers stated that they were engaged with the corporate. This result increased compared to the 2018 survey of 76%. As for the level of satisfaction in 2019, 97% of workers said they were satisfied working at BRI.

BRI's employee satisfaction in managing human capital is reflected in one of its turnover rates. In 2019, BRI's employee turnover rate was 2.29%, which was still lower than the industry turnover rate of 7%.

Freedom of Association

The bank assures the freedom of its employees to assemble and associate and establish a Workers' Union which then acts as a representative of all employees in establishing mutually respectful cooperation agreements that support harmonious industrial relations. The Bank always actively engages with Workers' Union in the process of formulating policies on human resource management through co-creation activities. The Bank also facilitates partnership forum activities as means for employees to express employee aspirations' to BRI management.

Employee Complaint Handling Mechanism

The Bank always strives to handle complaints from employees as well as possible. This is an affirmation of BRI's commitment to maintaining harmonious relations between management and all employees. The confirmation of Management's commitment to the handling of employee complaints is manifested through the issuance of a policy on Whistle Blowing System (WBS). WBS is a monitoring and reporting tool that can be accessed by all Employees through Short Message Service/SMS, written letter or in electronic forms on the website addressed directly to the President Director of BRI and managed directly by the Bank's Top Management.

Aside from WBS, BRI also has HR Call Center communication channel for handling employee complaints in human resources area. Through the HR Call Center, employees can convey a variety of issues encountered, both work related issues and personal issues that have direct impact on work. Both of these facilities and communication facilities demonstrate BRI's strong commitment to maintaining harmonious relations between the Bank and employees.

Pension program

BRI also pays attention to the welfare of retired employees. To show this commitment, BRI involves its employees in the pension program, offering scheme options of Defined Benefit and Defined Contribution. In addition, the Bank also organises pension preparation programs with the majority of activities being entrepreneurship training by inviting retired workers who have successfully opened their businesses independently.

Impacts of Employment Activities

The effectiveness of the Bank's employment policies can be seen from three approaches, namely low turnover rates, high levels of employee engagement, and increased productivity per worker.

In 2019, Employee productivity level measured by Earning per Employee (EPE) reached IDR556.16 million per Permanent Employee. This number increased compared to the achievement of EPE in 2018 which amounted to IDR518.81 Million/Employee.

Corporate Social Responsibility For Employment, Health and Safety

OCCUPATIONAL HEALTH AND SAFETY (OHS)

Bank BRI understands that the quality of work environment is an important factor for the convenience of employees at work as well as for all stakeholders. Therefore, Bank BRI always strives to create a safe and comfortable work environment.

Occupational Health and Safety (OHS) aspect is one of the important operational risks managed by the Bank. BRI has the strategy and efforts in place to continue prioritising the safety of the lives of its employees and stakeholders both in normal and catastrophic situations. This strategy is contained in several provisions including:

1. Business Continuity Management Policy
2. Emergency Response Plan Guide
3. Occupational Health Safety Management System Policy

Efforts to safeguard the lives of workers and stakeholders of BRI include:

1. Conducting internalisation of Emergency Response Culture to employees
2. Communicating emergency response procedures to stakeholders within BRI
3. Providing emergency response equipment
4. Providing medical equipment in the workplace environment
5. Conducting regular emergency response simulations
6. Identifying disaster risks in the BRI work environment

Work Accident Risk Management of Occupational Accident at BRI's Business Area

Business Area	Non Business Area
Multi-storey buildings, houseoffice, shophouse (ruko) and e-channel based mobile work units	Location of reviewed project development and customer visit activities
OHS implementation is facilitated by building management policy	OHS implementation that is facilitated by the project manager
Training and awareness-raising on evacuation from high-rise buildings on a regular basis	Rules for every employee to follow safety induction
Basic training on the usage of fire extinguishers	Provide all employees with work accident insurance policies that include personal accident and the Accident Insurance Program



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility For Employment, Health and Safety

Business Area	Non Business Area
Training to rescue victims from inside a building and being attended by building security staff	-
Facilities with relevant and adequate basic safety equipments, including Oxygen cylinders (O2), first aid kits, emergency slide (sliding stairs) at the exit window	-
First aid training in accidents attended by employees, security and building managers	-
Provision of two ambulances at the head office and in collaboration with BRI Medika (BRI Pension Fund subsidiary)	-

General Medical Check Up (GMCU) and Donation

BRI provides health facilities to employees, both to maintain health and to treat employees who are ill. BRI also provides GMCU facilities and health insurance facilities. BRI assigns employee who suffers from mild disabilities to job position in accordance with employee's capability and provides general medical check-up facilities and health insurance facilities.

BRI provides life insurance and personal accident facilities for all employees to protect them in the case of work accidents. This facility is provided throughout an employee's tenure with the Bank. In addition, employees are also entitled to to death or disability benefits.

In the event that an employee is deceased as a result of an accident, the said facilities are provided to the legal heir according to the applicable provisions.



CORPORATE SOCIAL RESPONSIBILITY TOWARDS SOCIAL AND COMMUNITY DEVELOPMENT



Throughout 2019, Bank BRI has channeled funds for the BRI Peduli Program amounting to IDR226.58 billion, an increase of 38.47% from 2018 amounting to IDR163.63 billion.



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Towards Social And Community Development

BRI's social responsibility towards social and community development is manifested in the form of the Community Development Program (BL) called BRI Peduli Program. This social responsibility is a commitment of BRI to participate in efforts to improve the quality of life of the community that is aligned with the company's business operations.

BRI Peduli Program is an implementation of Circular Letter NOSE.S.12DIR/SKP/01/2018 in 31 January 2018, on the Implementation of BRI Peduli for Community Development (BRI Peduli Bina Lingkungan) Program of Bank Rakyat Indonesia, which refers to Law No. 40/2007 on Limited Liability Company; Regulation of Minister of State Owned Enterprise No.Per-09/MBU/07/2015 in 3 July 2015 on the Implementation of the Partnership and Community Development Program along with the latest amendment namely Regulation of Minister of State Owned Enterprise No.Per-02/MBU/7/2017 in 5 July 2017.

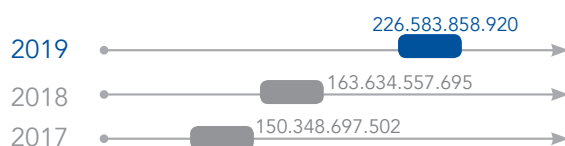
BRI Peduli activities also refer to the 3P concept (People, Planet, Profit) which is the main pillar in building a sustainable business. People in this concept can be interpreted as the Bank's commitment to play a role in improving the welfare of society, Planet is the Bank's responsibility for the environment and biodiversity, and Profit can be interpreted as the Bank's activities to increase its profits from its growing business. BRI incorporates these three concepts into 7 (seven) sectors that BRI Peduli focused on in providing assistance, namely:



Corporate Social Responsibility Towards Social And Community Development

BRI Peduli Disbursement

Period 2017-2019

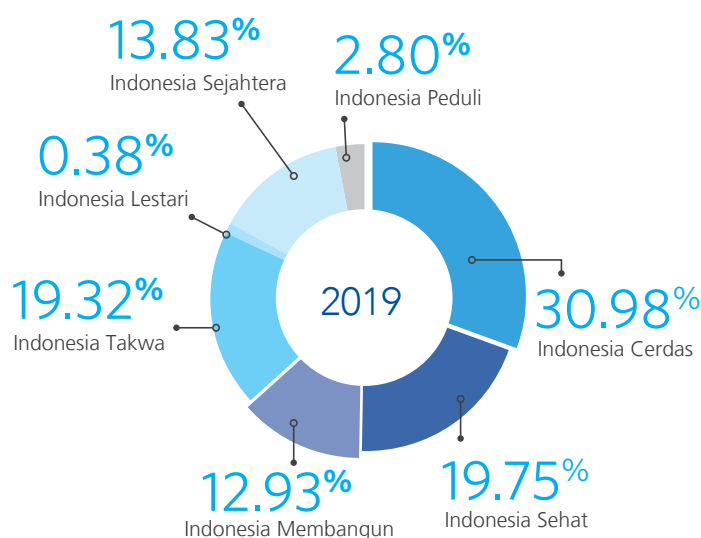


BRI PEDULI PROGRAM BUDGET IN 2019

In 2019, the realisation of BRI Peduli Program reached a total of Rp226.58 billion, disbursed to 7 (seven) sectors. The data for the distribution of BRI Peduli Program fund for the past 3 (three) years is as follows:

Sector	2017	%	2018	%	2019	%
Indonesia Peduli	2,394,042,761	1,59%	6,845,484,366	4,18%	6,336,123,862	2,80%
Indonesia Cerdas	32,990,028,609	21,94%	53,087,712,848	32,44%	70,191,707,124	30,98%
Indonesia Sehat	21,596,164,343	14,36%	22,384,597,948	13,68%	44,759,761,982	19,75%
Indonesia Membangun	31,455,378,146	20,92%	22,895,422,555	13,99%	29,302,833,387	12,93%
Indonesia Takwa	29,095,446,575	19,35%	27,404,110,789	16,75%	43,785,086,953	19,32%
Indonesia Lestari	723,303,800	0,48%	722,965,000	0,44%	866,344,000	0,38%
Indonesia Sejahtera	32,094,333,268	21,35%	30,294,264,189	18,51%	31,342,001,612	13,83%
Total	150,348,697,502	100,00%	163,634,557,695	100,00%	226,583,858,920	100,00%

BRI Peduli Realisation 2019





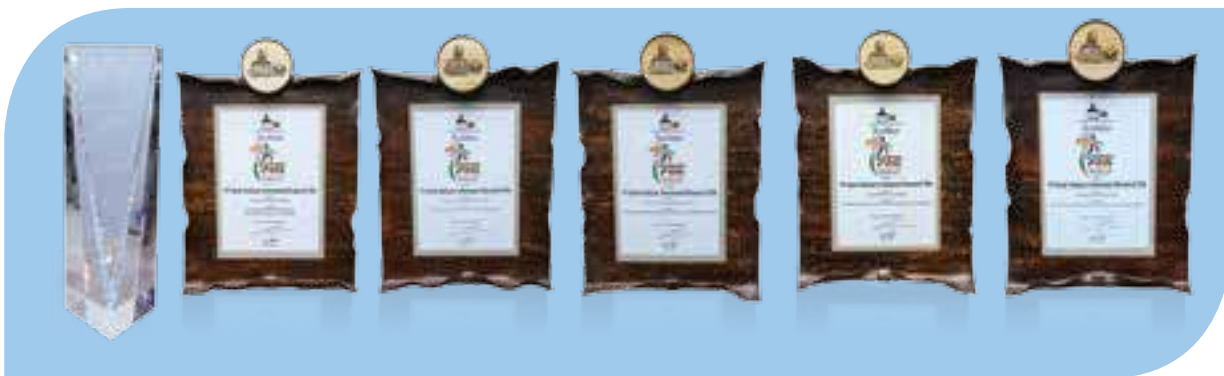
CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Towards Social And Community Development

Awards for BRI Peduli Program in 2019

In 2019, as a form of recognition and appreciation for the implementation of BRI Peduli activities, BRI received several awards from various parties, both from within and outside the country. The awards are:

1. Asiamoney 2019 - Best Bank For CSR In Indonesia
2. La Tofi School of CSR, Nusantara CSR Award 2019 - Category of Quality Improvement in Education
3. La Tofi School of CSR, Nusantara CSR Award 2019 - Category of Community Economic Empowerment
4. La Tofi School of CSR, Nusantara CSR Award 2019 - Tourism Village Development Category
5. La Tofi School of CSR, Nusantara CSR Award 2019 - Category for Empowerment of Persons with Disabilities
6. La Tofi School of CSR, Nusantara CSR Award 2019 - Category of Health Quality Improvement



BRI PEDULI PROGRAM IN 2019

Throughout 2019, Bank BRI has carried out various BRI Peduli Program activities, namely:

A. INDONESIA PEDULI

In 2019, several regions in Indonesia experienced natural disasters such as earthquakes, floods, droughts and landslides. Bank BRI further helped the community by channeling aid for natural disasters amounting to Rp6.34 billion in the form of food assistance, blankets, medicines, clean water, and the daily necessities of affected communities. Some of the activities for BRI Peduli Program related to the emergency response include the following:



Corporate Social Responsibility Towards Social And Community Development

No	Aid	Location	Budget allocation (Rp)
1	Aid for Flood Disaster Victims	Bangkinang, Bantul, Bukittinggi, Curup, Kendari, Madiun, Makassar, Manna, Maros, Medan, Melawi, Merauke, Ngawi, Padang, Palopo, Pangkep, Ponorogo, Purworejo, Samarinda, Semarang, Sengkang, Solok, Sungguminasa, Teluk Betung, Pangakalan Kerinci, Teluk Kuantan, Arga Makmur, Pasir Pangaraian	1,005,200,370
2	Aid for Earthquake Disaster Victims	Masohi and Ternate	389,730,000
3	Aid for Drought Disaster Victims	Bandung, Cilacap, Pacitan, Pemalang, Praya, Temanggung, Trenggalek	193,400,000
4	Aid for Landslide Disaster Victims	Balige, Cibadak, Gombong, Sukabumi	119,050,000
5	Aid for Strong Wind Disaster Victims	Cirebon, Pemalang	75,000,000



B. INDONESIA CERDAS

To support the improvement of the quality of human resource, BRI plays a role in advancing education in Indonesia. In 2019, BRI channeled funds amounting to Rp70.19 billion through several activities, including:

1. Scholarship Program

Bank BRI provides scholarship assistance to students/ university students who excel or underprivileged through cooperation with various schools and universities in Indonesia. The scholarship is expected to increase the enthusiasm for learning and achievement, especially for Indonesia's young generation.



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Towards Social And Community Development

No	Aid	Location	Budget Allocation (Rp)	Number of recipients
1	Scholarship for Higher Education	- Universitas Muhammadiyah Sukabumi - Beasiswa Kerjasama Yakespen - Universitas Terbuka - Universitas Ganesha Singaraja	8,270,000,000	1.720
2	Educational scholarships for high school students/equivalent	- Sekolah di Solo, Purwodadi, Semarang	3,852,000,000	268
3	Nusantara Cerdas Batch 4 Joint Scholarship with Ministry of Education and Culture (Continuation of 2017 Program)	- Universitas Syah Kuala - Universitas Mataram - Universitas Hasanuddin - Universitas Tanjung Pura - Universitas Mulawarman	912,100,000	25
4	Smart Journalist (Jurnalis Cerdas) Scholarship Batch 2 (Continuation of 2017 Program)	Jabodetabek	538,270,000	23

2. Educational facilities & infrastructure assistance

One of the factors to improve the quality of education is the availability of supporting facilities and infrastructure. BRI provides support to equip better educational facilities and infrastructure by assisting in building educational institutions, laboratories, reading parks, mobile libraries, educational support vehicles and other educational support facilities. Some of the educational facilities and infrastructure assistance that have been distributed include the following:



Corporate Social Responsibility Towards Social And Community Development

No	Aid	Location	Budget Allocation (Rp)
1	Assistance in the construction and/or repair of school buildings, Islamic boarding schools and other educational institutions	<ul style="list-style-type: none"> - University of Brawijaya Malang - Campus 2 IAIN Samarinda - Vocational High School of Public Works - LP Ma'arif Garut High School - Ma'arif Garut Vocational High School - Annuriyyah Gresik Vocational High School - Darul Hikmah Pasaman Barat Islamic High School - Mutiara Pariaman Islamic Junior High School - Public Junior High School 3 Ceper Klaten - Public Junior High School 10 Langsa - Madrasah Tsanawiyah Persatuan Umat Islam (PUI) Almu Maniyah Garut - Elementary School Angkasa Lanud Roesmin Nurjadin Pekanbaru - Public Elementary School Petunjunan 04 Brebes - Public Elementary School Kertasari IV Karawang - Public Elementary School Kertasari II Karawang - Public Elementary School Bantarsari Subang - Elementary School Kemala Bhayangkari 5 Slog Jakarta - Islamic Boarding School of Luhur Al Tsaqafah Jagakarsa - Islamic Boarding School of Cipasung Singaparna - Islamic Boarding School of Dzikrul Ghoflin Al-Hasyimiyyah Tegal - Islamic Boarding School of Nuurudaaroin Tegal - Islamic Boarding School of Nurul Hidayah Ciamis - Islamic Boarding School of Miftahul Hidayah Garut 	6,039,183,941
2	Assistance in providing educational equipment, such as procurement of laboratory equipment, literature books, multimedia devices, computers and other supporting components of teaching and learning activities	<ul style="list-style-type: none"> - University of Yapis Papua - University of Mathlaul Anwar Banten - University of Dharmas Indonesia - University of Asahan - Bandung Institute of Technology - Public High School 3 Tondano - Christian High School Santo Aloysius Palangkaraya - Public Elementary School Pulau Messah - Islamic High School Nashirul Ummah Tuban - Public Junior High School 2 Ungaran - Islamic Junior High School Nurul Jannah 	3,103,885,152
3	Educational Support Vehicles (Bus/Car)	<ul style="list-style-type: none"> - University of Lampung - University of Langlangbuana Bandung - University of Islam Negeri Sumatera Utara (UIN SU) Medan - University of Muhammadiyah Purwokerto - Islamic Institute of Kerinci (IAIN) - State Islamic University of Antasari Banjarmasin - Bandung State Polytechnic 	3,298,795,000



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Towards Social And Community Development

No	Aid	Location	Budget Allocation (Rp)
4	Development of Library/ Mobile Library and Community Library	<ul style="list-style-type: none"> - Mobile Library of Banggai Laut Regional Government, Central Sulawesi - Mobile Library of Barito Kuala Banjarmasin Police - Islamic Junior High School Mambaul Hisan Tlogodepok, Kebumen 	700,950,000

3. Assistance for Special Needs School Facilities and Infrastructure

This program helps Special Needs Schools (Elementary, Junior High, High School and Vocational High School) in the form of construction/renovation activities and assistance in supporting education facilities. Activities were carried out in 19 BRI Regional Offices with a total of 57 Special Needs Schools. The assistance includes the following:

No	Aid	Location	Budget Allocation (Rp)	Number of recipients
1	Assistance for Special Needs School Facilities & Infrastructure	Banda Aceh, Medan, Padang, Palembang, Pekanbaru, Lampung, Jakarta 1, Jakarta 2, Jakarta 3, Bandung, Semarang, Yogyakarta, Surabaya, Malang, Denpasar, Banjarmasin, Makassar, Manado, Jayapura	5,700,000,000	57 SLB

4. Raising Awareness on the Dangers of Drugs

This program is an anti-drug campaign activity conducted at 19 BRI Regional Offices in collaboration with the Indonesian National Anti-Narcotics Agency. The number of participants from each BRI Regional Office was 100 people consisting of representatives of the head of student council and teachers from 50 high school/vocational high school/Islamic High School/ equivalent schools.



Corporate Social Responsibility Towards Social And Community Development

No	Type of Activity	Location	Allocated Budget (IDR)	Participants
1	Dissemination of Raising Awareness on the Dangers of Drugs with BRI	Banda Aceh, Medan, Padang, Palembang, Pekanbaru, Lampung, Jakarta 1, Jakarta 2, Jakarta 3, Bandung, Semarang, Yogyakarta, Surabaya, Malang, Denpasar, Banjarmasin, Makassar, Manado, Jayapura	2,785,400,000	1900 Students and Teachers from 950 Schools



C. INDONESIA SEHAT

This program is intended to improve the health and quality of life of the community. In 2019, the amount of funds channeled for this program would reach Rp44.76 billion. Some of the assistance provided includes:

1. Health facilities
 This support comes in the form of ambulances and other health support equipment handed over to Government Agencies such as Ministries/Institutions, Local Governments, National Army, National Police, Hospitals, foundations and other agencies.



CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility Towards Social And Community Development

No	Aid	Location	Budget Allocation (Rp)	Number of recipients
1	104 Ambulance Cars	Ajibarang, Amuntai, Balikpapan, Bandung, Bangkalan, Banjarmasin, Banyumas, Banyuwangi, Barabai, Batam, Bekasi, Blitar, Bogor, Buleleng, Cepu, Cilacap, Cirebon, Demak, Depok, Gianyar, Gombong, Hulu Sungai Utara, Jakarta, Jember, Kalimantan Utara, Kotawaringin Timur, Kuala Kapuas, Kutai Timur, Lhokseumawe, Lubuk Linggau, Magelang, Magetan, Majalengka, Makassar, Malang, Martapura, Medan, Nabire, Nganjuk, Ogan Ilir, Oku Timur, Padang, Palembang, Pamekasan, Pangkal Pinang, Pangkalan Bun, Pasuruan, Payakumbuh, Pekanbaru, Pontianak, Purwokerto, Putussibau, Rejanglebong, Rembang, Salatiga, Sampit, Singaraja, Situbondo, Slawi, Subang, Sumbawa Barat Daya, Sumedang, Surabaya, Tanah Bambu, Tangerang, Tabanan, Tapaktuan, Tarakan, Trenggalek, Tuban, Tulungagung, Wamena	29,194,648,125	104 Hospitals/ National Army/National Police/ Regional Government/ Agencies / Other Institutions
2	Health Equipment	- Aisyiyah Ponorogo General Hospital - Bhayangkara Tulungagung Hospital	921,197,400	2 Hospitals
3	Construction/ Renovation of Healthcare Supporting Facilities	- Kartika Bunda Yonif Raider 323 Banjar Maternity Hospital - PKU Aisyiyah Jepara Main Clinic - Integrated Service Post ini RW 02 Darmasuka Subang - Integrated Service Post in Griya Chantika Permai Residence, Kampar, Riau - Integrated Service Post and Integrated Development Post in Harum Sari RW.05, Tangkerang Selatan, Pekanbaru	360,000,000	5 Hospitals/ Clinics/ Integrated Service Posts



Corporate Social Responsibility Towards Social And Community Development

2. Free Health Services

This activity is carried out in collaboration with hospital/clinic/health service provider to help people in need in the form of mass circumcision, cleft lip surgery, blood donation as well as free medical examinations and provision of medicines.

No	Activity	Location	Allocated Budget (IDR)
1	Free Medical Examination, Cleft Lip Surgery, Mass Circumcision, Blood Donation	Bengkulu, Blitar, Cikampek, Curup, Denpasar, Duri, Gorontalo, Jakarta, Jayapura, Kediri, Lamongan, Langsa, Malang, Mataram, Palangkaraya, Probolinggo, Singaraja, Solo, Ternate, Pangkalan Bun, Tanjung Pandan, Pangkal Pinang	1,565,936,875

D. INDONESIA MEMBANGUN

Assistance from BRI Peduli in this sector is aimed at the construction and/or improvement of public infrastructure and facilities such as community centers, traditional centers, village roads, bridges, and others. In 2019, BRI channeled funds amounting to Rp29.30 billion for this program. Some of them are as follows:

No	Activity	Location	Allocated Budget (IDR)
1	Construction/Repair of Roads and Bridges along with supporting facilities	Banyuasin, Bondowoso, Brebes, Cianjur, Cilacap, Jember, Klaten, Langsa, Palembang, Prabumulih, Sragen, Subang, Sukabumi, Tembilahan, Wonogiri, Wonosari, Indragiri Hilir, Pangkalan Kerinci	5,244,421,640
2	Construction and repair of markets, security posts, community centers, open stages, sports facilities, gates, concrete rebates, retaining walls, slopes, graveyard fencing, generator engines, support facilities, plaza landmarks	Amlapura, Banyuasin, Batang, Bogor, Cikarang, Cilacap, Denpasar, Jakarta, Klaten, Kuningan, Malang, Pandeglang, Ponorogo, Pringsewu, Probolinggo, Singaraja, Sragen, Subang, Sukabumi, Tembilahan, Wonogiri, Pondok Gede, Arga Makmur, Gunung Sitoli	3,371,149,725



CORPORATE SOCIAL RESPONSIBILITY

E. INDONESIA TAKWA

The BRI Peduli Indonesia Takwa program is implemented in the form of development assistance and/or repair of religious facilities, the distribution of holy books and assistance in supporting religious facilities. The realisation of BRI Peduli Indonesia Takwa Program aid in 2019 reached Rp43.78 billion.

No	Activity	Location	Allocated Budget (IDR)
1	Construction/ Renovation of Place of Worship	Banda Aceh, Tanjung Balai, Batu Bara, Rimbo Bujang, Pangkalan Bun, Indragiri Hilir, Indragiri Hulu, Lubuk Linggau, Sungai Penuh, Tanjung Pinang, Tangerang Selatan, Kuantan Singingi, Abepura, Amlapura, Asahan, Asahan, Atambua, Bangkinang, Bangli, Bangli, Banjar, Bantul, Banyuasin, Batang, Batubara, Baturaja, Batusangkar, Bekasi, Bengkulu, Blora, Bogor, Bojonegoro, Bondowoso, Brebes, Bukittinggi, Buleleng, Buntok, Cianjur, Cibinong, Cikampek, Cimahi, Ciputat, Demak, Denpasar, Depok, Dharmasraya, Dompus, Dumai, Gresik, Indramayu, Jakarta, Jambi, Jepara, Joglo, Kampar, Karanganyar, Kebumen, Kefamenanu, Kisanan, Klaten, Klungkung, Kolaka, Kualasimpang, Lampung, Langsa, Larantuka, Lhoksumawe, Likupang, Lingga, Magetan, Makassar, Malang, Malang, Mamuju, Manado, Medan, Mempawah, Minahasa, Negara, Nganjuk, Padang, Padang, Palembang, Palembang, Palu, Pasuruan, Pekanbaru, Pekanbaru, Pelalawan, Poso, Pringsewu, Purbalingga, Purwokerto, Rangkasbitung, Rembang, Rembang, Renon, Sarolangun, Sekayu, Selong, Semarang, Serang, Serpong, Sigli, Singaraja, Sintang, Solok, Sorong, Sragen, Subang, Subang, Sukabumi, Sumedang, Tabanan, Tabanan, Tahuna, Takengon, Tambun, Tangerang, Tasikmalaya, Tasikmalaya, Tegal, Tembilahan, Ternate, Toli-Toli, Trenggalek, Tuban, Yogyakarta	29,281,629,241
2	Aid of Infrastructure and Facilities for Supporting Worship Activity	Banda Aceh, Teluk Betung, Indragiri Hulu, Tanjung Karang, Aceh, Ambon, Batang, Bukittinggi, Ciamis, Ciputat, Denpasar, Dompus, Jakarta, Jayapura, Karawang, Kediri, Lampung, Minahasa, Pekanbaru, Pringsewu, Serpong, Singaraja, Situbondo, Sunter, Tabanan, Tembilahan, Trenggalek	2,990,276,400



Corporate Social Responsibility Towards Social And Community Development

**F. INDONESIA LESTARI**

This program supports environmental conservation. In 2019, the Bank channeled Rp866 million in assistance for the following activities:

No	Activity	Location	Allocated Budget (IDR)
1	<ul style="list-style-type: none"> - Mangrove Tree Dedication to the Community of STMA Trisakti - Tree Seedlings or Productive Plants in Godog, Bogor - Pot and Flower Plants for Magelang City Park - Installation of Mooring Bouy in the Bali Sea region - Construction of TPA in Majasari Village, Subang Regency - Assistance with three-wheeled motorbike for transporting garbage at the Islamic Boarding School of Cipasung Tasikmalaya Regency - Assistance with three-wheeled motorbike for transporting garbage at Muara Enim Regency Government, Palembang - Assistance in the construction of the park of St. Elisabeth Purwokerto Public Hospital 	Jakarta, Bogor, Magelang, Bali, Subang, Tasikmalaya, Muara Enim, Purwokerto	866,344,000



CORPORATE SOCIAL RESPONSIBILITY

G. INDONESIA SEJAHTERA



The Indonesia Sejahtera Program is related to social aid in the context of poverty alleviation. During 2019, Bank BRI has channeled funds amounting to Rp31.34 billion to this program.

Some of the activities of the Indonesia Sejahtera Program include:

- a) Empowerment of Micro, Small and Medium Enterprises (MSMEs)
BRI supports the efforts to enhance business capacity in the MSME sector into one of the important pillars of the Indonesian economy which is also a major sector of the Bank's business. This MSME empowerment activity is carried out in the form of education and training, as well as business equipment assistance.

No	Activity	Location	Allocated Budget (IDR)
1	Training of 10,000 MSME Entrepreneurs	10,000 MSME Training in 19 BRI Regional Offices namely Banda Aceh, Medan, Padang, Palembang, Pekanbaru, Lampung, Jakarta 1, Jakarta 2, Jakarta 3, Bandung, Semarang, Yogyakarta, Surabaya, Malang, Denpasar, Banjarmasin, Makassar, Manado, Jayapura	1,915,219,978
2	MSME training as part of SOE Creative House Program	MSME training in 53 RKB spread across BRI Regional Offices in Banda Aceh, Bandung, Banjarmasin, Denpasar, Jakarta 1, Jakarta 3, Jayapura, Lampung, Makassar, Malang, Manado, Padang, Palembang, Semarang, Surabaya, Yogyakarta	2,000,000,000
3	Assistance in the Business Support Facilities and Infrastructure	Bondowoso, Garut, Gresik, Lamongan, Lampung, Liwa, Lumajang, Majalengka, Palembang, Pringsewu, Singaraja, Sinjai, Subang, Waingapu, Yogyakarta	1,357,526,050
4	Assistance in Procurement of 50 Units of Business Wagons and Tents	Poso, Sulawesi Tengah	332,750,000

b) Other social aid

Other social assistance provided by Bank BRI in the context of poverty alleviation include:

No	Activity	Location	Allocated Budget (IDR)
1	Free distribution of nine essential commodities and donation for orphans	Free distribution of nine essential commodities and donation for orphans in 19 BRI Regional Offices namely Banda Aceh, Medan, Padang, Palembang, Pekanbaru, Lampung, Jakarta 1, Jakarta 2, Jakarta 3, Bandung, Semarang, Yogyakarta, Surabaya, Malang, Denpasar, Banjarmasin, Makassar, Manado, Jayapura	13,004,893,990
2	Assistance with House Renovation or Construction / Repair of uninhabitable Homes	Ambon, Bangkinang, Brebes, Ciamis, Cilegon, Demak, Denpasar, Jakarta, Jayapura, Kuningan, Prabumulih, Purworejo, Putussibau, Solok, Sragen, Sumedang, Tasikmalaya, Tegal, Lubuk Sikaping	6,348,882,000
3	Clean Water and Washing Facilities	Bondowoso, Cirebon, Majalaya, Merauke, Subang, Tembilahan, Wamena, Wonogiri, Labuan Bajo	844,770,400



Realisation of BRI Peduli Community Development Program Budget in 2019

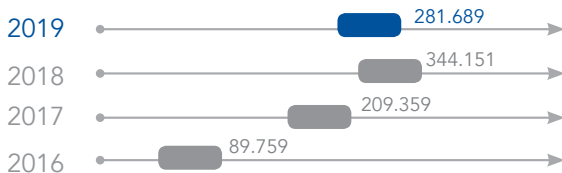
In 2019, the realisation of the BRI Peduli Community Development Program budget reached Rp226.58 Billion or an increase of 38.47% from 2018 amounting to Rp163.63 Billion. Of this number, 30.98% was channeled for educational assistance programs, 19.75% for health assistance programs, 19.32% for religious facilities assistance programs, 13.83% for social community assistance, 12.93% for assistance in repair and construction of public facilities, 2.80% for natural disaster relief, and 0.38% for conservation assistance.



CORPORATE SOCIAL RESPONSIBILITY

PARTNERSHIP PROGRAM

Disbursement of Partnership Loan



Partnership Loan
Disbursement reached
Rp281.689 billion



As an Agent of Development, BRI always strives to make a real contribution to the community through various programs that directly touch various groups. One of the contributions is active participation in Micro, Small and Medium Enterprises (MSMEs) development using Partnership Program (PK) funds. This is a manifestation of the implementation of Regulation of Minister of State-Owned Enterprise PER-02-MBU/7/2017 dated 20 July 2017 concerning the Partnership Program and the Environmental Development Program of State-Owned Enterprises.

In its delivery, BRI distributed PK Funds through two schemes, namely:

- Soft loans
- Developing grant assistance

Loans disbursed are used to finance working capital and or purchase fixed assets in order to increase production and sales. The distribution of loans is done by marketers who are in BRI operational work units. The goal is to help develop the economic potential of the community so that it has the economic capacity to improve its standard of living through productive businesses that are owned and occupied.

Business sectors that are targeted for distribution of PK funds are spread across various sectors, including agriculture, fisheries, farming, trade, industry and services. General requirements to become a potential BRI fostered partner, include:

- Business owned by Indonesian citizens.
- Has the potential and business prospects for development.

Partnership Program

- Has a maximum net worth of IDR500 million excluding land and buildings for business premises or has annual proceeds of at most IDR2.5 billion.
- Have not met the requirements of banking or other financial institutions.
- Have a minimum of 6 months business experience.

Another scheme in channeling PK funds is through development grants. Namely to help fostered partners improve entrepreneurial competence, through the provision of special entrepreneurship education and marketing of fostered partner products, one of which is through exhibitions.

Therefore, the distribution of PK funds through these two schemes is expected to make the business of the Fostered Partners continue to grow and ultimately be able to transform into small and medium-sized businesses and even large-scale economies, making it possible to become a loyal and well-known BRI commercial customer since early phase.

PARTNERSHIP PROGRAM STRATEGY IN 2019

Partnership Program Distribution Method

Distribution of PK funds to prospective fostered partners is done using a structured banking approach as is the case with bank loans. The introduction of potential partners is carried out from various aspects, including the introduction of superior products, creative processes undertaken to add value to the product, the availability as well as the ability to absorb local workforce.

Fostered Partners who have received PK funds to run and develop their businesses will also receive funding for development programs. Development grants are provided in the form of mentoring and entrepreneurship coaching from BRI or designated third parties, at no charge. After going through a period of guidance and assistance, it is expected that the fostered partners will be able to develop their business independently and be able to access bank financing with a commercial scheme.

Development Grants

To support and ensure the growth and development of the business of the fostered partners, BRI also provides grants for partnership development programs aimed at education, training, apprenticeship, marketing, promotions and other programs that can increase productivity and business development of the BRI Fostered Partners.

With the support of these funds, the Fostered Partners have the opportunity to receive training and increase entrepreneurial competencies according to the type of business, add insight and participate in exhibitions to open marketing their products. This training expense is in the form of a grant which is a maximum of 20% of the PK funds channeled in the current year and is only provided for the benefit of the fostered partners.

PARTNERSHIP PROGRAM PERFORMANCE IN 2019

In 2019, the amount of the realized distribution of PK funds for small economic empowerment was IDR281.689 billion. Coaching funds channeled to foster partners in 2019 amounting to IDR323 Million.

In 2019, BRI made a PK funding grant to PT PNM of IDR50 billion. This is based on the Letter of Ministry of State Owned Enterprise No.S-198/D7.MBU/12/2018 on Distribution of PK Funds Through Special SOEs. Funds donated to PT PNM will then be channeled through the MEKAAR program, which is a capital loan service for underprivileged women of ultra-micro entrepreneurs under the Fostering a Prosperous Family Economy program. Through this grant, BRI obtained data of potential loan recipients to become commercial customers.



CORPORATE SOCIAL RESPONSIBILITY

Partnership Program

Realisation of Partnership Program Fund Distribution

Business Sector	2016		2018		2018		2019	
	Realisation (Billion Rp)	%	Realisation (Billion Rp)	%	Realisation (Billion Rp)	%	(Billion Rp)	%
Industry	5.882	6,55%	7.060	3,37%	15.832	4,60%	12.299	4,37%
Trade	59.167	65,92%	102.491	48,95%	217.970	63,34%	132.155	46,82%
Agriculture	3.645	4,06%	58.289	27,84%	11.680	3,39%	28.128	10,00%
Farming	9.269	10,33%	19.956	9,53%	34.479	10,02%	29.482	10,49%
Plantation	1.886	2,10%	4.085	1,95%	18.852	5,48%	20.221	7,19%
Fishery	3.580	3,99%	3.876	1,85%	7.794	2,26%	13.980	4,97%
Services	6.329	7,05%	13.602	6,50%	33.929	9,86%	34.520	12,28%
Others	-	0,00%	-	0,00%	3.615	1,05%	10.905	3,88%
Subtotal	89.758	100,00%	209.359	100,00%	344.151	100,00%	281.689	100%
Grants to special SOEs							50.000	
Development Funds	-		0.198		0.323		0.323	
Total	89.758		209.557		344.474		332.012	

In line with the increase in the distribution of PK funds, the realisation of partnership development grant funds in 2019 reached IDR323 million. The funds are used for training activities and marketing promotion of fostered partner products through exhibitions held in various places.

Training and Exhibitions

No.	Date	Activity	Rp	Location
1	28 - 29 August 2019	Mentoring Partners Training for Malang Regional Office	121,753,052	Malang
2	18 - 19 September 2019	Mentoring Partners Training for Manado Regional Office	138,246,948	Manado
3	12 September 2019	Mentoring Partners Training for Surabaya Regional Office	7,030,500	Surabaya
4	16 - 20 October 2019	Indonesia Trade Expo Exhibition	5,550,415	Tangerang
5	9 - 13 December 2019	Archipelago Day Exhibition	50,000,000	Padang
		Total	322,580,915	

Upgrading Fostered Partners

One of the benchmarks of success for Partnership Loan is whether the partner companies are able to scale up their businesses. Some of the indicators are increasing number of employees, market expansion, increasing demand, and growth of turnover that would ultimately lead to increased need of working capital.

The trend of scaling up in the past three years has been positive. In 2019, 488 partner enterprises migrated from Partnership Loan plan to other loan schemes with higher debt ceilings. The graduating enterprises represented 179% growth from 2018 with 272 graduating enterprises.

Partnership Program

Graduating Enterprises

No.	Segment	2017	2018	2019
1	Food Loan	16	17	13
2	Kupedes	15	19	34
3	KUR Small	167	227	711
4	Retail Commercial	5	9	0
Total Graduating		203	272	758
Real Customer Partnership Program		3.070	5.470	4.476
Graduating Percentages		6,61	4,97	11,93

By loan segment, the majority of graduating enterprises went to the Small KUR segment. It showed that the business capacities of partner enterprises have increased, from Partnership Loan that offers maximum Rp75 million to Small KUR with Rp500 million ceiling.

OTHER PROGRAMS

Bank BRI for Indonesia

BRI's Business and Partnership Division embodies the Bank's commitment to be an agent of development and to contribute to the success of the government's programs. The programs include:

Financial Literacy and Inclusion

The activities under financial literacy and inclusion focus on communications outreach and education on entrepreneurship, business development, and BRI's products and services. The goal is to enhance the capacity and capabilities of MSMEs, help them scale-up, and increase their productivity. In turn, their growth is expected to translate to the growth of BRI's business units. Financial inclusion and literacy activities among others are:

- Thematic BRIncubator
- Regular BRIncubator
- BRI Student saving (SimPel)
- Go Global Enhancement

Meanwhile, the target audience are:

- MSMEs
- Migrant workers and their families (on the job/ex-migrant workers)
- Farmers or entrepreneurs of leading commodities in their regions

a. Thematic BRIncubator

BRIncubator carried out the following activities in 2019:

No.	Thematic BRIncubator	Participants	Place	Date	Note
1	Financial literacy on business opportunities with OJK	300	Kalibaru	25 January 2019	Joint event with OJK
2	Selecting the best coffee beans	50	Banyuwangi	20 February 2019	Desk IMR
3	Creative industry meet-up with the Creative Economy Agency/Bekraf	120	Semarang	21 Februari 2019	Joint event with Bekraf
4	Creative industry meet-up with the Creative Economy Agency/Bekraf	150	Kendal	6 March 2019	Joint event with Bekraf
5	Creative industry meet-up with the Creative Economy Agency/Bekraf	120	Padang	6 March 2019	Joint event with Bekraf
6	Creative industry meet-up with the Creative Economy Agency/Bekraf	100	Tawangmangu	21 March 2019	Joint event with Bekraf
7	Creative industry meet-up with the Creative Economy Agency/Bekraf	100	Palangkaraya	28 March 2019	Joint event with Bekraf



CORPORATE SOCIAL RESPONSIBILITY

Partnership Program

No.	Thematic BRIncubator	Participants	Place	Date	Note
8	Santripreneur	150	Banyuwangi	30 March 2019	Desk IMR
9	Creative industry meet-up with the Creative Economy Agency/Bekraf	100	Mataram	25 April 2019	Joint event with Bekraf
10	Financial literacy for cattle farmers	100	Padang	26 June 2019	Padang Regional Office
11	Saltwater and freshwater yield sales for exports	50	Sidoarjo	26 June 2019	Surabaya Regional Office
12	Financial literacy training for MSMEs in the creative industry	50	Sidoarjo	27 June 2019	Joint event with OJK
13	Creative industry meet-up with the Creative Economy Agency/Bekraf	50	Manado	29 June 2019	Joint event with Bekraf
14	Screen printing techniques	25	Surabaya	10 July 2019	Surabaya Regional Office
15	Financial literacy for dairy farmers	150	Jombang	11 July 2019	Surabaya Regional Office
16	Training for ex-migrant workers and their family members	50	Surabaya	29 July 2019	Malang Regional Office
17	Financial literacy for coffee farmers	50	Kabanjahe	2 August 2019	Medan Regional Office
18	Financial literacy for mushroom farmers	50	Padang	5 August 2019	Padang Regional Office
19	Processing raw chocolate to chocolate drinks	50	Surabaya	7 August 2019	Surabaya Regional Office
20	BRIncubator goes to UGM	85	Yogyakarta	6 August 2019	Desk IMR
21	Financial literacy MSMEs in small f&b outlets and coffee houses	195	Surabaya	9 August 2019	Surabaya Regional Office
22	Financial literacy for Dulamayo coffee farmers and MSMEs	50	Gorontalo	21 August 2019	Manado Regional Office
23	Financial literacy for meat farmers	50	Tuban	21 August 2019	Surabaya Regional Office
24	Financial literacy for palm sugar farmers	30	Rokan Hulu	5 September 2019	Pekanbaru Regional Office
25	Financial literacy for batik business owners in Bangkalan	150	Bangkalan	21 October 2019	Surabaya Regional Office
26	Financial literacy for batik business owners in Pamekasan	50	Pamekasan	23 October 2019	Surabaya Regional Office

Thematic BRIncubator may coordinate with other internal parties, such as regional offices, branch offices, and related divisions, or with external parties such as OJK and the Creative Economy Agency (Bekraf).

b. Regular BRIncubator

BRIncubator develops with MSMEs who are members of the SoE Creative House (RKB) to help them strengthen their capacities and capabilities (scale up), providing them with digital knowledge and foster them to be export-oriented businesses. The Regular BRIncubator aims to:

- Enhances the competencies of RKB-member MSMEs
- Foster potential borrowers and savers for business units to follow-up

Partnership Program

- Increase the capacities of RKB-member MSMEs, creating MSMEs with the skills to build their businesses
- Contribute to creating closed-system financial services that cater to both daily transaction and business needs of RKB-member MSMEs.
- Prepare RKB-member MSMEs to join the global market.

Presently, BRIncubator has been carried out two times in two consecutive years, each took place in five cities. BRIncubator 2018 made its way to RKB Solo, RKB Malang, RKB Makassar, RKB Padang, and RKB Bandung, attracting a total of 500 MSMEs, while BRIncubator 2019 went to RKB Central Jakarta, RKB Yogyakarta, RKB Semarang, RKB Sidoarjo, and RKB Gianyar with a total of 500 participating MSMEs.

c. BRI SimPel Activities

BRI SimPel aims to introduce savings products and other banking products to students, including small class students. BRI SimPel campaign includes:

- SimPel Goes to School
 1. Educational activities that discuss, among others, the importance and benefit of savings for students. In 2019, SimPel Goes to School executed the One Student One Account program in collaboration with BRILink Agents and public lower secondary school SMPN 2 in Tabanan, Bali. Held on 10 October 2019, the campaign aimed to provide easy financial access to students and to support the students' waste bank program, where in exchange of the wastes, BRI SimPel increased the students' balance in their accounts.
 2. Customer acquisition, i.e.: SimPel savings account opening and savings deposit.
- Selection of SimPel School Ambassador
 1. Competitions, e.g. quizzes, speech contest, vlog contest, and dance contest.
 2. Customer acquisition, i.e.: SimPel savings account opening and savings deposit.

Until October 2019, SimPel has 22.1 million registered accounts with a total balance of Rp4.8 trillion. The following table details SimPel Goes to School and SimPel School Ambassador implementation:

No.	Business Unit (Branch Office)	Regional Office	Time
1	Simpang Empat	Padang	January
2	Manado	Manado	January
3	Pluit	Jakarta 1	January
4	Semarang	Denpasar	January
5	Merauke	Jayapura	January
6	Tapaktuan	Banda Aceh	February
7	Kanca Balikpapan A. Yani	Banjarmasin	February
8	Bagansiapiapi	Pekanbaru	February
9	Karawang	Jakarta 2	February
10	Jepara	Semarang	February
11	Surabaya Fatmawati	Surabaya	Februari
12	Kupang	Denpasar	March
13	Bitung	Manado	March
14	Baturaja	Palembang	March
15	Palangkaraya	Banjarmasin	March
16	Labuhan	Jakarta 3	March
17	Banyuwangi	Malang	March
18	Singaparna	Bandung	April
19	Yogya Adisucipto	Yogyakarta	April
20	Bagansiapiapi	Pekanbaru	April
21	Pringsewu	Bandar Lampung	April
22	Probolinggo	Malang	April
23	Banyuwangi	Malang	April
24	Sigli	Banda Aceh	August
25	Mukomuko	Bandar Lampung	August
26	Ampera	Jakarta 2	August
27	Khatib Sulaiman	Padang	August
28	Sungai Liat	Palembang	August



CORPORATE SOCIAL RESPONSIBILITY

Partnership Program

- **SimPel Day**
A joint national event with OJK to celebrate national savings day. In 2019, the event was held on Thursday, 2 May 2019, at Dhanapala Building, Jakarta.
- **Fin Expo 2019**
Fin Expo is a joint exhibition event with OJK and other financial service institutions that aim to introduce financial and protection products to consumers. In 2019, Fin Expo took place at Kota Kasablanka Mall on 17-20 October 2019. Bank BRI brought home three awards in this event, namely 1st place as Best Bank in supporting government's programs through SimPel, 1st place in Young Fin Idol, and 2nd place in the Fin Expo Booth Award 2019 for incorporating digital and high technology in its booth.

d. **Enhancement Go Global**

Enhancement Go Global is an advanced training program to increase the capacities and capabilities of select MSMEs to enter the global market. This program is carried out by the IMR Desk and the International Business Division, together with the Center of Indonesian Export Education and Training.

In 2019, Enhancement Go Global was implemented in the following cities.

No.	Participants	Place	Date
1	30	Malang	23-25 April 2019
2	30	Solo	10-12 September 2019
3	30	Makassar	22-24 October 2019
4	30	Bukit Tinggi	5-7 November 2019
5	30	Bandung	12-14 November 2019

The goals of financial inclusion and literacy programs are as follows:

- Financial literacy and inclusion programs are designed to be beyond ceremonial or one-off event.
- The programs generate potential savers/borrowers that business units can acquire.
- The first stage is to establish an MSME cluster under BRI's assistance to create a closed, end-to-end financial system that caters to MSMEs' transaction and financing needs.

FARMERS' CARD

Farmers' card is a co-branding debit card between the Association of State-Owned Banks (HIMBARA) with the Ministry of Agriculture. This card records its holder's quota of subsidized fertilizer, transaction for subsidized fertilizer at the dedicated shops, and banking transactions at electronic channels.

BRI's Farmers' Card was first launched in Central Java on 4 March 2015. On 20 February 2017, the Minister of Agriculture and Minister of SoE instructed HIMBARA banks to pilot the card in Java. BRI was assigned for the card's distribution in Banten, Central Java, Yogyakarta, and Tasikmalaya.

Pursuant to Agriculture Minister Regulation No.47/Permentan/SR.310/12/2017 on the Allocation and Maximum Retail Price of Subsidized Fertilizer in the Agricultural Sector for Fiscal Year 2018, farmers' cards are to be distributed to farmers who are part of a farmers' group and who grow food crops, horticultures, plantation crops, and undertake animal husbandry in a maximum 2 hectare of land and maximum 1 hectare for fish cultivation. In their groups, farmers are required to develop a Definitive Plan of Subsidized Fertilizer Demand (RDKK). The plans are then uploaded to the Agriculture Ministry's e-RDKK system by agricultural outreach officers at the sub-district level. The Bank will then set up an account and issue a Farmers' Card for farmers who are registered in the ministry's e-RDKK system.

Partnership Program

This system allows the government to carry out real time and online monitoring, by name and address, of subsidized fertilizer purchase using BRI-developed dashboard, thereby ensuring that the subsidy is reaching its intended recipients. In addition, the monitoring dashboard also helps fertilizer producers to understand the distribution of demand for subsidized fertilizer and data of cost reimbursement of subsidized fertilizer to the government. BRI also uses the data of recipients to improve its lending pipeline and improve the farmers' business scale.

The use of Farmers' Cards as a transaction instrument of fertilizer at Fertilizer Shops, which also act as branchless banking agents, denote financial literacy and inclusion efforts for Indonesia's agricultural ecosystem. With this card, farmers can have supply certainty of subsidized fertilizer, which in minimizes disruption to their farming activities. In addition, by being registered in the system, farmers may also get more benefits, such as assistance for production facilities, get engaged with off-taker companies as committed yield buyers, getting farming insurance, and accessing financing services from banks.

As of 31 December 2019, BRI has distributed 3,246,109 Farmers' Cards to recipients of subsidized fertilizer and 6,109 fertilizer shops have been registered as branchless banking agents.

KUSUKA CARD (FOR MARINE AND FISHERY SECTOR BUSINESS OWNERS)

KUSUKA is a co-branding debit card for anyone engaged in some or the entire marine and fishery business, from production to sales. They include fishermen, fish farm owners, salt producers, fish processing businesses, and fish distributors and sellers. KUSUKA benefits its holders as:

1. Proof of the cardholder's marine and fishery enterprising
2. Database of business actors in marine and fishery sector
3. Database for the protection and/or empowerment for business actors in the sector

KUSUKA printing cooperation agreement was signed by BRI's Micro Director and the Secretariat General of the Marine and Fishery Ministry, witnessed by the Marine and Fishery Minister on 10 October 2019 in Muara Baru Fishery Zone, Jakarta.





CORPORATE SOCIAL RESPONSIBILITY

Partnership Program

SOE CREATIVE HOUSE

Indonesia today has more than 259 people and 55 million experienced workers, with 53% of the population contributing to 74% of the national GDP. Indonesia ranks 15th globally in terms of market potential, valued at Rp6,500 trillion (BPS, 2015). SME, as one of the industry actors, is recognized as Indonesia's economic pillar and contributes to more than half of the national GDP. To empower SMEs, the State-Owned Enterprise Ministry has established an SoE Creative House (RKB) program.

RKB accommodates collaboration between SOEs in creating the digital economy ecosystem by fostering SMEs, building their capacities and capabilities. RKB serves as data and information center as well as education, development, and digitalization of SMEs. Today, there are 54 RKBs with the most recent one opened in Bakauheni, in the Bakauheni Executive Port, Lampung.

RKB primarily seeks to have SMEs' capacities and capabilities improved, ensuring that the SMEs can grow to become quality businesses through several flagship programs: Go Modern (training that focuses on improving product quality, branding and packaging), Go Digital (advanced training of Go Modern, focusing on digital application use and automation in business process and marketing, and Go Online (training on market expansion via online channels, for example by connecting businesses with marketplaces such as Blanja.com or other e-commerce platforms).

To support the need for learning materials and knowledge management across all RKBs, training curricula have been standardized. RKB may also work with/builds partnership with various agencies and institutions to improve its training quality. RKB members are also expected to create learning communities for peer-driven learning and empowerment. Going forward, RKB members, i.e. MSMEs, will be certified according to the training level they have accomplished in RKBs: Go Modern, Go Digital, and Go Online

certifications. As of December 2019, the RKBs have a total of 329,969 member MSMEs with 4,133 training activities delivered.

BRI's involvement in RKB garnered appreciation from the SoE Ministry. On 7 October 2019, BRI received BUHN Awards for Best RKB in the C Category (Remote Areas).

The following table details the 54 BRI RKBs:

No.	RKB Name	Regional Office
1	Gayo Lues	Banda Aceh
2	Aceh Singkil	Banda Aceh
3	Kota Banda Aceh	Banda Aceh
4	Tasikmalaya	Bandung
5	Kota Bandung	Bandung
6	Purwakarta	Bandung
7	Banjar	Banjarmasin
8	Hulu Sungai Utara	Banjarmasin
9	Gunung Mas	Banjarmasin
10	Gianyar	Denpasar
11	Kota Mataram	Denpasar
12	Lembata	Denpasar
13	Flores Timur	Denpasar
14	Timor Tengah Selatan	Denpasar
15	Sumba Timur	Denpasar
16	Rote Ndao	Denpasar
17	Jakarta Pusat	Jakarta 1
18	Sambas	Jakarta 3
19	Serang	Jakarta 3
20	Jayapura	Jayapura
21	Paniai	Jayapura
22	Mappi	Jayapura
23	Mimika	Jayapura
24	Bakauheni	Lampung
25	Bengkulu Selatan	Lampung

Partnership Program

No.	RKB Name	Regional Office
26	Kepulauan Aru	Makassar
27	Maluku Tengah	Makassar
28	Makassar	Makassar
29	Bulukumba	Makassar
30	Pinrang	Makassar
31	Kendari	Makassar
32	Konawe	Makassar
33	Bombana	Makassar
34	Kota Malang	Malang
35	Bondowoso	Malang
36	Gorontalo Utara	Manado
37	Manado	Manado
38	Morowali Utara	Manado
39	Halmahera Selatan (Teras Kapal)	Manado
40	Kotamobagu	Manado
41	Morowali	Manado
42	Milangas, Kepulauan Talaud	Manado
43	Kota Bukittinggi	Padang
44	Padangpanjang	Padang
45	Kota Pagar Alam	Palembang
46	Merangin	Palembang
47	Ogan Komering Ulu Selatan	Palembang
48	Kab. Empat Lawang	Palembang
49	Bangka Selatan	Palembang
50	Pekalongan	Semarang
51	Kota Semarang	Semarang
52	Sidoarjo	Surabaya
53	Yogyakarta	Yogyakarta
54	Kota Solo/Surakarta	Yogyakarta



CORPORATE SOCIAL RESPONSIBILITY

CORPORATE RESPONSIBILITY TOWARDS CONSUMERS

Network & Service Directorate

With nearly 9 thousand conventional service units in, more than 220,000 e-channels, and over 400,000 BRILink agents throughout Indonesia in its network, network management is crucial for BRI. The expansive network is also reflected in BRI's impressive number of customers that reach 11 million borrowers and more than 100 million savings account customers. Service quality improvement is definitely critical to allow the Bank to continue giving the best to its customers. The Network and Service Director always ensures that the management of offices, e-channels, and branchless banking networks are effective, the quality of the Operations Unit is continually improved, and customer data is consistently valid. All of these will contribute to improving the productivity of the Operations Unit and increasing the Bank's fee-based income from the branchless banking line.

BRI has taken strategic steps to improve its service quality, namely by transforming its service culture to SMART, a customer-centric approach to delivering customer excellence by creating a 'wow' customer experience that exceeds their expectations. SMART is created to improve quality by updating the service culture that emphasizes on friendliness, responsiveness, and ease of transaction supported by the use of digital technology.



Corporate Responsibility Towards Consumers

Targets and Activities Planned for 2019

BRI has continued to improve its service quality to all customers by adopting the customer-centric approach. The Bank has made performance improvement to its communications network and revitalized its service standard. By doing so, the Bank expects to raise its position in the national banking industry. Indeed, BRI has been delivering stronger performance in the past three years, and in 2019 even outperformed average industry growth.

Service Monitoring Performance

Description	2016	2017	2018	2019
BRI Performance	4.0205	4.0046	4.0665	4.0946
Industry	3.9979	3.9951	3.9999	4.0926

Sumber: Service Quality Index By CAREE

Activities Conducted and Quantitative Impacts of Activities

To deliver better service quality, BRI improves its service system in order to resolve customer complaints appropriately, quick, satisfactorily. Customer complaint handling is supported by appropriate technology that observes the standard set by the regulators and management policy. BRI also continues improving coordination with relevant parties on customer service and complaint in order to respond in proper time and with satisfying results.

Service Development in 2019

The activities the Bank carried out in 2019 to implement its responsibility towards the customers are:

- **Developed "Sabrina" the chatbot.** An AI-based chatbot, Sabrina provides information on products, promotional items and event, BRI service units location, and direct assistance by Contact Center Agent. Sabrina aims to facilitate customers' communications with the Bank for easy information inquiry.

- **Transforming Service Culture into A Customer-Centric Approach**

BRI has taken strategic steps to improve service quality by transforming its service culture into a customer-centric approach to delivering customer excellence by creating a 'wow' customer experience that exceeds their expectations. The new service culture encompasses five values, abbreviated as SMART:



1. SIGAP (Responsive)
2. MUDAH (Easy)
3. AKURAT (Accurate)
4. RAMAH (Cordial)
5. TERAMPIL (Skilful)

The SMART value transformation as one of the strategic initiatives does not replace or negate existing quality standards, but rather to improve quality by making the service culture more relevant and up-to-date, emphasizing on cordiality, agility, and ease of transactions and supported by digital technology. SMART represents service quality strategy of BRI in the digital era that is summarized in a unique title that is easy to remember and instilled in all employees. SMART value implementation across all service aspects will help creating better customer experience, thereby improving Bank BRI's service quality.

- **Developing an Integrated Complaint Handling System**

An integrated complaint handling system at Bank BRI is implemented through BRICare and BRISolutions apps. BRICare apps is used to record, escalate, settle, and report customer complaint. BRICare apps is used by every frontline officer of Bank BRI including customer service officer in every Operating Unit as well as contact center agent. With an integrated system, the progress of customer complaint handling can be monitored and this supports Bank BRI's efforts in improving customer service.



CORPORATE SOCIAL RESPONSIBILITY

Corporate Responsibility Towards Consumers

Meanwhile, BRISolutions records and escalates internal issues experienced by the Operating Units relating to systems and applications. The central role of the helpdesk team in providing solutions for any systems and apps-related issues can be more effectively monitored to ensure that issue resolution meets the Service Level Agreement (SLA). With BRISolutions apps, the Operating Units can provide more optimal customer service.

National Customer Day Celebration

As an appreciation for BRI customers for their loyalty to BRI banking services and products, Bank BRI held a National Customer Day on 4 September 2019.

On the National Customer Day, the Board of Directors as the Mentor was committed to realize an excellent Customer Experience based BRI Core Values "Customer Centric". The day provided a momentum to create service awareness on the importance of service improvement in all Operating Units.

To create that experience, BRI expressed its appreciation to customers by having its management and members of the Board of Directors to interact in person with customers and get first-hand feedback on service quality. The Bank also distributed free prizes, such as chocolates and flowers to customers in all BRI Operating Units (Branch Offices, Sub Branch Offices, Cash Offices, and BRI Units).

Details of Complaint Settlement

In 2019, BRI recorded an increase of customer information inquiry and complaint. All complaints received by BRI were responded to immediately in accordance with the applicable procedures standard. Based on data, as of December 2019, BRI received a total of 4,284,801 complaints and 4,239,155 of them resolved (98.9%).

The following are details of resolving customer complaints.

Complaint types	2017		2018		2019	
	Complaint Received	Complaint Resolved	Complaint Received	Complaint Resolved	Complaint Received	Complaint Resolved
Financial	831.586	759.718	997.629	968.791	1,431,933	1,412,205
Information availability	888.687	884.065	1.212.812	1.209.197	1,805,236	1,804,980
Non Financial	1.272.962	1.284.117	1.328.864	1.306.394	1,040,243	1,014,727
Service Quality	5.719	3.263	4.920	4.415	7,389	7,243
Others	0	0	0	0	0	0
Total	2.998.954	2.931.163	3.544.225	3.488.797	4,284,801	4,239,155

Corporate Responsibility Towards Consumers

Complaint Procedures

1. Customer complaints are expressions of dissatisfaction caused by potential financial losses of the customers due to suspected errors or negligence of the Bank.
2. Customers who experience such dissatisfaction as described in point 1 above are advised to immediately report their complaints to BRI through the appropriate channels.
3. Complaints may be made verbally or in writing to:
 - a. Special Branch Office/Branch Office/Sub-Branch Office/BRI Unit/Cash Office/Teras BRI where complaints will be received by customer service officers;
 - b. BRI Digital Branch Priority and Service Center (BRI Digital Branch) where complaints will be received by Priority Banking Assistant;
 - c. BRI Call Center at 14017 or 1500017;
 - d. BRI e-mail (or click "contact us" on the www.bri.co.id and/or callbri@bri.co.id);
 - e. Bank BRI's official social media accounts
4. Verbal complaints must be accompanied by:
 - a. Customers' Data;
 - b. Issue to report
5. Written complaints submitted to Operating Units/by fax must be accompanied by:
 - a. Customer complaints form containing customer data and complaints;
 - b. Copy of customer's Identity Card (KTP);
 - c. Evidence of financial transactions at BRI relating to the issue/other supporting documents related to the complaint.
6. Complaints via Email must be equipped with:
 - a. Customer data and complaints;
 - b. Evidence of file scanned/data capture of financial transaction at BRI relating to the complaint filed;
7. Customer complaints must be resolved within 2 (two) business days for verbal complaints and 20 (twenty) working days for written complaints.
8. In the event that the resolution of a complaint that involves financial losses has not satisfied the customer, the customer may take banking mediation channel.

Service Quality Survey 2019

To monitor and measure its service quality, the Bank regularly conducts two types of survey:

1. Service Quality Consistency at BRI's Operating Units using mystery shopper method. This method provides accurate and objective evaluation of service quality at operating units, covering:
 - People performance (CS, teller, security officers)
 - e-Channel performance (ATM/CRM)
 - Premises condition
2. Customer Satisfaction Survey
 The Bank uses Computer Assisted Telephonic Interview (CATI) to customers after their transactions at the Bank (no later than 3 days after transactions).

Survey result primarily informs the Bank's evaluation to improve service quality. To get accurate and precise results, BRI engages an independent organization that is capable of carrying out an objective assessment using benchmark variables, i.e. services delivered by industry competitors.



CORPORATE SOCIAL RESPONSIBILITY

SERVICE QUALITY AWARDS 2019

1. Diamond Title in the Regular Banking, Priority Banking, Silver Credit Card categories of the Service Quality Index 2019 held by Carre
2. Top 10 Banks in Service Excellence in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia
3. Top 10 Banks in Best Walk in Channel in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia
4. Top 10 Banks in Best Internet Banking Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia
5. Top 10 Banks in Best E-Banking Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia
6. Top 10 Banks in Best Public Area ATM Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia
7. Top 10 Banks in Best Mobile Banking Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia
8. Top 10 Banks in Best Security Officers' Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia
9. Top 10 Banks in Best CS Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia
10. Top 10 Banks in Best SMS Banking Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia
11. Top 10 Banks in Best Call Center Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia
12. Top 8 Banks in Best Account Opening Website Application Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia
13. Top 5 Banks in Best CDM/CRM Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia.
14. Top 5 Banks in Best Chatbot Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia.
15. Top 7 Banks in Best Account Opening Mobile Application Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia.
16. Top 6 Banks in Best Digital Lounge Performance in the Bank Service Excellence Monitor (BSEM) 2019 by Marketing Research Indonesia.

BRI received numerous service quality awards in 2019, including:



Serunya Tarik Tunai Tanpa Kartu ATM



Dapetin kemudahan Tarik tunai di ATM tanpa kartu dengan aplikasi BRImo. Kurangin isi dompetmu dari banyak kartu dan mulai pake hapemu.

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07

CONSOLIDATED
FINANCIAL
STATEMENTS 2019



PT Bank Rakyat Indonesia (Persero) Tbk and its Subsidiaries

Consolidated financial statements
as of December 31, 2019
and for the year then ended
with independent auditors' report



PT BANK RAKYAT INDONESIA (PERSERO) Tbk.

KANTOR PUSAT

Jalan Jenderal Sudirman No. 44 - 46 Tremol Pos 1094/1000 Jakarta 10210
 Telepon: 021 2510244, 2510254, 2510284, 2510268, 2510278
 Faksimili: 021 2500077 Kawat: KANPUSBR1
 Teleks: 65293, 65458, 65459, 65461

**BOARD OF DIRECTORS' STATEMENT
 REGARDING
 THE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS
 AS OF DECEMBER 31, 2019
 AND FOR THE YEAR THEN ENDED
 PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND SUBSIDIARIES**

We, the undersigned:

1. Name : Sunarso
 Office Address : Jl. Jenderal Sudirman No.44-46 Jakarta 10210
 Residential Address : Jl. At Taqwa II No. 4 Jati Pulo, Palmerah, Jakarta barat
 Telephone : 021 -575 1761
 Title : President Director

2. Name : Haru Koesmahargyo
 Office Address : Jl. Jenderal Sudirman No. 44-46 Jakarta 10210
 Residential Address : Jl. MPR III / 09 Cilandak, Jakarta Selatan
 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 24 , 2020
 For and on behalf of the Board of Directors

Sunarso
 President Director

Haru Koesmahargyo
 Director

**PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019 AND FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

Table of Contents

	Page
Independent Auditors' Report	
Consolidated Statement of Financial Position	937 - 940
Consolidated Statement of Profit or Loss and Other Comprehensive Income.....	941 - 943
Consolidated Statement of Changes in Equity	944 - 945
Consolidated Statement of Cash Flows	946 - 948
Notes to the Consolidated Financial Statements	949-1255
Statement of Financial Position - Parent Entity	1258
Statement of Profit or Loss and Other Comprehensive Income - Parent Entity.....	1259
Statement of Changes in Equity - Parent Entity	1261
Statement of Cash Flows - Parent Entity.....	1263
Notes to the Financial Statements - Parent Entity	1265



Purwantono, Sungkoro & Surja

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This report is originally issued in the Indonesian language.

Independent Auditors' Report

Report No. 00021/2.1032/AU.1/07/1008-3/1/1/2020

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, 2019, 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 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.



This report is originally issued in the Indonesian language.

Independent Auditors' Report (continued)

Report No. 00021/2.1032/AU.1/07/1008-3/1/I/2020 (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, 2019 and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matters

Our audit of the accompanying consolidated financial statements of PT Bank Rakyat Indonesia (Persero) Tbk and its subsidiaries as of December 31, 2019, 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, 2019, 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 purpose 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 as a whole.

Purwantono, Sungkoro & Surja

A handwritten signature in black ink, appearing to read 'Danil', written in a cursive style.

Danil Setiadi Handaja, CPA
Public Accountant Registration No. AP.1008

January 24, 2020

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2019	December 31, 2018 ^{*)}	January, 1 2018/ December 31, 2017 ^{*)}
ASSETS				
Cash	2a,2c,3	30,219,214	27,421,625	24,798,037
Current Accounts with Bank Indonesia	2a,2c,2f,4	71,416,449	71,159,442	58,155,479
Current Accounts with Other Banks	2a,2c,2d, 2e,2f,5,44	10,237,736	12,677,355	6,132,512
Placements with Bank Indonesia and Other Financial Institutions	2a,2c,2d, 2e,2g,6,44	116,854,727	87,018,051	55,156,762
Securities	2a,2c,2d, 2e,2h,7,44	195,840,931	184,284,810	186,939,596
Allowance for impairment losses		(758)	(758)	(758)
		195,840,173	184,284,052	186,938,838
Export Bills and Others Receivable	2c,2d,2e, 2i,8,44	33,876,763	32,900,080	16,260,854
Allowance for impairment losses		(132,241)	(91,932)	(94,130)
		33,744,522	32,808,148	16,166,724
Government Recapitalization Bonds	2c,2d,2h, 9,44	1,130,306	1,505,273	3,317,840
Securities Purchased Under Agreement to Resell	2c,2d,2u, 10,44	22,582,244	9,396,553	18,011,026
Derivatives Receivable	2c,2ak,11	210,396	485,810	162,912
Loans	2c,2d,2e, 2j,12,44	877,431,193	814,552,767	713,376,167
Allowance for impairment losses		(38,363,840)	(34,926,050)	(29,329,250)
		839,067,353	779,626,717	684,046,917
Sharia Receivables and Financing	2c,2d,2e, 2k,13,44	25,766,197	20,178,401	17,864,869
Allowance for impairment losses		(745,029)	(497,141)	(577,257)
		25,021,168	19,681,260	17,287,612

^{*)} After account reclassification (Note 51)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2019	December 31, 2018 ^{*)}	January, 1 2018/ December 31, 2017 ^{*)}
ASSETS (continued)				
Finance Leases Receivable	2c,2d,2e,2l, 14,44	4,191,596	3,409,846	2,488,983
Allowance for impairment losses		(87,500)	(88,000)	(103,500)
		<u>4,104,096</u>	<u>3,321,846</u>	<u>2,385,483</u>
Acceptances Receivable	2c,2d,2e, 2m,15,44	9,346,063	11,643,003	5,693,425
Investment in Associated Entities	2c,2d,2e, 2n,16,44	745,354	460,146	83,150
Allowance for impairment losses		(50)	(50)	(50)
		<u>745,304</u>	<u>460,096</u>	<u>83,100</u>
Premises and Equipment	2d,2o,2p, 17,44			
Cost		44,075,680	37,925,236	33,990,807
Accumulated depreciation		(12,643,051)	(11,010,377)	(9,238,772)
Book value - net		<u>31,432,629</u>	<u>26,914,859</u>	<u>24,752,035</u>
Deferred Tax Assets - net	2a1,38c	4,541,298	5,114,653	3,286,732
Other Assets - net	2c,2e,2p, 2q,2r,18	20,265,162	23,379,549	21,072,055
TOTAL ASSETS		<u>1,416,758,840</u>	<u>1,296,898,292</u>	<u>1,127,447,489</u>

^{*)} After account reclassification (Note 51)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2019	December 31, 2018 ^{*)}	January, 1 2018/ December 31, 2017 ^{*)}
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY				
LIABILITIES				
Liabilites Due Immediately	2c,2s,19	7,549,312	8,462,958	6,584,201
Deposits From Customers	2c,2d,2t,44			
Demand Deposits	20	168,826,135	178,097,981	145,529,168
<i>Wadiah</i> Demand Deposits		2,020,866	2,277,850	1,766,901
Saving Deposits	21	405,355,483	379,918,705	343,420,737
<i>Wadiah</i> Saving Deposits		6,951,688	5,601,811	4,749,652
Time Deposits	22	413,233,653	357,413,513	326,417,937
Total Deposits From Customers		996,377,825	923,309,860	821,884,395
Deposits From Other Banks and Financial Institutions	2c,2d,2t,23,44	17,969,829	9,131,158	5,593,367
Securities Sold Under Agreement to Repurchase	2c,2d,2u,7,24,44	49,902,938	37,379,394	12,136,684
Derivatives Payable	2c,2ak,11	184,605	332,343	200,858
Acceptances Payable	2c,2d,2m,15,44	9,346,064	11,643,003	5,693,425
Taxes Payable	2al,38a	185,443	153,833	569,016
Marketable Securities Issued	2c,2v,25	38,620,837	31,190,216	30,619,658
Fund Borrowings	2c,2d,2w,26,44	30,921,771	40,457,429	29,408,694
Estimated Losses on Commitments and Contingencies	2d,2e,2ao,27,44	609,492	1,222	2,134
Liabilities for Employee Benefits	2d,2af,28,42,44	10,662,581	11,789,366	12,194,261
Other Liabilities	2c,2y,2z,2ae,29,45b	19,359,606	15,339,787	13,794,513
Subordinated Loans and Marketable Securities	2c,2x,30	1,465,366	1,473,515	986,450
TOTAL LIABILITIES		1,183,155,670	1,090,664,084	939,667,656

^{*)} After account reclassification (Note 51)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	December 31, 2019	December 31, 2018 ¹⁾	January, 1 2018/ December 31, 2017 ¹⁾
LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY (continued)				
TEMPORARY SYIRKAH FUNDS				
Mudharabah Demand Deposits		4,080,803	293,264	139,535
Mudharabah Saving Deposits		2,025,354	1,659,109	1,270,484
Mudharabah Time Deposits		18,712,677	19,006,504	18,362,036
TOTAL TEMPORARY SYIRKAH FUNDS		24,818,834	20,958,877	19,772,055
EQUITY				
Capital stock - par value Rp50 (full Rupiah) per share				
Authorized capital - 300,000,000,000 shares (consisting of 1 Series A Dwiwarna shares and 299,999,999,999 Series B shares)				
Issued and fully paid capital - 123,345,810,000 shares (consisting of 1 Series A Dwiwarna shares and 123,345,809,999 Series B shares)	1,31a	6,167,291	6,167,291	6,167,291
Additional paid-in-capital	31b	2,900,994	2,692,663	2,773,858
Revaluation surplus arising from premises and equipment - net of tax	2o,17	17,099,207	13,824,692	13,824,692
Differences arising from the translation of foreign currency financial statements	2aj,31c	(14,970)	49,850	54,199
Unrealized gain (loss) on available-for-sale securities and Government Recapitalization Bonds - net of deferred tax	2h	715,770	(2,070,378)	1,813,625
Gain on remeasurement of defined benefit plans - net of deferred tax	2af	189,519	1,154,343	706,403
Treasury stock	1d	(2,106,014)	(2,418,948)	(2,418,948)
Stock option	2ag	22,409	10,971	-
Provision for Bonus Shares Compensation	31f	21,796	426,670	-
Merging Entities' Equity		-	-	443,016
Retained Earnings	31d,31e			
Appropriated		3,022,685	3,022,685	3,022,685
Unappropriated		178,304,746	160,107,704	140,805,012
Total Retained Earnings		181,327,431	163,130,389	143,827,697
Total Equity Attributable to Equity Holders of the Parent Entity		206,323,433	182,967,543	167,191,833
Non-controlling Interest	2b	2,460,903	2,307,788	815,945
TOTAL EQUITY		208,784,336	185,275,331	168,007,778
TOTAL LIABILITIES, TEMPORARY SYIRKAH FUNDS AND EQUITY		1,416,758,840	1,296,898,292	1,127,447,489

¹⁾ After account reclassification (Note 51)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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
For the Year Ended December 31, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year ended December 31,	
		2019	2018
INCOME AND EXPENSES FROM OPERATIONS			
Interest and sharia income	32		
Interest income	2aa	118,379,729	108,458,358
Sharia income	2k,2ac	3,376,547	3,124,446
Total interest and sharia income		121,756,276	111,582,804
Interest and sharia expenses	33		
Interest expenses	2aa	(38,671,838)	(32,541,395)
Sharia expenses	2ac	(1,377,133)	(1,375,637)
Total interest and sharia expenses		(40,048,971)	(33,917,032)
Interest and sharia income - net		81,707,305	77,665,772
Premium income	2ad	5,373,757	4,178,213
Claim expenses	2ad	(4,363,029)	(3,232,491)
Premium income - net		1,010,728	945,722
Other operating income			
Other fees and commissions	2ab	14,505,762	12,018,941
Recovery of assets written-off		7,065,981	6,209,435
Gain on sale of securities and Government Recapitalization Bonds - net	2h,7,9	1,839,341	534,952
Gain on foreign exchange - net	2ai,2aj	154,157	951,009
Unrealized gain on changes in fair value of securities	2h,7	80,980	338,097
Others		4,792,909	3,372,996
Total other operating income		28,439,130	23,425,430
Provision for allowance for impairment losses on financial assets - net	2e,34	(21,556,319)	(17,792,693)
Reversal of (provision for) allowance for estimated losses on commitments and contingencies - net	2ao,27b	(608,271)	912
Provision for allowance for impairment losses on non-financial assets - net	2p	(595,015)	(528,982)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year ended December 31,	
		2019	2018
Other operating expenses			
Salaries and employee benefits	2d,2af,35,42,44	(24,243,276)	(22,423,271)
General and administrative	2o,36	(15,366,752)	(14,364,278)
Others		(5,355,597)	(5,202,735)
Total other operating expenses		(44,965,625)	(41,990,284)
OPERATING INCOME		44,431,933	41,725,877
NON OPERATING (EXPENSES) INCOME - NET	37	(67,880)	27,817
INCOME BEFORE TAX EXPENSES		43,364,053	41,753,694
TAX EXPENSES	2a1,38b,38c	(8,950,228)	(9,335,208)
INCOME FOR THE YEAR		34,413,825	32,418,486
Other comprehensive income:			
Items not to be reclassified to profit or loss			
Remeasurement of liabilities for employee benefits		(1,291,782)	601,819
Income taxes related to items not to be reclassified to profit or loss		322,945	(150,455)
Revaluation surplus arising from premises and equipment	17	3,316,985	-
Items to be reclassified to profit or loss			
Differences arising from the translation of foreign currency financial statements	2aj	(64,820)	(4,349)
Unrealized gain (loss) on available-for-sale securities and Government Recapitalization Bonds	2h	3,696,914	(5,141,381)
Income taxes related to items to be reclassified to profit or loss		(895,470)	1,216,705
Other comprehensive income for the year - after tax		5,084,772	(3,477,661)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		39,498,597	28,940,825

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year ended December 31,	
		2019	2018
INCOME FOR THE YEAR			
ATTRIBUTABLE TO:			
Equity holders of the parent entity		34,372,609	32,351,133
Non-controlling interest		41,216	67,353
TOTAL		34,413,825	32,418,486
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR			
ATTRIBUTABLE TO:			
Equity holders of the parent entity		39,403,628	28,910,721
Non-controlling interest		94,969	30,104
TOTAL		39,498,597	28,940,825
EARNINGS PER SHARE			
ATTRIBUTABLE TO EQUITY			
HOLDERS OF THE PARENT			
ENTITY (full Rupiah)	2ah,49		
Basic		281.31	264.66
Diluted		280.96	264.37

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Issued and fully paid capital	Merging entities' equity	Additional paid-in capital	Differences arising from the translation of foreign financial statements	Unrealized gain (loss) on available-for-sale securities and Government Recaptalization net of deferred tax	Gain on remeasurement of defined benefit plan net of deferred tax	Treasury stock	Provision for bonus shares compensation	Revaluation surplus arising from disposal of equipment - net of tax	Stock option	Retained earnings		Total equity and liabilities holders of the parent entity	Non-controlling interest	Total equity
												Appropriated	Unappropriated			
Balance as of December 31, 2017		6,167,291	443,016	2,773,858	54,199	1,813,625	706,403	(2,418,948)	-	13,824,892	-	3,022,685	140,805,012	167,191,833	815,945	168,007,778
Income for the year		-	-	-	-	-	-	-	-	-	-	-	32,351,133	32,351,133	67,253	32,418,486
Other comprehensive income	2h,2d)	-	-	-	(4,349)	(3,894,003)	447,940	-	-	-	-	-	-	(3,440,412)	(37,249)	(3,477,661)
Total comprehensive income for the year		-	-	-	(4,349)	(3,894,003)	447,940	-	-	-	-	-	32,351,133	28,910,721	30,104	28,940,825
Distribution of income	31d	-	-	-	-	-	-	-	-	-	-	-	(13,048,441)	(13,048,441)	(21,655)	(13,070,096)
Dividend		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares	31f	-	-	-	-	-	-	-	426,670	-	-	-	-	426,670	3,157	429,827
Stock option		-	-	-	-	-	-	-	-	-	10,971	-	-	10,971	1,298	12,267
Changes in non-controlling interest in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	166,550	166,550
Non-controlling interest in acquisition of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	55,548	55,548
Capital contribution from non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	-	-	1,474,122	1,474,122
Reversal of entities under common control's equity		-	(443,016)	-	-	-	-	-	-	-	-	-	-	-	(217,289)	(660,295)
Acquisition transaction of entities under common control	31b	-	-	(81,195)	-	-	-	-	-	-	-	-	-	-	-	(81,195)
Balance as of December 31, 2019		6,167,291	-	2,692,663	49,850	(2,070,379)	1,154,343	(2,418,948)	426,670	13,824,892	10,971	3,022,685	160,107,704	182,967,543	2,307,788	185,275,331

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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, 2019
(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 gain (loss) on sale of securities and government bonds-net of deferred tax	Gain on remeasurement of defined benefit plan-net of deferred tax	Treasury stock	Provision for bonus shares compensation	Revaluation surplus arising from premises and equipment-net of tax	Stock option	Retained earnings		Total equity attributable to equity holders of the parent entity	Non-controlling interest	Total equity
										Appropriated	Unappropriated			
Balance as of December 31, 2018	6,167,291	2,692,663	49,850	(2,070,378)	1,154,343	(2,418,948)	426,670	13,824,692	10,971	3,022,685	160,107,704	182,967,543	2,307,788	185,275,331
Income for the year	-	-	-	-	-	-	-	-	-	-	34,372,609	34,372,609	41,216	34,413,825
Other comprehensive income	2h,2a]	-	(64,820)	2,786,148	(964,824)	-	-	3,274,515	-	-	-	5,031,019	53,763	5,084,772
Total comprehensive income for the year	-	-	(64,820)	2,786,148	(964,824)	-	-	3,274,515	-	-	34,372,609	39,403,628	94,969	39,498,597
Distribution of income	31d	-	-	-	-	-	-	-	-	-	(16,175,567)	(16,175,567)	(18,819)	(16,194,386)
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus shares	31f	208,331	-	-	-	312,934	(404,874)	-	-	-	-	116,391	-	116,391
Stock option	31f	-	-	-	-	-	-	-	11,438	-	-	11,438	3,765	15,203
in non-controlling entities	-	-	-	-	-	-	-	-	-	-	-	-	31,500	31,500
on transaction of entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	41,700	41,700
Balance as of December 31, 2019	6,167,291	2,900,984	(14,970)	715,770	189,519	(2,106,014)	21,796	17,099,207	22,409	3,022,665	178,304,746	206,323,433	2,460,903	208,784,336

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year ended December 31,	
		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income received			
Interest and investment income		117,464,011	102,362,132
Sharia income		3,376,547	3,124,446
Premium income		5,373,757	4,178,213
Expenses paid			
Interest expenses		(38,666,742)	(32,166,798)
Sharia expenses		(1,377,133)	(1,375,637)
Claim expenses		(4,363,029)	(3,232,491)
Recovery of assets written-off		7,065,981	6,209,435
Other operating income		22,213,637	16,764,733
Other operating expenses		(46,257,369)	(42,138,028)
Non operating income (expense) - net		(67,880)	27,817
Payment of corporate income tax		(9,357,307)	(9,668,009)
Cash flows before changes in operating assets and liabilities		55,404,473	44,085,813
Changes in operating assets and liabilities:			
Decrease (increase) in operating assets:			
Placement with Bank Indonesia and other banks		(2,854,149)	190,262
Securities and Government Recapitalization Bonds at fair value through profit or loss		(12,637,154)	(2,566,448)
Export bills and notes receivable		(6,301,831)	(16,788,338)
Securities purchased under agreement to resell		(13,185,691)	8,614,473
Loans		(74,427,400)	(113,206,894)
Sharia receivables and financing		(6,025,669)	(2,600,698)
Finance lease receivables		(803,779)	(949,203)
Other assets		6,785,221	4,631,594
Increase (decrease) in operating liabilities:			
Liabilities due immediately		(913,645)	1,878,757
Deposits:			
Demand Deposits		(9,271,846)	32,568,814
<i>Wadiah</i> demand deposits		(256,984)	510,949
Saving deposits		25,436,778	36,497,967
<i>Wadiah</i> saving deposits		1,349,877	852,159
Time deposits		55,810,139	30,995,577
Deposits from other banks and financial institutions		8,838,671	3,537,792
Securities sold under agreement to repurchase		12,523,543	25,242,710
Other liabilities		1,252,567	2,673,187
Increase (decrease) syirkah funds Temporary		3,859,957	1,186,822
Net Cash Provided by Operating Activities		44,583,078	57,355,295

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Notes	Year ended December 31,	
		2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in Associated Entities		(228,110)	-
Receipt of dividends	16	5,857	814
Acquisition of premises and equipment	17	(3,695,364)	(1,822,703)
Increase in available-for-sale and held-to-maturity securities and Government Recapitalization Bonds		(1,270,825)	(25,188,955)
Net Cash Used in Investing Activities		(5,188,442)	(21,010,844)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (payment of) fund borrowing		(9,592,989)	10,829,393
Dividends paid		(16,175,565)	(13,048,441)
Proceeds from subordinated loans		-	487,065
Proceeds from marketable securities issued	25	12,102,950	9,600,185
Payment of marketable securities due	25	(4,419,500)	(8,939,750)
Additional Share Capital	25	-	(81,195)
Net Cash Used in Financing Activities		(18,085,104)	(1,152,743)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		21,309,532	29,191,708
EFFECT OF EXCHANGE RATE CHANGES ON FOREIGN CURRENCIES		(160,251)	(52,076)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR		215,757,148	186,617,516
CASH AND CASH EQUIVALENTS AT THE END OF YEAR		236,906,429	215,757,148
Cash and cash equivalents at the end of period/year consist of:	2a		
Cash	3	30,219,214	27,421,625
Current accounts with Bank Indonesia	4	71,416,449	71,159,442
Current accounts with other banks	5	10,237,736	12,677,355
Placement with Bank Indonesia and other banks - maturing within three months or less since the acquisition date	6	113,800,580	86,818,051
Bank Indonesia Certificates and Bank Indonesia Deposit Certificates - maturing within three months or less since the acquisition date	7	11,232,450	17,680,675
Total cash and cash equivalents		236,906,429	215,757,148

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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 company (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 Minister 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", 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 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 BRI's status and compliance with the Capital Market Laws approved by the Minister 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 exchange 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 Principles of the Articles of Association of a Company that Conduct Public Offering of Shares and Public Company", which was approved by the Minister of Law 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 latest amendment was documented in Notarial Deed No. 5 dated December 3, 2018, of Notary Fathiah Helmi, S.H., regarding the changes of some provisions in BRI's Articles of Association, which has been approved by the Minister of Law and Human Rights of the Republic of Indonesia's Decision Letter No. AHU-0028948.AH.01.02.Year 2018 dated December 6, 2018. This amendment has been approved and recorded in the Legal Entity Administration System by the Minister of Law and Human Rights of the Republic of Indonesia in accordance with its Acceptance Letter of PT Bank Rakyat Indonesia (Persero) Tbk's Articles of Association Amendment Notice No. AHU-AH.01.03-0272183 dated December 6, 2018.

According to Article 3 of the BRI's Articles of Association, BRI's scope of business is to conduct business in the banking sector and optimize the utilization of BRI's resources to produce high quality and highly competitive services to gain benefits in order to increase company value by implementing the principles of limited liability company.

BRI is owned by the Government of the Republic of Indonesia as the majority shareholder.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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 Addition of Capital Investment by the Republic of Indonesia in State-Owned Banks, BRI received in full the recapitalization with a nominal amount of Rp29,149,000 in the form of Government Recapitalization Bonds issued in 2 (two) stages 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 Minister of Finance and BRI, the Government determined that in order to achieve a Minimum Capital Adequacy Liability of 4%, BRI's recapitalization requirement is Rp29,063,531. Therefore, BRI has returned the excess recapitalization of Rp85,469 in the form of Government Recapitalization Bonds to the Republic of Indonesia on November 5, 2001.

On September 30, 2003, the Minister 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 as a result of the addition in capital investment during the Recapitalization Program for Commercial Banks. Based on the Decision Letter, the Minister of Finance determined that the final amount of BRI's recapitalization requirement is Rp29,063,531.

c. Initial Public Offering of Shares and Stock Split

In relation to BRI's Initial Public Offering (IPO), based on the registration statement dated October 31, 2003, the Government, through the Minister 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 option and over-allotment 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 the registration statement became effective based on the Chairman of Bapepam-LK Letter No. S-2646/PM/2003 dated October 31, 2003.

BRI's IPO consists of 3,811,765,000 shares with a nominal value of Rp500 (full Rupiah) per share and a sale price of Rp875 (full Rupiah) per share. Subsequently, over-subscription option of 381,176,000 shares and over-allotment option of 571,764,000 shares were exercised at 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-subscription option and the over-allotment option, the Republic of Indonesia owns 59.50% of BRI shares. On November 10, 2003, the offered shares started to be traded on 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 of Notary Fathiah Helmi, S.H., stock split was performed from a nominal value of Rp500 (full Rupiah) per share to Rp250 (full Rupiah) per share. The deed had been received and recorded in the Legal Entity Administration System database in accordance with the Ministry of Law and Human Rights of the Republic of Indonesia Letter No. AHU.AH.01.10-33481 dated December 29, 2010. The stock split was performed in 2011 and BRI scheduled the last day on which shares with a nominal value of Rp 500 (full Rupiah) would be traded in Regular Market and Negotiated Market was January 10, 2011 and the date of commencement of legitimate trade for shares with new nominal value of Rp250 (full Rupiah) was January 11, 2011.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

c. Initial Public Offering of Shares and Stock Split (continued)

Based on Notarial Deed No. 54 dated October 27, 2017 of Notary Fathiah Helmi, S.H., stock split was performed from a nominal value of Rp250 (full Rupiah) per share to Rp50 (full Rupiah) per share. The deed had been received and recorded in the Legal Entity Administration System database in accordance with the Ministry of Law and Human Rights of the Republic of Indonesia Letter No. AHU.AH.01.03-0187521 dated November 3, 2017. The stock split was performed in 2017 and BRI scheduled the last day on which shares with a nominal value of Rp 250 (full Rupiah) would be traded in Regular Market and Negotiated Market was November 9, 2017 and the date of commencement of legitimate trade for shares with new nominal value of Rp50 (full Rupiah) was November 10, 2017.

d. Treasury Stock

BRI, through its letter No. R.224-DIR/DIS/09/2015 dated September 25, 2015, submitted a request for OJK's approval on BRI's shares buyback for as many as Rp5,000,000, and it was approved by OJK through its letter No. S-101/PB.31/2015 dated October 6, 2015. Furthermore, BRI conveyed its information disclosure to the Indonesia Stock Exchange in regards to the buyback plan for shares previously issued and listed on the Stock Exchange for 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 January 12, 2016, BRI repurchased 221,718,000 shares (nominal value of Rp250 (full Rupiah) per share) with acquisition cost of Rp2,418,498.

On May 23 up to May 27, 2019, there were issuance of shares in relation to the bonus shares program for BRI employees (Note 31f) which are sourced from treasury stock. This has resulted to a reduction in treasury stock of 143,415,500 shares (nominal value of Rp50 (full Rupiah) per share) with a value of Rp2,182 (full Rupiah) per share or a total amount of Rp312,934.

e. Structure and Management

BRI's head office is located in BRI I Building, Jl. Jenderal Sudirman Kav. 44-46, Jakarta.

As of December 31, 2019 and 2018, BRI has the following networks of work unit (unaudited):

	December 31,	
	2019	2018
Regional Offices	19	19
Head Internal Audit Office	1	1
Regional Internal Audit Offices	19	19
Domestic Branch Offices	461	462
Special Branch Office	1	1
Overseas Branch/Representative Office	5	5
Domestic Sub-branch Offices	608	609
Overseas Sub-branch Offices	3	-
Cash Offices	952	964
BRI Unit	5.382	5.381
Teras and Teras Mobile	2.182	2.202
Floating Teras	4	3

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
As of December 31, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

e. Structure and Management (continued)

As of December 31, 2019, BRI has 3 (three) overseas branch offices located in the Cayman Islands, Singapore and Timor Leste, 2 (two) overseas representative offices located in New York and Hong Kong, and 8 (eight) subsidiaries, which are PT Bank BRIsyariah Tbk, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd. Hong Kong, PT Asuransi BRI Life, PT BRI Multifinance Indonesia, PT Danareksa Sekuritas, PT BRI Ventura Investama, and PT Asuransi Bringin Sejahtera Artamakmur.

As of December 31, 2018, BRI has 3 (three) overseas branch offices located in the Cayman Islands, Singapore and Timor Leste, 2 (two) overseas representative offices located in New York and Hong Kong, and 7 (seven) subsidiaries, which are PT Bank BRISyariah, PT Bank Rakyat Indonesia Agroniaga Tbk, BRI Remittance Co. Ltd. Hong Kong, PT Asuransi BRI Life and PT BRI Multifinance Indonesia, PT Danareksa Sekuritas and PT BRI Ventura Investama.

Based on the accounting policies of BRI, the coverage of BRI's key management are members of boards of commissioners, boards of directors, senior executive vice president, audit committee, remuneration committee, head of divisions, head of internal audit work units and inspectors, head of regional offices, head of special branch and head of branches. The number of BRI's employees as of December 31, 2019 and 2018 are 61,768 and 60,553 (unaudited), respectively.

The composition of the Board of Commissioners of BRI as of December 31, 2019 as appointed based on BRI's Annual General Meeting of Shareholders as stated in the Notarial Deed No. 1 of Notary Fathiah Helmi, S.H., dated September 02, 2019, and as of December 31, 2018 as appointed based on BRI's Extraordinary and Annual General Meeting of Shareholders as stated in the Notarial Deed No. 4 of Notary Fathiah Helmi, S.H., dated December 3, 2018, are as follows:

		December 31,	
		2019	2018
President/ Independent Commissioner	:	Andrinof A. Chaniago	Andrinof A. Chaniago
Vice President Commissioner	:	Wahyu Kuncoro*)	Gatot Trihargo
Independent Commissioner	:	A. Fuad Rahmany	A. Fuad Rahmany
Independent Commissioner	:	A. Sonny Keraf	A. Sonny Keraf
Independent Commissioner	:	Rofikoh Rokhim	Rofikoh Rokhim
Independent Commissioner	:	Hendrikus Ivo	Mahmud
Commissioner	:	Nicolaus Teguh Budi	Nicolaus Teguh Budi
		Harjanto	Harjanto
Commissioner	:	Hadiyanto	Hadiyanto
Commissioner	:	Loeke Larasati	Jeffry J. Wurangian
		Agoestina**)	

*) Effective until November 18, 2019

***) Effective after Financial Services Authority's approval on the Fit & Proper Test and in accordance with the prevailing regulations.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

e. Structure and Management (continued)

The composition of the Board of Directors of BRI as of December 31, 2019 as appointed based on BRI's Extraordinary General Meeting of Shareholders as stated in the Notarial Deed No. 1 of Notary Fathiah Helmi, S.H. dated September 2, 2019, as of December 31, 2018 as appointed based on BRI's Extraordinary and Annual General Meeting of Shareholders as stated in the Notarial Deed No. 4 of Notary Fathiah Helmi, S.H. dated December 3, 2018, are as follows:

	December 31,	
	2019	2018
President Director :	Sunarso	Suprajarto
Vice President Director :	Catur Budi Harto	-
Director :	Haru Koesmahargyo	Haru Koesmahargyo
Director :	Priyastomo	Priyastomo
Director :	Indra Utoyo	Indra Utoyo
Director :	Handayani	Handayani
Director :	Supari	Supari
Director :	Ahmad Solichin	Ahmad Solichin
Director :	Lutfiyanto	Lutfiyanto
Director :	Agus Sudiarto	Mohammad Irfan
Director :	Agus Noorsanto	Sis Apik Wijayanto
Director :	Herdy Rosadi	R. Sophia Alizsa
Director :	Harman	
Director :	Azizatun Azhimah	Osbal Saragi
Director :		Rumahorbo
Director :		Kuswiyoto

The composition of BRI's Audit Committee as of December 31, 2019 as appointed based on Directors' Decision Letter No. Kep.675-DIR/KHC/10/2019 dated October 8, 2019, and as of December 31, 2018 as appointed based on Commissioners' Decision Letter No. Kep. 07-KOM/10/2018 dated October 30, 2018, are as follows:

	December 31,	
	2019	2018
Chairman :	A. Fuad Rahmany	A. Fuad Rahmany
Member :	A. Sonny Keraf	A. Sonny Keraf
Member :	Rofikoh Rokhim	Rofikoh Rokhim
Member :	Pamuji Gesang Raharjo	Pamuji Gesang Raharjo
Member :	Sunuaji Noor Widiyanto	Sunuaji Noor Widiyanto
Member :	Hendrikus Ivo	I Gde Yadnya Kusuma
Member :	Handayani Wibowo	-

The Corporate Secretary of BRI as of December 31, 2019, is Hari Purnomo as appointed based on Letter No. R.397-DIR/KHC/07/2019 dated July 12, 2019, whereas, as of December 31, 2018, the Corporate Secretary is Bambang Tribaroto as appointed based on Letter No. R.13-DIR/KHC/01/2018 dated January 5, 2018

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

e. Structure and Management (continued)

Head of BRI's Internal Audit Unit as of December 31, 2019 is Hari Siaga Amijarso, as appointed based on Letter No. R.401-DIR/KHC/07/2019 dated July 15, 2019. Whereas, the Head of BRI's Internal Audit Unit as of December 31, 2018 and 2017, respectively, is Tri Wintarto, based on Directors' Decision Letter No. Kep. 427-DIR/KPS/05/2017 dated May 24, 2017.

f. Subsidiaries

PT Bank BRIsyariah Tbk (BRIS)

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 Extraordinary General Meeting of Shareholders, 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's shares and BRI have obtained the approval of Bank Indonesia based on 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 issued by BJA while 0.00125% of the shares 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 commercial bank into a commercial bank that conducts business activities based on sharia principles. Within 60 (sixty) days from the decision letter 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 letter date, BSB was obliged to settle all its loans and liabilities to debtors or customers 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 spin-off BRI's Sharia Business Unit ("UUS BRI") into BSB effective from January 1, 2009. The spin-off, as of the effective date, resulted in the following:

1. All assets and liabilities of UUS BRI owned by BRI, through legal transfer, were to become the rights or property of, liabilities of, or expenditures to be fulfilled by BSB, the receiving entity.
2. All UUS BRI's operations, business and activities were legally transferred to and thus, were operated for the benefit of, at the risks of loss of, and under the responsibility of BSB.
3. All UUS BRI's rights, claims, authorities and liabilities arising from any agreements, actions or events present, 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 were legally transferred to and thus, were operated for the benefit of, at the risks of loss of and under the responsibility of BSB.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)**

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank BRISyariah Tbk (BRIS) (continued)

Based on the Deed of Declaration on BSB Shareholders Decision No. 18 of Notary Fathiah Helmi, S.H., dated April 14, 2009, the name of PT Bank Syariah BRI was changed to PT Bank BRISyariah ("BRIS" or "BRISyariah"), and approved by Bank Indonesia based on Governor of Bank Indonesia's Decision Letter No. 11/63/KEP.GBI/DpG/2009 dated December 15, 2009.

Based on the Deed of Declaration on the Extraordinary General Meeting of PT Bank BRISyariah's Shareholders No. 8 dated January 8, 2018 of Fathiah Helmi, S.H., a Notary in Jakarta, the Articles of Association of BRIS has been amended regarding the increase in the authorized capital of BRIS to Rp7.5 trillion, consisting of 15 billion shares with a nominal value of Rp500 (full Rupiah) per share, and change of name from PT Bank BRISyariah to PT Bank BRISyariah Tbk. The amendment has obtained approval and notice of acceptance in the Legal Entity Administration System in accordance with the Minister of Law and Human Rights of the Republic of Indonesia's Letters No. AHU-0000386.AH.01.02.Year 2018 dated January 10, 2018 and No. AHU-AH.01.03-0009224 dated January 10, 2018. The Deed also included shareholders' approval on several other matters, which were:

1. BRIS' plan to raise funds from the public through Initial Public Offering (IPO).
2. Amendment to BRIS' Articles of Association, in order to become a Public Company, in accordance with laws and regulations in the Capital Market including Regulation No. IX.J.1, Regulation of the Financial Services Authority (POJK) No. 32/POJK.04/2014 with its amendments and POJK No. 33/POJK.04/2014.
3. The issuance of new shares in the course of the management and employees stock options program, maximum of 3% (three percent) of the issued and paid-up capital after the IPO is completed.

Based on Letter of Financial Service Authority (OJK) No. S.37/D.04/2018 dated April 30, 2018 regarding effective notification of PT Bank BRISyariah's IPO registration statement pursuant to the latest letter submitted to OJK No. S.B.147-PDR/04-2018 dated April 24, 2018, OJK did not require any additional information, had no further responses and the registration statement became effective.

BRIS' IPO (including Employee Stock Allocation) consists of 2,623,350,600 new shares, with a nominal value of Rp500 (full Rupiah) per share and a sale price of Rp510 (full Rupiah) per share. The offered shares started to be listed and traded on the Indonesian Stock Exchange on May 9, 2018. According to Government Regulations No. 29 Year 1999 regarding Commercial Bank Stock Purchase Article 4 Paragraphs 2 and 3, which stipulated that BRIS can only list its shares in the Stock Exchange at most 99% from its total shares, thus, 97,161,135 of BRIS' shares owned by BRI is not listed on the Stock Exchange, and therefore, BRIS' shares listed on the Stock Exchange totaled 9,618,952,363 shares. After BRIS' IPO, according to Letter No. DE/V/18-2545 dated May 24, 2018 from PT Datindo Entrycom, as Corporate Securities Administration Bureau, BRI owned 73.00% of BRIS' shares.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank BRIsyariah Tbk (BRIS) (continued)

BRIS' Articles of Association has been amended several times. The latest amendment was documented in the Deed of Declaration on PT Bank BRIsyariah Tbk's Annual General Meeting of Shareholders No. 27 dated July 17, 2019, of Fathiah Helmi, S.H., a Notary in Jakarta, among others regarding changes to the period of office terms for members of the Company's management, and other adjustments to the provisions of BRIS' Articles of Association that are relevant to the Company's activities. The amendment has been accepted and recorded in the Legal Entity Administration System in accordance with the Minister of Law and Human Rights of the Republic of Indonesia's Letter No. AHU-AH.01.03-0302291 dated July 23, 2019.

BRIS' shares ownership structure as of December 31, 2019 consists of BRI owning 73.00%, DPLK Bank Rakyat Indonesia-Sharia Shares owning 8.67%, and the public owning 18.33%.

According to Article 3 of BRIS' latest Articles of Association, the scope of BRIS' business is to conduct banking activities based on the sharia principles.

Total assets of BRIS as of December 31, 2019 and 2018 amounted to Rp43,165,484 and Rp37,926,776 or 3.05% and 2.92%, respectively, of the consolidated total assets.

Total fund management income for the years ended December 31, 2019 and 2018, amounted to Rp3,376,294 and Rp3,120,416 or 2.77% and 2.70%, respectively, of the consolidated total income from interest, sharia and premium.

BRIS has 3,098 and 2,941 employees (unaudited) as of December 31, 2019 and 2018, respectively.

BRIS' head office is located in Jl. Abdul Muis No. 2-4, Central Jakarta and has 57 branch offices and 215 sub-branch offices.

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro)

On August 19, 2010, BRI entered into a Sale and Purchase of Shares Agreement (PPJB) with Agricultural Estate Pension Fund (Dapenbun), which holds 95.96% of PT Bank Agroniaga Tbk ("Bank Agro") shares, to acquire Bank Agro's shares at a total nominal value of Rp330,296 for 3,030,239,023 shares, with a price of Rp109 (full Rupiah) per share. After the acquisition, the composition of shareholders would be 76% owned by BRI, 14% owned by Dapenbun and 10% owned by the public.

According to BRI's Extraordinary General Meeting of Shareholders, in accordance with Notarial Deed No. 37 dated November 24, 2010 of Notary Fathiah Helmi, S.H., shareholders approved the acquisition of Bank Agro. Bank Indonesia, in its Letter No. 13/19/GBI/DPIP/Rahasia dated February 16, 2011, also granted its approval for the acquisition of Bank 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 Bank Agro's total issued and fully paid shares, as stated in Notarial Deed No. 68 dated December 29, 2009, of Notary Rusnaldy, S.H. The above mentioned matter also considered the effects of Warrants Series I which are exercisable up to May 25, 2011.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

In compliance with Bapepam-LK's Regulation No. IX.H.1, Appendix to the Chairman of Bapepam-LK Decision Letter No. Kep-259/BL/2008 dated June 30, 2008 regarding the "Takeover of Public Company", BRI, as the new controlling shareholder of Bank Agro, had the obligation to execute Tender Offer on the remaining Bank 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 Bank 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 payback period of Tender Offer is within 2 (two) years. However, specifically for Bank Agro, BRI had the obligation to meet minimum public shareholding of 10% at no later than May 24, 2013. This is to comply with the Letter from the Indonesia Stock Exchange No. S-06472/BEI.PPJ/09-2011 dated September 23, 2011. As of December 31, 2011, 500,000 of Bank Agro shares have been successfully sold back to the public resulting in BRI's ownership of 79.78% and Dapenbun's of 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 the requirement of Indonesia Stock Exchange stated on its letter No. S-06472/BEI.PPJ/09-2011 dated September 23, 2011, to have a minimum public shareholding of 10% by May 24, 2013 due to the inactivity of Bank Agro's share price in the capital market.

Based on the Notarial Deed of Meeting Decision Statement 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 nominal value of Rp100 (full Rupiah) per share. On June 26, 2013, the Board of Commissioners of OJK through its letter No. S-186/D.04/2013, approved the Registration Statement of 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 Deed of Meeting Decision Statement 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 Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0074249.AH.01.09.Year 2013 dated August 1, 2013.

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 nominal value of Rp100 (full Rupiah) 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 Registration Statement of Limited Public Offering V has become effective, thus increasing the number of its issued capital stock by 4,028,934,521 shares.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

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 in the Legal Entity Administration System by the Minister of Law 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 Additional Capital with Preemptive Rights of 3,845,996,122 Common Shares at most with nominal value of Rp100 (full Rupiah) 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 Registration Statement of Limited Public Offering VI has become effective, thus increasing the number of its issued capital stock by 3,845,996,122 shares. The period to convert Warrants Series II into BRI Agro shares at Rp130 (full Rupiah) per share is 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 to be at 87.23%, Dapenbun's to be at 7.08% and public's to be at 5.69%. This amendment was accepted and recorded in the Legal Entity Administration System by the Minister of Law 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.

Up to June 11, 2018 (the ending period of warrants conversion), total warrants converted into shares are 612,937,654 shares, thereby increasing BRI Agro's capital stock by Rp61,294.

On May 2, 2017, BRI Agro submitted Registration Statement of Limited Public Offering VII ("PUT VII") to the Board of Commissioners of OJK in connection with the issuance of Additional Capital with Preemptive Rights of 2,515,555,707 common shares at most with nominal value of Rp100 (full Rupiah) per share. On June 12, 2017, the Board of Commissioners of OJK through its letter No. S-293/D.04/2017 notified BRI Agro that its Registration Statement of Limited Public Offering VII has become effective, thus increasing the number of its issued capital stock by 2,515,555,707 shares.

As a result of PUT VII, BRI Agro's Articles of Association was amended as stated in Notarial Deed of Decision Meeting Statement No. 19 dated July 21, 2017, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital, resulting in BRI's ownership to be at 87.16%, Dapenbun's to be at 6.44% and the public's to be at 6.39%. This amendment was accepted and recorded in the Legal Entity Administration System by the Minister of Law 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.01.03-0154825 dated July 21, 2017.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Bank Rakyat Indonesia Agroniaga Tbk (BRI Agro) (continued)

On July 16, 2018, BRI Agro submitted Registration Statement of Limited Public Offering VIII ("PUT VIII") to the Board of Commissioners of OJK in connection with the issuance of Additional Capital with Preemptive Rights of 5,001,089,604 common shares at most with nominal value of Rp100 (full Rupiah) per share. On August 30, 2018, the Board of Commissioners of OJK through its letter No. S-113/D.04/2018 notified BRI Agro that its Registration Statement of Limited Public Offering VIII has become effective, thus increasing the number of its issued capital stock by 2,889,085,049 shares.

As a result of PUT VIII, BRI Agro's Articles of Association was amended as stated in Notarial Deed of Decision Meeting Statement No. 1 dated October 2, 2018, of Notary M. Nova Faisal, S.H., M.Kn, regarding the increase in issued and fully paid capital. This amendment was accepted and recorded in the Legal Entity Administration System by the Minister of Law 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.01.03-0249178 dated October 4, 2018.

BRI Agro's Articles of Association has been amended several times. The latest amendment was documented in Notarial Deed of Decision Meeting Statement No. 23 dated May 8, 2019 of Notary M. Nova Faisal, S.H., M.Kn, among others regarding the changes to Article 11 and Article 14 of BRI Agro's Articles of Association concerning terms of office for members of the Board of Directors and Board of Commissioners, and adjustments to several articles in BRI Agro's Articles of Association that are relevant to the company's activities. This amendment has been approved by the Minister of Law and Human Rights of the Republic of Indonesia and registered in its Decree No. AHU-0024948.AH.01.02.Year 2019 dated May 10, 2019.

Total assets of BRI Agro as of December 31, 2019 and 2018 amounted to Rp27,145,044 and Rp23,327,019 or 1.92% and 1.80%, respectively, of the consolidated total assets. Total interest income for the years ended December 31, 2019 and 2018 amounted to Rp2,054,867 and Rp1,660,449 or 1.69% and 1.43%, respectively, of the consolidated total income 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 has obtained its license as a commercial bank based on Bank Indonesia Letter No. 22/1037/UUps/Ps6D dated December 26, 1989.

BRI Agro has 469 and 512 employees (unaudited) as of December 31, 2019 and 2018, respectively.

BRI Agro's head office is located in BRI Agro Building, Jl. Warung Jati Barat No. 139, Jakarta, and has 18 branch offices and 20 sub-branch offices.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

BRI Remittance Co. Limited Hong Kong (BRI Remittance) (continued)

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 in full (equivalent to 1,600,000 shares) at a purchase price of HKD1,911,270. This acquisition was legalized by the Hong Kong Inland Revenue Department (IRD) 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. Limited Hong Kong.

Total assets of BRI Remittance as of December 31, 2019 and 2018 amounted to Rp7,070 and Rp6,865 or 0.0005% and 0.0005%, respectively, of the consolidated total assets.

BRI Remittance's scope of business is to conduct remittance services for Indonesian migrant workers and other operational services related to BRI's accounts owned by BRI customers domiciled in Hong Kong in accordance with stipulations permitted by Hong Kong authorities.

BRI Remittance has 6 employees (unaudited) as of December 31, 2019 and 2018, respectively.

BRI Remittance's head office is located in Shop 3 G/F, 24-36 Causeway Road, Causeway Bay, Hong Kong.

PT Asuransi BRI Life (BRI Life)

On October 6, 2015, BRI signed a 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 of Rp1,627 billion. Based on BRI's Extraordinary General Meeting of Shareholders in accordance with Deed No. 14 dated December 14, 2015 of Notary Fathiah Helmi, S.H., the shareholders have approved the acquisition of 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 Acquisition of PT Asuransi Jiwa Bringin Jiwa Sejahtera Shares Deed No. 41 of Notary Fathiah Helmi, S.H., whereby BRI has 91.001% of BRI Life issued shares and 8.999% of it was granted to the BRI Employee Welfare Foundation.

Based on Notarial Deed No. 31 dated February 23, 2017, of Notary Dahlia, S.H., surrogate of Fathiah Helmi, S.H., a notary in Jakarta, the name of PT Asuransi Jiwa Bringin Jiwa Sejahtera was changed into PT Asuransi BRI Life and according to the Decision of the Board of Commissioners of OJK No. KEP-140/NB.11/2017 dated March 20, 2017, BRI Life obtained the business license in life insurance in relation to the change of company name.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Asuransi BRI Life (BRI Life) (continued)

BRI Life's Articles of Association has been amended several times. The latest amendment was documented in the Notarial Deed No. 03 dated April 16, 2019, of Notary Nanda Fauz Iwan, S.H., M.Kn, Notary in Jakarta, regarding changes to the articles in the Company's Articles of Association to conform with the Articles of Association of the Controlling Shareholders and its direction regarding changes to the articles in the Company's Articles of Association in the context of adjustments to the Articles of Association and the direction of the Controlling Shareholders, as well as the provisions of the applicable legislation. This amendment to the articles of association has been accepted and recorded in the Legal Entity Administration System of the Ministry of Law and Human Rights of the Republic of Indonesia in accordance with the Letter of Acceptance of the Amendment to the Articles of Association of PT Asuransi BRI Life No. AHU-AH.01.03-0247589 on May 14, 2019.

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 insurance sector in accordance with statutory provisions.

BRI Life started its operation on January 1, 1989 based on the Decision Letter of the Minister of Finance of the Republic of Indonesia No. KEP-181/KMK.13/1988 dated October 10, 1988.

BRI Life obtained its license to open its branches and sharia-principled units based on the Minister of Finance Decision Letter No. KEP-007/KM/6/20013 dated January 21, 2003.

Total assets of BRI Life as of December 31, 2019 and 2018 amounted to Rp11,101,981 and Rp9,384,976 or 0.78% and 0.72% of the consolidated total assets. Total premium income for the years ended December 31, 2019 and 2018 amounted to Rp5,182,891 and Rp4,380,817 or 4.25% and 3.78%, respectively, of the consolidated total income from interest, sharia and premium.

BRI Life has 556 and 530 employees (unaudited) as of December 31, 2019 and 2018, respectively.

BRI Life's head office is located in Graha Irama Building 15th floor, Jl. H.R Rasuna Said Blok X-1 Kav. 1 and 2, Jakarta, and it has 6 Customer Care Center offices with a total of 30 Customer Care offices.

PT BRI Multifinance Indonesia (BRI Finance)

On July 12, 2016, BRI signed a Conditional Shares 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 with 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 as stated in Notarial Deed No. 75, of Fathiah Helmi, S.H., a notary in Jakarta, where BRI owned 99% of the total shares issued by PT BRI Multifinance Indonesia (BRI Finance) and BRI's Employee Welfare Foundation (Yayasan Kesejahteraan Pekerja BRI) owned the remaining 1%. As a result of the acquisition of BRI Finance, BRI recorded goodwill amounting to Rp51,915 in "Other Assets".

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT BRI Multifinance Indonesia (BRI Finance) (continued)

Based on the Notarial Deed 'Statement of Decision Outside of the Annual General Meeting of Shareholders No. 67', dated September 15, 2016, of I Gede Buda Gunamanta, S.H., a notary in Jakarta, the name PT BTMU-BRI Finance was changed into PT BRI Multifinance Indonesia, and in accordance with Board of Commissioners of OJK Decision No. KEP-771/NB.11/2016 dated October 17, 2016, with regards to the change of name, BRI Finance obtained the business license in financing industry for the Business License previously granted to PT Sanwa-BRI Finance, which then changed its name to PT UFJ-BRI Finance and PT BTMU-BRI Finance.

BRI Finance's Articles of Association has been amended several times. The latest amendment as set forth in the Deed of the Decision of the Meeting of PT BRI Multifinance Indonesia No.237 dated April 23, 2019, made before I Gede Buda Gunamanta, SH, a Notary domiciled in South Jakarta, which was approved by the Minister of Law and Human Rights based on a Letter Decree No.AHU-0023113.AH.01.02.Year 2019 dated April 29, 2019, and notification of the amendment has been received and recorded in the Legal Entity Administration System Ministry of Law and Human Rights based on Letter No.AHU-AH.01.03-0223685 dated 29 April 2019, and has been announced in State Gazette of the Republic of Indonesia Number 81 dated October 8, 2019, Additional State Gazette Number: 35668/2019, among others, related to changes in the seat of BRI Finance from the original in Central Jakarta to South Jakarta, changes in the provisions in the Company's Articles of Association in order to comply with the provisions of Law No. 40 of 2007 concerning Limited Liability Companies, Financial Services Authority Regulation No. 35 / POJK.05 / 2018 concerning the Operation of a Financing Company Business, and follow-up on the directives of the Controlling Shareholders for adjustments to the Company's Articles of Association in accordance with the provisions of the prevailing laws and regulations.

The next amendment to the Articles of Association is as set forth in the Deed of Statement on Decision Outside the General Meeting of Shareholders No. 31 dated 13 August 2019, made before H. Feby Rubein Hidayat, SH, Notary in Jakarta, which had been approved by Minister of Law and Human Rights based on Decree No.AHU-0061721.AH.02.T 2011 on 30 August 2019, and notification of the amendment has been received and recorded in the Legal Entity Administration System of the Ministry of Law and Human Rights based on Letter No. AHU-AH.01.03-0323609 dated August 30, 2019, among others, regulating the increase in authorized capital, issued capital and paid-in capital of BRI Finance.

According to Article 3 of its Articles of Association, BRI Finance's scope of business is to conduct financing activities.

Total assets of BRI Finance as of December 31, 2019 and 2018 amounted to Rp4,616,468 and Rp3,626,760 or 0.33% and 0.28%, respectively, of the consolidated total assets. Total interest income for the years ended December 31, 2019 and 2018 amounted to Rp454,217 and Rp298,737 or 0.37% and 0.26%, respectively, of the consolidated total income from interest, sharia and premium.

BRI Finance has 465 and 262 employees (unaudited) as of December 31, 2019 and 2018, respectively.

BRI Finance's head office is located in Lippo Kuningan Building, 11th floor, Jl. H.R. Rasuna Said Kav. B-12, South Jakarta, and has 10 branches and 12 marketing offices.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT BRI Ventura Investama (BRI Ventures)

On June 29, 2018, BRI signed the Conditional Sale and Purchase of Shares Agreement of PT Sarana Nusa Tenggara Timur Ventura ("Sarana NTT Ventura") with PT Bahana Artha Ventura ("BAV") to takeover all BAV's share ownership of Sarana NTT Ventura so BRI's share ownership is 97.61%, with a purchase price of Rp3,090, and have obtained the approval of the Board of Commissioners of BRI as the representative of the shareholders through its Letter No. R. 67-KOM/09/2018, dated September 26, 2018, and of OJK through its Letter No. S-112/PB.31/2018 dated September 25, 2018. The shares takeover was effective on December 20, 2018 as stated in the Deed Sale and Purchase of Shares No. 70, of Ashoya Ratam, S.H., M.Kn, a notary in South Jakarta, where BRI owned 97.61% of the total shares issued by PT BRI Ventura Investama (formerly known as Sarana NTT Ventura).

Based on the Deed of Declaration on the Extraordinary General Meeting of Shareholders Decision No. 74, dated November 14, 2018, of Zantje Mathilda Voss Tomasowa, S.H., M.Kn, a Notary in Kupang, the name of PT Sarana Nusa Tenggara Timur Ventura was changed into PT BRI Ventura Investama ("BRI Ventures"), along with the change of Company's domicile from Kupang to Jakarta. This amendment has been approved by the Ministry of Laws and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0030398.AH.01.02.Year 2018, dated December 14, 2018. In accordance with Members of the Board of OJK Commissioners' Decision No. KEP-189/NB.11/2019 dated April 1, 2019, with regard to the change in the company name, BRI Ventures has obtained the enactment of business license in venture capital business previously granted to PT Sarana Nusa Tenggara Timur Ventura.

BRI Ventures' Articles of Association have been amended several times, most recently related to capital increase based on the Resolution of the Extraordinary General Meeting of Shareholders on July 26, 2019. Shareholders agreed to increase the Company's authorized capital from Rp250,000,000,000 (full amount) to Rp2,000,000,000,000 (full amount). This decision was recorded in Notarial Deed No. 79 dated July 26, 2019 by Notary Ashoya Ratam, S.H., M.Kn. This amendment deed has been approved in accordance with the Decree of the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0043576.AH.01.02. year 2019 on 30 July 2019.

According to Article 3 of its Articles of Association, BRI Ventures' scope of business is to conduct venture capital activities including management of venture funds, fee based service activities and other business activities with OJK's approval, and venture capital activities in the form of equity capital in a business partner and or debtor who has productive business and/or ideas for productive business development.

Total assets of BRI Ventures as of December 31, 2019 and 2018 amounted to Rp1,514,486 and Rp7,204 or 0.11% and 0.0006%, respectively, of the consolidated total assets.

BRI Ventures has 8 employees (unaudited) as of December 31, 2019 and 2018, respectively.

BRI Ventures' head office is located in District 8 Office SCBD, Prosperity Tower 16th floor Unit F, Jalan Jenderal Sudirman No 52-53, Kebayoran Baru, South Jakarta.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Danareksa Sekuritas

On September 27, 2018, BRI signed a Conditional Sale and Purchase of Shares Agreement with PT Danareksa (Persero) to takeover part of the shares ownership of PT Danareksa Sekuritas ("Danareksa Sekuritas") from PT Danareksa (Persero) and to gain 67% ownership, with a purchase price of Rp446,888, and have obtained the approval from OJK based on its Letter No. S-1496/PM.21/2018 dated December 21, 2018. The takeover was effective on December 21, 2018, as stated in the Deed of Shares Takeover No. 53, of Masjuki, S.H., surrogate of M. Nova Faisal, S.H., M.Kn, a notary in Jakarta, where BRI owned 67% and PT Danareksa (Persero) owned 33% of Danareksa Sekuritas' total shares.

Danareksa Sekuritas' Articles of Association has been amended several times. The amendment adjusting its Articles of Association with Law No. 40 year 2007 regarding the Limited Liability Company and the increase in authorized capital and issued and paid-up capital of Danareksa Sekuritas, was stated in the Notarial Deed No. 91 dated August 12, 2008, of Notary Imas Fatimah, S.H. This amendment has been approved by the Minister of Law and Human Rights of the Republic of Indonesia through its Decision Letter No. AHU-83282.AH.01.02.Th.2008, dated November 10, 2008 and has been published in Supplement No. 9870 of the Republic of Indonesia State Gazette No. 28, dated April 7, 2009.

In 2017, there were amendments to the purposes and objectives of Danareksa Sekuritas in accordance with Article 3 of the Articles of Association as stated in the Notarial Deed No. 1, dated July 5, 2017 of Ffidiana, S.H., S.S., M.Kn. This amendment had been approved by the Minister of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-0013998.AH.01.02.Year 2017 dated July 7, 2017.

The latest amendment as set forth in Deed No. 141 dated November 26, 2019, which was made before Jose Dima Satria, SH, Notary in Jakarta, included changes to the Articles 3 regarding the purposes and objectives of the Company in the context of adjusting to the Standard Classification Indonesian Business Fields (KBLI 2017), changing the address of Danareksa Sekuritas offices, and changes in the composition of the Board of Commissioners. This amendment has received approval for amendments to the Articles of Association of the Minister of Law and Human Rights Republic of Indonesia No. AHU-0100724.AH.01.02. year 2019 and the Letter of Acceptance of Notification of Changes in Company Data No. AHU-AH.01.03-0367703 dated December 3, 2019.

In accordance with Article 3 of Danareksa Sekuritas' Articles of Association, the scope of its activities comprises underwriting, securities brokerage, and other supporting business activities determined and/or approved by OJK.

Danareksa Sekuritas obtained its business license as a securities broker and an underwriter from the Chairman of the Capital Market Supervisory Agency in accordance with its Decision Letters No. KEP-291/PM/1992 dated October 16, 1992 and No. KEP-292/PM/1992 dated October 16, 1992.

As part of its licensing, Danareksa Sekuritas has obtained approval of supporting business activities as Arranger of Medium Term Notes (MTN), Negotiable Certificates of Deposit (NCD), Hybrid Product as Perpetuity Notes, syndicated loans, Global Medium Term Notes (GMTN), Global Bonds and Financial Advisory from Financial Services Authority (OJK) based on its Letter No. S-143/PM.21/2017 dated March 16, 2017

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

1. GENERAL (continued)

f. Subsidiaries (continued)

PT Danareksa Sekuritas (continued)

Total assets of Danareksa Sekuritas as of December 31, 2019 and 2018 amounted to Rp1,082,544 and Rp869,102 or 0.08% and 0.07%, respectively, of the consolidated total assets.

Danareksa Sekuritas has 199 and 197 employees (unaudited) as of December 31, 2019 and 2018, respectively.

Danareksa Sekuritas' head office is located in BRI Tower II 23th floor, Jalan Jenderal Sudirman Kav 44-46, Jakarta and has 9 branches, 12 booths and 3 partnerships.

PT Asuransi Bringin Sejahtera Artamakmur (BRINS)

On June 20, 2019, BRI signed a Conditional Share Sale and Purchase Agreement ("PPJBSB") with BRI Pension Funds in order to acquire 90% shares of BRI Pension Fund shares in PT Asuransi Bringin Sejahtera Artamakmur ("BRINS"), at a purchase price of Rp1,040,000,000,000.00 and has received approval from OJK through letter No. S-135/NB.1/2019 dated September 16, 2019. This transfer of shares was completed on September 26, 2019, as stated in the Deed of Shares Takeover No. 31 made before Dina Chozie, SH., a replacement notary from Fathiah Helmi, SH., Notary in Jakarta, where BRI owns 90% of the total shares of PT Asuransi Bringin Sejahtera Artamakmur (BRINS) and 10% is owned by the Workers Welfare Foundation (YKP) BRI.

The Articles of Association of PT Asuransi Bringin Sejahtera Artamakmur (BRINS) have been amended several times. The latest amendment is set out forth in Deed No. 02 dated November 29, 2019, made by Tri Wahyuwidayati, SH., M.Kn., Notary in Jakarta, regarding the amendment to the Articles of Association. This change has been received and recorded in the Legal Entity Administration System by the Minister of Law and Human Rights of the Republic of Indonesia in the Letter of Acceptance of the Amendment to the Articles of Association of PT Asuransi Bringin Sejahtera Artamakmur (BRINS) No. AHU-AH.01.03-0366691 dated November 29, 2019. In accordance with the provisions of Article 3 of the Articles of Association, the scope of activities of PT Asuransi Bringin Sejahtera Artamakmur (BRINS) business is to conduct business in the general insurance sector, make and close agreements of general insurance, including agreements, reinsurance, except life insurance.

The Company obtained its license to do general insurance business on August 26, 1989 through the Decree of the Ministry of Finance of the Republic of Indonesia No. Kep-128 / KM.13 / 1989 concerning the granting of a business license in the field of loss insurance to PT Asuransi Bringin Sejahtera Artamakmur (BRINS).

Total assets of PT Asuransi Bringin Sejahtera Artamakmur (BRINS) as of December 31, 2019 and 2018 amounted to Rp2,581,543 and Rp2,390,394 or 0.18% and 0.18% of the consolidated total assets, respectively.

PT Asuransi Bringin Sejahtera Artamakmur (BRINS) has 479 employees (unaudited) as of December 31, 2019.

Its head office is located in Graha BRINS, Jl. Mampang Prapatan Raya No. 18, Jakarta Selatan, and it has 22 Branches, 1 Sharia Branches, 8 Marketing Representative Offices, 2 Sharia Marketing Representative Office, 45 Marketing Channels and 11 Sharia Marketing Offices.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES

a. Basis of preparation of the consolidated financial statement

The consolidated financial statement as of and for the 12 month period ended December 31, 2019, is 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 statement has been prepared in accordance with Statements of Financial Accounting Standards (SFAS) No. 1 (2015 Amendment), "Presentation of Financial Statements about Disclosures Initiative".

BRIS (subsidiary), which is engaged in banking activities based on sharia principles, presents its financial statements in accordance with SFAS No. 101 on "Sharia Financial Statements Presentation", SFAS No. 102 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 (Revised 2015) on "Accounting for Sukuk", SFAS No. 111 on "Accounting for *Wa'd*" and the Indonesia Sharia Banking Accounting Guidelines (PAPSI Revised 2013) issued by Bank Indonesia and Indonesian Institute of Accountants (IAI).

The consolidated financial statement has been presented 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 statement has 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 by classifying cash flows into operating, investing and financing activities. For the 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, Bank Indonesia Certificates and Bank Indonesia Deposit Certificates 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 statement is the Indonesian Rupiah (Rp) which is also the functional currency of every entity in the group except the entity certain subsidiaries and branch office that have a functional currency of the United State Dollar, Singapore Dollar and Hong Kong Dollar. Unless otherwise stated, all figures presented in the consolidated financial statement are rounded off to millions of Rupiah.

b. Principles of Consolidation

The consolidated financial statement includes the financial statements of BRI and its subsidiaries whose majority of shares are owned or controlled by BRI.

When control over a subsidiary began or ceased during the period, the results of operations of a subsidiary are included in the consolidated financial statement limited only to the results from the date that control was acquired or up to the date that control has ceased.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

b. Principles of Consolidation (continued)

Control is acquired when BRI is exposed, or has the rights of variable returns from its involvement in a subsidiary and has the ability to affect those returns through its power over the subsidiary.

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 the returns of a subsidiary).
- b) Exposure or right of variable returns from its involvement in a subsidiary.
- c) The ability to use its power over the subsidiary to affect BRI's returns.

Business combination transactions between entities under common control are recorded based on SFAS No. 38 (Revised 2012) "Business Combination of Entities Under Common Control", in which the difference between the acquisition cost paid and the carrying value of net assets acquired is recorded in additional paid-in capital in equity. Based on SFAS No. 38 (Revised 2012), the elements of the financial statement of the merging entities, for the period the business combination of entities under common control occurred and for the presented comparative periods, are presented as if the business combination had occurred from the beginning of the period the entities are under common control.

All significant intercompany balances and transactions, including unrealized gain or loss, are eliminated to reflect the financial position and results of BRI and subsidiaries' operations as a single entity.

The consolidated financial statement is prepared using uniform accounting policies for similar events and transactions in identical circumstances. If the subsidiaries' financial statements use accounting policies that are different from those adopted in the consolidated financial statement, then appropriate adjustments are made to the subsidiaries' financial statements.

The non-controlling interest are stated at 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 and notes receivable, Government Recapitalization Bonds, securities purchased under agreement to resell, derivatives receivable, loans, sharia receivables and financing, finance lease receivables, acceptances receivable, investment in associated 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 and marketable securities.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(i) Classification

BRI classifies its financial assets into the following categories at initial recognition:

- Financial assets at fair value through profit or loss, which has 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. financial liabilities designated as such upon initial recognition and financial liabilities 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.

Classes of financial assets and liabilities measured at fair value through profit or loss consist of financial assets and liabilities held for trading which BRI acquired or owned especially for the purpose of sale or repurchase in the near future, or holds as part of a certain financial instrument portfolio that is managed together to obtain short-term profit or position taking.

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market, except those which:

- BRI intends to sell immediately in the near future, which are classified as held for trading and those upon initial recognition designated as fair value through profit or loss;
- At initial recognition designated as available-for-sale investments; or
- In the event that BRI may not recover substantially all of its initial investment, except due to loans and receivables deterioration, which are classified as available-for-sale.

Held-to-maturity investments consist of non-derivative financial assets with fixed or determined payments and fixed maturity that BRI has the positive intention and ability to hold the financial assets to maturity. Investments intended to be held for an undetermined period are not included in this classification.

Available-for-sale investments consist of non-derivative financial assets that are designated as available-for-sale or are not classified as one of the other categories of financial assets.

After initial measurement, available-for-sale investments are measured at fair value with gains or losses 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 are restated for available-for-sale investments and 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 initial recognition of the liabilities.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ii) Initial recognition

- a. Purchase or sale of financial assets that requires transfer of assets within a time frame specified by regulations or conventions 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 are additional costs that would not occur if the financial 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, transaction costs are deducted from the amount of debt recognized in the initial recognition of a liability. These transaction costs are amortized over the life of the instrument based on the effective interest rate method and recorded as part of interest income for transaction costs related to the financial asset or as part of interest expense for transaction costs related to financial liabilities.

BRI, upon initial recognition, may designate certain financial assets as at fair value through profit or loss (fair value option). The fair value option can only be applied when the following conditions are met:

- The determination as at fair value option reduces or eliminates an accounting mismatch that would arise; or
- The financial assets are part of a financial instruments portfolio that the risk 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 does not meet the criteria for hedge accounting. Otherwise, the loans would be recorded 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. The fair value option is also applied to structured investments that include embedded derivatives.

(iii) Subsequent measurement

Available-for-sale financial assets and financial assets and financial liabilities measured 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.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(iv) Derecognition

a. Financial assets are derecognized when:

- The contractual rights to receive cash flows arising from the financial assets have expired; or
- BRI has transferred its rights to receive cash flows arising from the financial assets or has assumed an obligation to pay the cash flows received in full without significant 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 the risks and rewards of the assets, but has transferred control of the assets.

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 or has not transferred the 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 longer a realistic prospect of repayment or the normal relationship between BRI and the debtors has ended. These uncollectible loans, are written off against the related allowance for impairment losses.

b. Financial liabilities are derecognized when they end, i.e. when the liabilities under the contract is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same creditor on a substantially different terms, or the terms of an existing liability are substantially modified, then the exchange or modification is treated as derecognition of the initial 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 expense on available-for-sale assets and financial assets and financial 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 financial liabilities measured at fair value through profit or loss are recognized in the consolidated statement of profit or loss and other comprehensive income.
- c. Gains and losses arising from changes in the fair value of financial assets classified as available-for-sale are recognized directly in equity, except for gains or losses due to changes in the exchange rate of monetary items, derecognition or impairment of the financial asset.

When a financial asset is derecognized or impaired, the cumulative gains or losses previously recognized in equity should be recognized in the consolidated statement of profit or loss and other comprehensive income.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(vi) Reclassification of financial assets

BRI is not allowed to reclassify any financial instrument from measured at 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.

BRI is not allowed to classify any financial assets as held-to-maturity investments, if BRI, during the current period or during the 2 (two) preceding years, has sold or reclassified more than an insignificant amount of held-to-maturity investments before maturity (more than an insignificant amount compared to the total amount of held-to-maturity investments) except those sales or reclassifications:

- a. Done when the financial asset is nearing maturity or the financial asset's repurchase date that changes in the interest rate would not significantly affect the financial asset's fair value;
- b. Occured after BRI has obtained substantially all of the principal amount of the financial assets' in accordance with the repayment schedule or BRI has obtained an accelerated settlement; or
- c. Are attributable to certain events that are beyond BRI's control, are non-recurring and can not be 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 recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business, event of default, or bankruptcy of the entity over all the counterparties.

Income and expenses are presented on a net basis only when permitted by the Financial Accounting Standards.

(viii) Amortized cost measurement

The amortized cost of a financial asset or financial liability is the amount of the financial asset or financial liability measured at initial recognition, less principal repayments, plus or minus the cumulative amortization using the effective interest rate method calculated from the difference between the amount at initial recognition and the amount at maturity, less any 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.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(ix) Fair value measurement (continued)

The fair value measurement is based on the assumption that the transaction to sell an asset or 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 best economic interest.

The fair value measurement of non-financial assets considers the 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 that would use the asset in its highest and best use.

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 statement are classified within a fair value hierarchy, based on the lowest input level significant to the overall fair value measurement:

- Level 1: quoted prices (unadjusted) 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.

For assets and liabilities recognized in the consolidated financial statement on a recurring and basis, BRI determines whether transfers have occurred between levels in the hierarchy re-assesses the categories (based on the lowest input level significant to the fair value measurement) at the end of each reporting period.

For the fair value disclosures purposes, BRI has determined the 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 Assets

In accordance with SFAS No.110 (Revised 2015), BRI determines investment in sukuk *ijarah* and *mudharabah* as follows:

a. Measured at acquisition cost

- The investment is held in a business model whereby the primary purpose is to obtain contractual cash flows and there are contractual terms in determining the specific date of principal payments and/or the results.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

c. Financial assets and financial liabilities (continued)

(x) Sukuk Financial Assets (continued)

In accordance with SFAS No.110 (Revised 2015), BRI determines investment in sukuk *ijarah* and *mudharabah* as follows (continued):

a. Measured at acquisition cost (continued)

- Sukuk acquisition cost includes transaction cost and the difference between the 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.

b. Measured at fair value through other comprehensive income

- The investment is held in a business model whereby the primary purpose is to obtain contractual cash flows and to sell the sukuk, and there are 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 over the period of the sukuk and is recognized in profit or loss.
- Gains or losses from changes in the fair value is recognized in other comprehensive income after considering the difference between acquisition cost and unamortized nominal value and accumulated gain or loss of fair value previously recognized in other comprehensive income. When sukuk investment is derecognized, the accumulated gain or loss 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 the fair value and the carrying amount 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 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 is controlled by, or is 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 related entity with BRI and subsidiaries;
- 3) it is a joint venture in which BRI and subsidiaries have ventured in;
- 4) it is a member of key management personnel in BRI and subsidiaries or the parent entity;
- 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.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

d. Transactions with related parties (continued)

Transactions with related parties are made on the same terms and conditions as those transactions with third parties. All transactions done by BRI have complied with Capital Market and Financial Institution Supervisory Agency Regulation No. IX.E.1 regarding "The Affiliate Transactions and Conflict of Interest of Certain Transactions", at the time the transactions were made. All material transactions and balances with related parties are disclosed in the relevant notes to the consolidated financial statement and the details have been presented in Note 44 of the consolidated financial statement. Furthermore, material transactions and balances between BRI and subsidiaries and the Government of the Republic of Indonesia 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 statement of financial position reporting date, BRI assesses whether there is an objective evidence that financial assets not measured at fair value through profit or loss are impaired.

Financial assets are impaired when an objective evidence shows that a loss event has occurred after the initial recognition of the financial 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 objective evidence of impairment loss are as follows:

- a) Significant financial difficulty of the issuer or obligor;
- b) A breach of contract, such as the occurrence of default or arrears of principal or interest payments;
- c) The creditor, for economic or legal reasons related to the debtor's financial difficulties, grants concession to the debtor that is unlikely granted if the debtor does not experience such difficulties;
- d) It becomes probable that the debtor will be declared bankrupt or carry out other financial reorganization;
- e) The disappearance of an active market for the 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 correlated with the defaults on the assets in the portfolio.

The estimated period between the occurrence of the event and the identification of loss is determined by management for each identified portfolio. In general, the period used vary between 3 (three) months and 12 (twelve) months, and in certain cases, a longer period is required.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

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, regardless of whether the financial asset is significant or not, then BRI includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses the group for impairment. Financial assets that are individually assessed for impairment and for which an impairment loss has been or continues to be recognized, are not included in the collective assessment of impairment.

BRI determines the loans to be evaluated for impairment individually if one of the following criteria is met:

1. Loans which individually have significant value and there is an objective evidence of impairment;
2. Restructured loans which individually have significant value.

Based on the above criteria, BRI performs individual assessment for: (a) Loans that have significant value in accordance with BRI's policy with collectibility classification of substandard, doubtful and loss; or (b) Restructured loans that have significant value in accordance with BRI's policy.

BRI determines loans to be evaluated for impairment collectively 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.

Based on the above criteria, BRI performs collective assessment for: (a) Loans that have significant value in accordance with BRI's policy with collectibility classification of current and special mention which have never been restructured; or (b) Loans that have insignificant value in accordance with BRI's policy.

The calculation of allowance for impairment losses on financial assets assessed collectively is grouped based on similar credit risk characteristics and taking into account the loan segmentation based on historical loss experience and the probability of default. For loans that have historical loss data and information that is categorized as 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 relevant associated risk factors based on the survey conducted periodically to external parties and BRI's internal parties.

BRI uses the migration analysis method, which is a statistical analysis method to collectively assess allowance for impairment losses on loans. BRI uses moving average from a minimum of 3 (three) years historical data in computing the Probability of Default (PD) and the Loss of Given Default (LGD).

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

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 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 the present value of estimated future cash flows discounted using the financial assets original effective interest rate. If loans or held-to-maturity securities and Government Recapitalization Bonds have variable interest rate, the discount rate used to measure any impairment loss is the prevailing effective interest rate determined under the contract.

As a practical guideline, BRI may measure impairment based on the instrument's fair value by 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 of collateral less costs for obtaining and selling the collateral, regardless of whether the foreclosure is likely to occur or not.

Losses that occurred are recognized in the consolidated statement of profit or loss and other comprehensive income and recorded in allowance for impairment losses account as a deduction to the financial assets carried at amortized cost.

Interest income of the impaired financial assets continues to be recognized using the rate of interest used to discount the future cash flows in measuring the impairment loss. When an event subsequent to the impairment causes the amount of impairment loss to decrease, the impairment loss previously recognized must be recovered and the recovery is recognized in the consolidated statement of profit or loss and other comprehensive income.

For financial assets classified as available-for-sale, BRI assesses on each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A significant or prolonged decline in the fair value of the investment in the equity instrument below its acquisition cost is an objective evidence of impairment and results in the recognition of an impairment loss.

Impairment losses on available-for-sale securities are recognized by transferring the cumulative loss that has been recognized directly in equity to the consolidated statement of profit or loss and other comprehensive income. The cumulative loss transferred from equity and recognized in the consolidated 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 financial asset's 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 equity instrument investments classified as available-for-sale should not be recovered through a reversal of a previously recognized impairment loss in the current period consolidated statement of profit or loss and other comprehensive income.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Allowance for impairment losses on financial assets (continued)

If in the subsequent period, the fair value of debt instrument classified as available-for-sale increases and the increase can be objectively related to an event that occurred after the impairment loss was recognized in the consolidated statement of profit or loss and other comprehensive income, the impairment loss has to be recovered 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 modified because of financial difficulties of the debtor or issuer, then the impairment is measured using the initial effective interest rate before the modification of terms.

If in the subsequent period, the amount of impairment losses is decreased and the decrease can be objectively related to an event that occurred after the recognition of the impairment losses (e.g. debtor's or issuer's collectibility upgrade), the impairment loss that was previously recognized has to be recovered, by adjusting the allowance account. The recovered amount of financial assets is recognized in the current period 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. The recoveries of written-off financial assets from previous years are recorded as operating income other than interest income.

The minimum allowance to be provided in accordance with Bank Indonesia Regulation are 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.

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. Placement with Bank Indonesia and other banks

Placements with Bank Indonesia and other banks consist of fund placements in Bank Indonesia such as Deposit Facility, Term Deposit and Sharia Deposit Facility whereas fund placements with other banks represent placements of funds in the form of placements in money market (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.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

h. Securities and Government Recapitalization Bonds

Securities consist of securities traded in the money and capital market such as Bank Indonesia Certificates, Bank Indonesia Deposit Certificates, Sharia Bank Indonesia Certificates, *Sukuk* Bank Indonesia, Government bonds, promissory notes, subordinated bonds, mutual fund units, Medium-Term Notes, U.S Treasury Bonds, Singapore Government Securities, Negotiable Certificates of Deposit, Monetary Authority of Singapore (MAS) bills 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 currencies obtained 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 related to BRI's recapitalization and Government Recapitalization Bonds purchased from the secondary market.

Securities and Government Recapitalization Bonds are initially presented 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 valuation of securities and Government Recapitalization Bonds is based on the classification as follows:

- 1) Held-to-maturity securities and Government Recapitalization Bonds are recorded at amortized cost using the effective interest rate method. BRI does not classify securities and Government Recapitalization Bonds as held-to-maturity financial assets if BRI, during the current year or during the 2 (two) preceding years, has 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 (Revised 2014) which is applicable in the relevant period.
- 2) Securities and Government Recapitalization Bonds classified as trading (fair value through profit or loss) are stated at fair value. Gains and losses arising 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 must be recognized in the consolidated statement of profit or loss and other comprehensive income.

i. Export bills and notes receivables

Export bills represent export bills negotiated on a discounted basis and pledged by other banks, while notes receivable are bills or billing documents in the form of drafts/bills of exchange to the collectible parties/drawee on the basis of discount or a certain financing. Export bills and notes receivable are stated at amortized cost less allowance for impairment losses. Export bills and notes receivable are classified as loans and receivables.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

j. Loans

Loans represent the granting of money or other similar form of receivables under agreements or borrowing and lending commitments with debtors, whereby the debtors are required to repay their debts after a specified period of time in return for interest.

Loans are initially measured at fair value plus transaction costs that are directly attributable and incremental costs to obtain the financial assets and after the initial recognition, are measured at amortized cost using the effective interest rate method less allowance for impairment losses.

Loans are classified as loans and receivables.

Syndicated loans are stated at the loans' principal amount to the extent of the risks borne by BRI.

Loans are written-off when there is no realistic prospect of collections in the future and all collateral have been sought to be realized or foreclosed. The uncollectible loans are written-off against the allowance for impairment losses. Subsequent payment of loans that was written-off are credited to the allowance for impairment losses in the consolidated statement of financial position.

k. Sharia receivables and financing

Financing/receivable based on sharia principles is provision of money or other similar form of receivables arising from transactions based on sale or purchase arrangements and profit sharing between BRIS and other parties for a certain period of time. These receivables consist of *murabahah* receivables, *istishna* receivables and *qardh*, and financing consists of *mudharabah* financing 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 customers that are sold with a principle price plus a given margin that is mutually informed and agreed. Payments on this financing is made in installments for a specified period of time.

Murabahah receivables are initially measured at fair value plus directly attributable transaction costs and is the additional cost to obtain the financial assets and after the initial recognition, are measured at amortized cost using the effective margin method less allowance for impairment losses.

Mudharabah is a joint financing contract between BRIS as the owner of the funds (*shahibul maal*) and the customer as a business executor (*mudharib*) for a certain period of time. The profit sharing from the project or 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 existing financing quality.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

k. Sharia receivables and financing (continued)

Musarakah is a partnership contract among capital owners (*musarakah* partners) to joint the capital and conduct a business on a joint basis through partnership with an agreed profit-sharing *nisbah*, while the losses are borne proportional to the capital contribution. On the statement of financial position date, *musarakah* financing is stated at the outstanding financing balance less allowance for impairment losses which is provided based on the management's review on the existing financing quality.

Istishna is a sale and purchase contract between *al-mustashni* (buyer) and *al-shani* (manufacturer who also act 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 sell them at the agreed price. *Istishna* receivables are stated at outstanding term billings to final buyer less allowance for impairment losses. Deferred *istishna* margin are stated as contra account of *istishna* receivables.

Qardh is the granting of funds or other similar form of receivables based on an agreement or deal between the borrower and the lender that requires the borrower to repay the debts after a certain period of time. *Qardh* financing are stated at outstanding financing balance less allowance for impairment losses based on the management's review on the existing financing quality.

l. Finance lease receivables

Determining whether an arrangement is a lease agreement or an agreement containing leases is based on the substance of the agreement at lease 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 if the lease transfer substantially all the risks and rewards related to the ownership of the asset. A lease is classified as operating lease if the lease does not transfer substantially all the risks and rewards that relate to the ownership of the asset.

Finance lease receivables are recognized at the net investment which is the fair value less administrative income and plus transaction cost (if any) that is 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 finance lease receivables plus the residual value which will be received at the end of the lease term less deferred finance lease income and collateral deposit. The difference between the gross receivable amount 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 are accepted by the accepting banks.

Acceptances receivable and payable are stated at amortized cost. Acceptances receivable are presented net of allowance for impairment losses.

Acceptance receivables are classified as loans and receivables. Acceptance payables are classified as financial liabilities measured at amortized cost.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

n. Investment in associated entities

BRI's investments in its associated entities are measured using the equity method. An associated entity is an entity in which BRI has significant influence or share ownership more than 20% of the voting rights. The initial recognition of investments in associated entities are recognized at acquisition cost and the carrying amount is added or deducted to recognize BRI's portion of profit or loss of the associated entities after the acquisition date. BRI's portion of profit or loss of the associated entities is recognized in profit or loss of BRI. Receipt of distributions from associated entities reduces 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. If there is any change recognized directly in the equity of the associated entities, BRI recognizes its share of these changes and discloses this, when applicable, in the 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 applying the equity method, BRI determines whether it is necessary to recognize additional impairment loss on BRI's investment in its associated entities. BRI determines at each reporting date whether there is any objective evidence indicating that the investment in the associated entities is impaired. In this case, BRI calculates the amount of impairment as the difference between the recoverable amount of the investment in the associated entities and its carrying value, and recognizes it 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) less allowance for impairment losses.

o. Premises and equipment

Premises and equipment are initially recognized at acquisition cost, which comprises its purchase price and additional costs directly attributable to 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 stated at acquisition cost less accumulated depreciation and impairment losses.

Premises and equipment acquired in exchange for a non-monetary asset or 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 the assets received or the assets given up cannot be measured reliably.

Depreciation of an asset begins when it is ready for its intended use and is calculated using the straight-line method based on the estimated economic useful lives of use the assets as follows:

	<u>Years</u>
Buildings	15
Motor vehicles	5
Computers and machineries	3 - 5
Furniture and fixtures	5
Satellite	15

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

o. Premises and equipment (continued)

Premises and equipment valuation is carried out on the impairment and possible impairment of the fair value of asset if an event or change in circumstances indicates that the carrying amount may not be fully realized.

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 is recognized in profit or loss in the year of the derecognition.

The residual values, useful lives and depreciation methods are evaluated at the end of each year and adjusted prospectively, if necessary.

Land is initially stated at acquisition cost and not depreciated. Subsequent to initial recognition, land is measured at fair value at the revaluation date less any accumulated impairment losses after the revaluation date. Valuation of land is performed by appraisers with professional qualifications, and is conducted periodically to ensure that the carrying amount does not differ materially from its fair value at the end of the reporting period (Note 17).

If the fair value of the revalued asset experiences significant and fluctuating changes, it has to be revalued annually, whereas if the fair value of the revalued asset does not experience significant and fluctuating changes, it has to be revalued once every 3 (three) years.

Increase in the carrying amount arising from revaluation is recorded in "Revaluation Surplus arising from Premises and Equipment" and presented in other comprehensive income. However, the increase is recognized in profit or loss, to the extent of the amount of impairment of the same assets due to revaluation previously recognized in profit or loss. A decrease in the carrying amount arising from the revaluation is recognized in profit or loss.

Maintenance and repair expenses are charged to profit or loss when incurred. Restoration and addition expenses in significant amounts are capitalized to the carrying amount of the related premises and equipment when it is probable that the future economic benefits exceeded the predefined initial performance standard and are depreciated over the remaining useful life of the related premises and equipment.

Assets under construction are stated at cost, including capitalized borrowing costs and other costs incurred regarding the financing of the assets under constructions. The accumulated costs will be reclassified to the appropriate "Premises and Equipment" account when the construction is completed and the assets are ready for their intended use. Assets under construction are not depreciated as these are not yet available for use.

The legal cost of landrights 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 acquisition cost of the land under the "Premises and Equipment" account. The legal extension or renewal costs of landrights are recognized as intangible assets and amortized over life of the legal rights or the economic life of the land, whichever is shorter.

p. Impairment of Non-Financial Assets

BRI assesses, at the end of each reporting period, whether there is an indication that an asset may be impaired. If any such indication exists, or when the testing at the reporting date, impairment is required for a certain 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), then BRI will make an estimate of the asset's recoverable amount.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

p. Impairment of Non-Financial Assets (continued)

The specified recoverable amount for an individual asset is the higher amount between an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal, and its value in use, unless the asset does not generate cash inflows that are largely independent from other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and the asset's carrying amount is reduced to its recoverable amount. Impairment losses from 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 the current market assessments of the time value of money and the risks specific to the asset.

In determining the fair value less costs of disposal, refer to SFAS No. 68, "Fair Value Measurements" (Note 2c).

Impairment losses from continuing operations, if any, are recognized in the consolidated statement of profit or loss and other comprehensive income in accordance with expense categories that are consistent with the functions of the impaired assets.

q. Foreclosed collaterals

Foreclosed collaterals regarding the settlement of loans (presented in "Other Assets") are recognized at net realizable values or the carrying amount of the loans, 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 as provisions for allowance for possible losses on loans in the current year. The difference between the value of the foreclosed collateral and the proceeds from the sale are recognized as a gain or loss at the time of sale of the collateral.

BRI evaluates the value of foreclosed collaterals periodically. The allowance for losses on foreclosed collaterals is assessed based on the impairment of the foreclosed collaterals.

Reconditioning costs arising after the foreclosure of the collateral are capitalized in the accounts of the foreclosed collaterals.

r. Prepaid expenses

Prepaid expenses are amortized over the 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. Liabilities due immediately is classified as financial liabilities and measured at amortized cost.

t. Deposits from customers and other banks and financial institutions

Demand deposits are funds deposited by customers whereby the withdrawal can be done at any time using a check, or through transfer with a bank draft or other forms of payment order. Demand deposits are stated at the amount due to the account holder.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

t. Deposits from customers and other banks and financial institutions (continued)

Wadiah demand deposits are third party fund deposits available for returns 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.

Mudharabah demand deposits are customer funds investment that can be withdrawn in accordance with the agreed payment order method. *Mudharabah* demand deposits are recorded at BRIS' liabilities.

Saving deposits are the funds deposited by customers which can only be withdrawn under certain agreed conditions. Saving deposits are stated at the amount due to the account holders.

Wadiah saving deposits are funds deposited by customers in BRIS, which the customers entrust and can withdraw at any time. BRIS is not required to provide rewards in return for deposits, unless the rewards are in the form of voluntary bonus. *Wadiah* saving deposits are stated at BRIS' liabilities.

Mudharabah saving deposits are funds deposited by third parties which earn a share of BRIS' profits for the management of funds based on a predetermined and pre-agreed *nisbah*. *Mudharabah* saving deposits are recorded at the customers' deposit balance.

Time deposits are funds deposited by customers that can be withdrawn only at a certain time as agreed by the depositor and BRI and BRI Agro. Time deposits are stated at the nominal amount stated in the certificates of deposit or at the amount stated in the agreement.

Mudharabah time deposits are third party deposits which can only be withdrawn at a certain time as agreed by the *mudharabah* time deposit holder and BRIS. *Mudharabah* time deposits are stated at the nominal amount as agreed by the time deposit holders 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 with promissory notes with a term of up to 90 (ninety) days and stated at the amount due to other banks and financial institutions.

Deposits from customers and other banks and financial institutions are classified as 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' liability amount to customers. Additional costs directly attributable to the acquisition of deposits from customers are deducted from the amount of the deposits received.

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 amount less any unamortized interest and allowance for impairment losses. The difference between the purchase price and the resale price is treated as deferred 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.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

u. Securities purchased under agreement to resell and securities sold under agreement to repurchase (continued)

Securities sold under agreement to repurchase

Securities sold under agreement to repurchase are presented as financial liabilities in the consolidated statement of financial position, at the repurchase amount less any unamortized prepaid interest. The difference between the sale price and the repurchase price is treated as prepaid expense 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.

v. Marketable securities issued

The marketable securities issued are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method. The amortized cost is calculated by taking into account any discount or premium related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

w. Fund borrowings

Fund borrowings represent funds received from other banks, Bank Indonesia or other parties with a repayment obligation in accordance with the terms of the borrowing agreements.

Fund borrowings are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method. The amortized cost is calculated by taking into account any discount or premium related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

x. Subordinated loans and marketable securities

Subordinated loans and marketable securities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate (EIR) method, while for BRIS (subsidiary) measures the amortized cost using the straight line method. The amortized cost is calculated by taking into account any discount or premium related to the initial recognition and transaction costs that are an integral part of the effective interest rate.

y. Provisions

Provisions are recognized when BRI and subsidiaries have a current obligation (both legal or constructive) that, as a result of past events, the settlement of these obligations will likely result in an outflow of resources that contain economic benefits and a reliable estimation of the amount of the obligation can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the most current best estimation. If the outflow of resources to settle the obligation is unlikely to occur, the provision is reversed.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

z. 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 interest rate that precisely discounts the estimated future cash payments or receipts during the expected life of the financial asset or financial liability (or, if more precise, a shorter period) to obtain the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, BRI and subsidiaries estimate the future cash flows by considering all contractual terms in the financial instruments except the future credit losses.

This calculation includes all commissions, 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 a financial asset or group of similar financial assets have been impaired as a result of impairment losses, then the interest income subsequently obtained is recognized based on the interest rate used to discount the future cash flows in calculating the impairment losses.

aa. Fees and commissions income

Fees and commissions income directly related to lending activities, or fees and commissions income related to a specific period of time, 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 income not related to the lending activities or a specific period of time and/or related to provision of a service, are recognized as income at the time that the transaction occurred and recorded in other operating income account.

ab. Sharia income and expense

Sharia income consists of income from *murabahah*, *istishna* and *ijarah* receivables 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.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

ab. Sharia income and expense (continued)

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 by considering all contractual terms in the financial instrument, except the future credit losses. This calculation includes all commissions, fees and other forms received by the parties in the contract that are inseparable from the effective margin, transaction costs and all other premiums or discounts.

Mudharabah and *musyarakah* profit sharing income are recognized upon receipt or in a period when the right of profit sharing occurred in accordance with the agreed profit-sharing portion (nisbah).

ac. Premium income and claim expense

Premiums of short-term insurance contracts are recognized as income within the contract period in accordance with the proportion of the amount of the insurance protection provided. Premiums of non short-term insurance contracts are recognized as income when due from the policyholders. Premiums received prior to the issuance of insurance policies or premium due date are recorded as premium deposit.

Premiums related to investment contract and the amount of financial risk component of insurance contract are recorded as 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 paid or on the date when the policy becomes effective.

Insurance claims and benefits are approved claims. These claims and benefits are recognized as expense when the liabilities to cover the claims are incurred. A portion of claims from the reinsurers is recognized and recorded as reinsurance claim in the same period as the recognition of claim expenses.

Insurance claims and benefits related to investment contract and the amount of financial risk component of insurance contract are recorded as withdrawal through the consolidated statement of financial position as an adjustment to the investment contract liabilities accounts.

ad. Insurance and investment contract liabilities and reinsurance

Insurance contract liabilities

a. Liabilities for future policy benefits

Liabilities for future policy benefits represent the present value of estimated payments of all the agreed benefits including all the available options, the estimated present value of all costs incurred and also considering the future premium receipt. Liabilities for future policy benefits represent liabilities of non short-term insurance contracts.

The increase in liability for future policy benefits is recognized as expense in the profit or loss for the year, while the decrease in liability for future policy benefits is recognized as income in the profit or loss for the year. The liabilities are derecognized when the contract has expired, discharged or cancelled.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

ad. Insurance and investment contract liabilities and reinsurance (continued)

Insurance contract liabilities (continued)

b. Estimated claim liabilities

Estimated claim liabilities represents claims in the settlement process which are determined based on the estimated loss from claims that are still in settlement process at the consolidated statement of financial position date, including claims that have incurred but not 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 has expired, discharged or cancelled.

c. Unearned premium

Unearned premium represent part of the premiums that were already received but not yet earned, because the insurance coverage period were not yet due at the end of the year. Unearned premium represents liabilities of short-term insurance contract.

Unearned premium is calculated individually from each coverage, where the amount determined proportionally to the amount of protection provided during the coverage period or risk period, consistent with the recognition of short-term insurance premium income.

The increase in unearned premium is recognized as expense in the profit or loss for the year, while the decrease in unearned premium is recognized as income in the profit or loss for the year. The liabilities are derecognized when the contract has expired, discharged or cancelled.

Investment contract liabilities

Investment contract liabilities represent liabilities that are calculated on investment contract (including the amount of financial risk component in separated insurance contract) using the valuation principle in accordance with SFAS No.55 (Revised 2014). Deposits and withdrawals related to the investment contract (including the amount of financial risk component in separated insurance contract) are recorded directly as an adjustment to the investment contract liabilities in the consolidated financial statement and are not recorded as premium income in the profit or loss. Except for deposits and withdrawals, all changes in investment contract liabilities are recognized in the profit or loss for the year. The liabilities are derecognized when the contract has expired, discharged or cancelled.

Reinsurance

BRI Life (subsidiary) cedes insurance risk in the normal course of business for each of its business lines.

The benefits of BRI Life on reinsurance contracts owned are recognized as reinsurance assets. These assets consist of receivables that depend 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 consistently with approved claims related to the reinsurer's policies and in accordance with the related reinsurance contract.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

ad. Insurance and investment contract liabilities and reinsurance (continued)

Reinsurance (continued)

BRI Life reinsures a portion of risk of the expectation of obtained coverage to other insurance and reinsurance companies. The amount of the premium paid or the premium portion of the prospective reinsurance transaction is recognized as reinsurance premium over the reinsurance contract period proportional to the protection provided. Payment or obligation for retrospective reinsurance transaction is recognized as reinsurance receivable in the equivalent amount to the recorded liability related to the reinsurance contract.

Reinsurance assets include balances expected to be paid by the reinsurance companies for ceded liability for future policy benefits, ceded estimated claim liabilities, and ceded unearned premium. The amounts of benefits borne by the reinsurers are estimated consistently with the liability associated with the reinsurance policy.

BRI Life presents reinsurance assets separately as assets of future policy benefit liabilities, unearned premium, and estimated claim liabilities.

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 the whole amount because it is under the terms of the contract, and the impact of the amount to be received from the reinsurer can be measured reliably.

If the 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 other party.

ae. 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 the services are rendered. Short-term benefits are calculated using undiscounted amounts.

Defined contribution pension plan

Defined contribution pension plan is the contribution to pension fund at a certain percentage of salaries of employees who are participants of BRI's defined contribution pension plan. The contribution is accrued and recognized as expense when services have been rendered by the qualified employees and actual payments are deducted from the contribution payable. Contribution payable is measured using undiscounted amounts.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

af. Employee benefits (continued)

Defined benefit plan and other long-term employee benefits

The post-employment benefits and other long-term employee benefits such as gratuity for services, grand leaves and BPJS post-employment health program are accrued and recognized as expense when services have been rendered by these employees. The benefits are determined based on BRI's policy and the minimum requirements of Labor Law No. 13/2003.

The post-employment benefits and other long-term employee benefits are determined using the Projected Unit Credit Method by an actuary.

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 are included in the net interest on liabilities (assets).
- (iii) Any change in the impact of the asset limit, excluding amounts that are included in the net interest on the liabilities (assets).

Remeasurement of net defined benefit liabilities (assets) is recognized as other comprehensive income which is not reclassified to profit or loss in the subsequent period.

For other long-term employee benefits, the current service cost, the net interest expense on net defined benefit liabilities (assets), and the remeasurement of net defined benefit liabilities (assets) are recognized immediately in the current period consolidated statement of profit or loss and other comprehensive income.

Past service costs are recognized as expense at the earlier date between the occurrence of the amendment or curtailment program and when the restructuring or severance costs are recognized, therefore, unvested past service cost can no longer be deferred and recognized over the future vesting period.

af. Stock option

The stock compensation cost at the issuance date is calculated based on the fair value of the stock options and recognized in "Salaries and Employee Benefits Expense" based on the cliff-vesting scheme using the straight-line method over the vesting period. The accumulation of stock compensation cost is recognized as "Stock Option" in equity.

The fair values of the stock options are assessed using the Black-Scholes option pricing model.

ag. Earnings per share

Basic earnings per share is calculated by dividing the income for the year attributable to the Parent Entity (BRI) with the weighted average number of issued and fully paid shares during the related year.

Diluted earnings per share is calculated after making the necessary adjustments to the weighted average number of ordinary shares outstanding.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

ah. Foreign currency transactions and balances

BRI and its subsidiaries maintain their accounting records in Indonesian Rupiah. Transactions involving foreign currencies are recorded at the prevailing exchange rates at the time of the transactions. As of December 31, 2019 and 2018, 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 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,	
	2019	2018
1 United States Dolar	13,882.50	14,380.00
1 Great Britain Pound Sterling	18,238.14	18,311.50
1 Japanese Yen	127.81	130.62
1 European Euro	15,570.61	16,440.66
1 Hong Kong Dollar	1,782.75	1,836.28
1 Saudi Arabian Riyal	3,701.00	3,833.50
1 Singaporean Dollar	10,315.05	10,554.91
1 Malaysian Ringgit	3,391.77	3,476.79
1 Australian Dollar	9,725.39	10,162.35
1 Renminbi	1,994.18	2,090.57
1 Thailand Baht	465.16	443.62
1 Swiss Franc	14,336.99	14,595.28
1 Canadian Dollar	10,639.97	10,560.72
1 Bruneian Dollar	10,290.96	10,453.24
1 Danish Krone	2,083.37	2,201.84
1 South Korean Won	12.02	12.92
1 New Zealand Dollar	9,335.29	9,659.05
1 Papua New Gueinean Kina	4,047.54	4,270.90
1 United Arab Emirates Dirham	3,779.66	3,914.90
1 Swedish Krone	1,487.05	1,605.04
1 Norwegian Krone	1,579.16	1,653.52
1 Indian Rupee	194.74	206.12
1 Philippine Peso	274.09	273.85
1 Pakistani Rupee	1.99	1.99
1 Taiwanese Dollar	464.19	471.51
1 Vietnamese Dong	0.60	0.62

ai. Translation of the financial statements of Overseas Branch and Representative Offices

BRI has 1 (one) Subsidiary in Hong Kong, 3 (three) branch offices in Cayman Islands, Singapore and Timor Leste and 2 (two) representative offices in New York and Hong Kong which are considered as separate foreign entities.

For consolidated financial statement purposes, all accounts of subsidiary, overseas branch and representative offices are translated into Rupiah with the following exchange rates:

- Assets and liabilities, as well as commitments and contingencies - use Reuters spot rates at 4.00 p.m. WIB on the statement of financial position date.
- Income, expenses, gains and losses - use the average middle rate prevailing in the related month. The year-end balances is the sum of the monthly balances of income, expenses, gains and losses during the year.
- Equity - Capital Stock and Additional Paid-in Capital use historical rates.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

aj. Translation of the financial statements of Overseas Branch and Representative Offices (continued)

- Statement of cash flows - using the Reuters spot rates at 4.00 p.m. WIB on the statement of financial position date, except for the profit and loss accounts which use middle rates and equity accounts which use historical rates.

The difference arising from the translation process of the financial statements are presented in equity as "Differences Arising from The Translation of Foreign Currency Financial Statements".

aj. Derivatives Instruments

Derivatives financial instruments are assessed 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.

The fair value of derivatives instruments are determined based on discounted cash flows and pricing models or quoted prices from the brokers of other instruments with similar characteristics, which refers to SFAS No. 68: "Fair Value Measurement" (Note 2c).

ak. Taxation

Current tax expense is determined based on the estimated taxable income for the current year. Deferred tax assets and liabilities are recognized for temporary differences between the commercial and the fiscal reporting of assets and liabilities at each reporting date.

Deferred tax assets are recognized for all deductible temporary differences and uncompensated tax loss balance to the extent that it is probable that the temporary differences and uncompensated tax loss balance will be utilized to deduct the future taxable profit.

The carrying value of deferred tax assets is reviewed at each financial position date and is reduced if 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 based on the tax rates that are expected to apply on the year when the asset is realized or the liability is settled based on the tax regulations that have been enacted or substantively enacted at the statement of financial position date. The tax effect related to 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 the net income or loss for the year, except for transactions previously charged or credited directly to equity.

Amendments to tax obligations are recorded when the tax assessment is received or, if an appeal is submitted, when the decision on the appeal is determined.

For each of the consolidated entity, the tax effects on temporary differences and accumulated tax loss, which can be either asset or liability, are presented in the net amounts for each of the entity.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

ak. Taxation (continued)

Assets and liabilities on deferred tax and current tax can be offset if there is a legal enforceable right to offset.

al. Segment information

A segment is a distinguishable component of the Business Group engaged either in providing certain products (operational 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.

The segment income, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on an appropriate basis to that segment. The segment items are determined before intercompany balances and transactions are eliminated as part of consolidation process.

BRI and subsidiaries present operational segments based on the internal consolidated report that is presented to the Board of Directors as the operational decision maker.

BRI has identified and disclosed financial information based on main business (operational segments) classified into micro, retail, corporate and others as well as subsidiaries, and based on geographical segments.

The geographical segment includes provision of products or services within a particular economic environment with different risks and returns compared to other operating segments in other economic environments. BRI's geographical segments are Indonesia, United States of America, Hong Kong, Singapore and Timor Leste.

am. Use of significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statement for BRI and subsidiaries requires management to make judgments, estimates and assumptions that affect the reported amounts of income, 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 material adjustments to the carrying amounts of the assets and liabilities in the subsequent reporting periods.

Judgments

The following judgments are made by management in applying BRI and subsidiaries' accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statement for BRI and subsidiaries, as follows:

Classification of financial assets and liabilities

BRI and subsidiaries' management determines the classifications of certain assets and liabilities as financial assets and financial liabilities by considering if they meet the definition set forth in SFAS No. 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are recognized in accordance with BRI and subsidiaries' accounting policies disclosed in Note 2c.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

am. Use of significant accounting judgments, estimates and assumptions (continued)

Fair value of financial instruments

All assets and liabilities in which fair value is measured or disclosed in the consolidated financial statement are classified within fair value hierarchy, based on the lowest level of input that is significant to the overall fair value measurement:

- Level 1: quoted prices (unadjusted) 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.

Held-to-maturity investment

Securities under held-to-maturity classification require significant judgment. In making this judgment, BRI and subsidiaries evaluate their intention and ability to hold the investments to maturity. If BRI and subsidiaries fail to hold these investments to maturity other than in certain circumstances, for example, selling an insignificant amount close to maturity, BRI and subsidiaries will be required to reclassify the entire portfolio as available-for-sale securities. The available-for-sale securities would be measured at fair value and not at amortized cost.

Contingencies

The management of BRI and subsidiaries are currently involved in legal proceedings. The estimates of the probable cost for the settlement of claims have been developed through consultation with the aid of the legal consultant of BRI and subsidiaries and are based on the analysis of potential results. BRI and subsidiaries' 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 effectiveness of the strategies related to these proceedings.

Estimates and Assumptions

The key assumptions concerning the future and other key sources for estimation uncertainty at the reporting date that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities for the subsequent year are disclosed below. BRI and subsidiaries based its assumptions and estimates used on the parameters available when the consolidated financial statement were prepared.

Assumptions and circumstances regarding future developments may change due to market changes or circumstances arising beyond the control of BRI and subsidiaries. These changes are reflected in the assumptions used when they occur.

Allowance for impairment losses on loans, sharia receivables and financing and finance lease receivables

The management of BRI and subsidiaries review its loans, sharia receivables and financing and finance lease receivables portfolio to assess impairment on an annual basis by updating the allowance for impairment losses formed during the required period based on the continuing analysis and monitoring of individual accounts by the loan officers. In determining whether impairment loss should be formed 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 could be individually identified in the portfolio.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

am. Use of significant accounting judgments, estimates and assumptions (continued)

Estimates and Assumptions (continued)

Allowance for impairment losses on loans, sharia receivables and financing and finance lease receivables (continued)

This evidence may include observable data indicating that there has been adverse change in the payment status of the borrower group, or national or local economic conditions that correlate with the default on assets in the group. BRI and subsidiaries use estimates in determining the amount and timing of future cash flows when determining the level of allowance for impairment losses required. These estimates are based on assumptions of several factors and actual results may differ resulting in changes in the amount of allowance for impairment losses in the future.

Impairment of securities

The management of BRI determines that securities are impaired based on the same criteria as for financial assets recorded at amortized cost.

Revaluation of Fixed Assets

Revaluation of fixed assets depends on the selection of assumptions used by independent appraisals in calculating these amounts. These assumptions include: the discount rate, the exchange rate, the inflation rate and the rate of increase in income and costs. Although Bank believes that the assumptions are reasonable and appropriate, a significant difference in the assumptions set by the Bank could materially affect the value of the revalued fixed assets.

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 will be available to be compensated against the losses that can be used. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, in accordance with the timing and amount of future taxable income in line with tax planning strategies. BRI reviews its deferred tax assets at each statement of financial position 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 benefits

The cost of defined pension plan and other post employment benefits is determined using actuarial valuations. The actuarial valuation involves the use of assumptions regarding 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, then the estimates are subject to significant uncertainty.

Estimated claim liability

Estimated claims liability is a liability set aside to provide for the incurred and still in the settlement process claims liability arising from insurance policies in force. BRI's management judgment is required to determine the recognizable amount of estimated claims liability.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

am. Use of significant accounting judgments, estimates and assumptions (continued)

Estimates and Assumptions (continued)

Liabilities for future policy benefits

BRI records long-term insurance contract liabilities using the present value method of estimated payment for all agreed benefits including all the available options plus the present value of all estimated expenses that will be incurred and considering the future receipt of premium. The main assumption underlying this method is the past claim experience and discount rate.

an. Allowance for impairment losses on non-earning assets and commitments and contingencies

In accordance with Letter of Bank Indonesia (BI) No. 13/658/DPNP/IDPnP 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 transactions (commitments and contingencies), but the management of BRI 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 determines the impairment losses at the lower amount between the carrying amount and the fair value after deducting the cost of disposal.

For commitments and contingencies with credit risk, BRI and BRI Agro determine the allowance for 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 for the guarantee becomes probable).

ao. Changes in accounting policies and disclosures

BRI and its subsidiaries have applied the following accounting standards starting January 1, 2019, which are considered relevant to the consolidated financial statement, specifically:

- a. IFAS No. 33, "Foreign Exchange Transaction and Advance", clarifies the use of transaction date to determine the exchange rate used in the initial recognition of the related asset, expense or income at the time the entity has received or paid advance consideration in the foreign currency.
- b. IFAS No. 34, "Uncertainty over Income Tax Treatments", clarifies and provide guidance in reflecting the uncertainty over income tax treatments in the financial statement.
- c. SFAS No. 24 (2018 Amendment), "Employee Benefits regarding Amendments, Curtailments, or Completion of Programs", provides clearer guidance for entities in recognizing past service costs and net interest after amendments, curtailments, or completion of programs because they use the latest actuarial assumptions (previously using actuarial assumptions at the beginning of annual reporting period). In addition, the amendment to SFAS No. 24 also clarifies how the accounting requirements for amendments, curtailments, or program completion can affect the asset boundary requirements as seen from the reduction in surplus which cause the impact of the asset to change.

The application of the above SFAS does not result in significant changes to financial reporting and disclosures in the consolidated financial statement.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

3. CASH

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
Rupiah		28,967,663		26,155,113
<u>Foreign currency</u>				
United States Dollar	38,527,373	536,692	34,541,940	496,713
Saudi Arabian Riyal	57,243,340	238,289	82,420,172	315,958
Singaporean Dollar	14,446,667	149,018	17,361,429	183,248
European Dollar	6,010,554	93,588	3,460,220	56,888
Australian Dollar	7,716,345	75,044	9,900,880	100,616
Malaysian Ringgit	17,058,205	57,858	4,810,352	16,725
Japanese Yen	168,673,282	21,558	126,504,293	16,524
Renminbi	6,738,484	13,438	14,311,263	29,919
Hong kong Dollar	7,397,347	13,201	1,665,771	3,059
United Arab Emirates Dirham	2,907,791	10,990	2,735,641	10,694
New Zealand Dollar	914,288	8,535	585,883	5,659
Papua New Guinean Kina	1,617,425	6,590	2,424,145	10,353
Philippine Peso	22,218,090	6,090	5,247,145	1,437
Great Britain Pound Sterling	266,491	4,860	312,286	5,718
Swiss Franc	236,599	3,392	242,859	3,545
Bruneian Dollar	277,784	2,859	436,918	4,567
Taiwanese Dollar	5,748,940	2,669	1,57,870	742
Thailand Baht	4,977,105	2,315	4,041,015	1,793
Canadian Dollar	209,410	2,228	160,735	1,698
Vietnam Dong	2,807,198,164	1,682	361,62,064	224
South Korean Won	51,380,287	618	31,093,164	402
Indian Rupee	191,514	37	146,077	30
		1,251,551		1,266,512
Total		30,219,214		27,421,625

Cash balances include cash in ATM (Automatic Teller Machines) amounting to Rp5,903,614 and USD1,083,520 (full amount) as of December 31, 2019 and Rp7,701,794 and USD960,269 (full amount) as of December 31, 2018.

4. CURRENT ACCOUNTS WITH BANK INDONESIA

Current accounts with Bank Indonesia consist of:

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
Rupiah		56,731,792		57,318,490
United States Dollar	1,057,781,932	14,684,658	962,513,784	13,840,952
Total		71,416,449		71,159,442

As of December 31, 2019 and 2018, current accounts with Bank Indonesia include current accounts based on sharia banking principles amounting to Rp1,327,895 and Rp1,498,333, respectively.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

4. CURRENT ACCOUNTS WITH BANK INDONESIA (continued)

Current accounts with Bank Indonesia are maintained to comply with Bank Indonesia's Minimum Legal Reserve Requirements (GWM). As of December 31, 2019 and 2018, the GWM ratios are calculated based on Bank Indonesia Regulation (PBI) No. 15/15/PBI/2013 dated December 24, 2013 regarding GWM of Commercial Bank in Rupiah and Foreign Currency for Conventional Commercial Bank, as amended several times with PBI No. 18/3/PBI/2016 dated March 10, 2016, PBI No. 18/14/PBI/2016 dated August 18, 2016, PBI No. 19/6/PBI/2017 dated 17 April 2017, PBI No. 20/3/PBI/2018 dated March 29, 2018 and Member of the Board of Governors Regulation (PADG) No. 20/30/PADG/2018 dated November 30, 2018. Macroprudential Liquidity Buffer ratio (PLM) is calculated based on PADG No. 21/5/PADG/2019 dated March 29, 2019 regarding the third amendment of PADG No. 20/11/PADG/2018 dated May 31, 2018 regarding Macroprudential Intermediation Ratio and Macroprudential Liquidity Buffer for Conventional Commercial Bank, Sharia Commercial Bank and Sharia Business Units. The calculation of GWM ratio is determined as follows:

	December 31,	
	2019	2018
Rupiah		
- Primary GWM	6.00%	6.50%
(i) GWM daily	3.00	3.50
(ii) GWM average	3.00	3.00
- PLM (d/h Secondary GWM)	4.00	4.00
Foreign Currency	8.00%	8.00%
(i) GWM daily	6.00	6.00
(ii) GWM average	2.00	2.00

Primary GWM is the minimum deposits that must be maintained by the Bank in the form of Current Account balance at Bank Indonesia. PLM is the minimum liquidity reserve that must be maintained by the Bank in the form of Bank Indonesia Certificates (SBI), Bank Indonesia Deposit Certificates (SDBI), Government Securities (SBN), which the amount is determined by Bank Indonesia at certain percentage of Bank's Third Party Funds (DPK).

Based on PBI No. 20/4/PBI/2018 dated March 29, 2018, Loan to Funding Ratio (LFR) changed to RIM, and RIM fulfillment obligations apply on July 16, 2018. RIM is the minimum deposit the Bank is obliged to maintain in the form of Current Account balance at Bank Indonesia at a certain percentage of the DPK in which calculation is based on the difference between the RIM held by the Bank and the Targeted RIM. RIM is charged if the Bank's RIM is below Bank Indonesia's minimum targeted RIM (80%) or above Bank Indonesia's maximum targeted RIM (92%) with Bank's Minimum Capital Adequacy Ratio (KPM) smaller than Bank Indonesia's Incentive KPM of 14%.

GWM ratios of BRI (parent entity) as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Rupiah		
- Primary GWM	6.15%	7.16%
(i) GWM daily	3.00	3.50
(ii) GWM average	3.15	3.66
- PLM (d/h Secondary GWM)	6.56	10.31
Foreign Currency	8.07%	8.01%
(i) GWM daily	6.00	6.00
(ii) GWM average	2.07	2.01

As of December 31, 2019 and 2018, BRI has complied with Bank Indonesia's regulations regarding ratios above-mentioned.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

5. CURRENT ACCOUNTS WITH OTHER BANKS

a) By Currency:

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third party</u>				
<u>Rupiah</u>		79,631		154,669
<u>Foreign currency</u>				
United States Dollar	416,643,272	5,783,006	674,135,360	9,694,067
Singapore Dollar	33,444,275	344,979	28,114,685	296,748
European Euro	67,574,983	1,052,184	45,049,368	740,641
Renminbi	587,436,318	1,171,454	348,797,098	729,185
Japansese Yen	7,324,874,646	936,192	3,005,682,949	392,602
Hong Kong Dollar	58,930,624	105,058	39,110,165	71,817
Great Britain				
Pound Sterling	8,535,934	155,680	4,135,264	75,723
Australian Dollar	15,516,206	150,901	25,707,794	261,252
Swiss Franc	8,010,187	114,842	8,192,718	119,575
United Arab Emirates				
Dirham	28,210,759	106,627	2,642,819	10,346
Saudi Arabian Riyal	6,570,287	24,317	3,737,692	14,328
New Zealand Dollar	2,493,547	23,278	850,227	8,212
Canadian Dollar	2,053,956	21,854	827,592	8,740
Swedia Kroner	2,931,467	4,629	1,038,835	1,667
Norwegia Kroner	1,490,505	2,216	2,493,816	4,124
Malaysian Ringgit	265,949	902	250,179	870
Thailand Baht	736,037	342	838,250	372
		9,998,461		12,430,269
		10,078,092		12,584,938
<u>Related party (Note 44)</u>				
<u>Rupiah</u>		33,706		68,348
<u>Foreign currency</u>				
United States Dollar	6,566,219	91,156	555,894	7,994
Hong Kong Dollar	19,510,538	34,782	8,754,394	16,075
		125,938		24,069
		159,644		92,417
Total		10,237,736		12,677,355

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

b) By Bank :

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk	46,102	71,142
PT Bank Central Asia Tbk	9,453	54,561
PT BPR Bringin Sejahtera Tbk	6,911	-
PT Bank Danamon Tbk	3,579	-
PT Bank Permata Tbk	1,433	6,712
Others	12,153	22,254
	79,631	154,669
<u>Third party</u>		
<u>Foreign currency</u>		
J.P. Morgan Chase Bank, N.A.	3,478,400	6,693,664
Standard Chartered Bank	1,472,362	841,259
Bank of China, Ltd	1,051,061	714,754
Bank of America, N.A New York, NY	659,651	-
Bank of Tokyo Mitsubishi, UFJ, Ltd	653,011	-
Others	2,683,976	3,859,253
	9,998,461	12,430,269
	10,078,092	12,584,938
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
PT Bank Mandiri (Persero) Tbk	23,342	55,425
PT Bank Negara Indonesia (Persero) Tbk	8,831	9,067
PT Bank Tabungan Negara (Persero) Tbk	1,322	3,809
PT Bank Mandiri Syariah	206	44
PT Bank BNI Syariah	5	3
	33,706	68,348
<u>Foreign currency</u>		
PT Bank Mandiri (Persero) Tbk	85,884	6,845
PT Bank Negara Indonesia (Persero) Tbk	40,054	17,224
	125,938	24,069
	159,644	92,417
Total	10,237,736	12,677,355

c) Collectability:

As of December 31, 2019 and 2018, all current accounts with other banks are classified as "Current".

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

5. CURRENT ACCOUNTS WITH OTHER BANKS (continued)

d) Average interest rate:

	December 31,	
	2019	2018
Rupiah	0.18%	0.18%
Foreign currency	1.48	1.52

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, 2019 and 2018, because management believes that current accounts with other banks are fully collectible.

As of December 31, 2019 and 2018, there are no current accounts with other banks which are used as collateral.

6. PLACEMENT WITH BANK INDONESIA AND OTHER BANKS

a) By Currency and Type:

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third party</u>				
<u>Rupiah</u>				
Bank Indonesia				
Deposit Facility		38,290,994		4,398,775
Term Deposit		22,996,890		42,987,847
Sharia Deposit Facility		2,023,000		3,132,000
		63,310,884		50,518,622
Inter-bank call money				
PT Bank Mega Tbk Indonesia		400,000		500,000
PT Bank Tabungan Pensiunan Nasional Tbk		400,000		-
PT BPD Jawa Timur Tbk		300,000		-
PT Bumi Putera BOT Finance		250,000		-
PT Standard Chartered Bank Indonesia (SCB)		150,000		-
PT Bank DKI		150,000		350,000
PT BPD Maluku dan Maluku Utara		125,000		50,000
PT BPD Jawa Barat dan Banten Tbk		100,000		439,000
PT Bank HSBC Indonesia		100,000		-
PT Bank CTBC Indonesia		60,000		-
PT Bank China Construction Bank Indonesia		60,000		-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENT WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third party</u> (continued)				
<u>Rupiah</u> (continued)				
Inter-bank call money (continued)				
Bank MNC International		55,000		-
PT Bank Riau Kepri		50,000		250,000
PT Bank Permata Tbk		50,000		-
PT BPD Sulawesi Tenggara		20,000		47,000
The Bank Of Tokyo Mitsubishi UFG Ltd	-			70,000
PT Bank HSBC Indonesia	-			200,000
PT Bank Danamon Indonesia Tbk	-			200,000
Citibank, N.A.	-			200,000
PT Bank OCBC NISP Indonesia	-			200,000
PT Bank CIMB Niaga Tbk	-			20,000
PT Bank Nasionalnoba Tbk	-			100,000
PT Bank Woori Saudara Indonesia Tbk	-			60,000
PT Bank Aceh Syariah	-			200,000
PT Bank Sumitomo Mitsui Indonesia	-			200,000
PT BPD Sumatera Selatan	-			150,000
PT BPD Kalimantan Timur dan Kalimantan Utara	-			130,000
PT Bank Maybank Indonesia Tbk	-			125,000
PT BPD Jawa Tengah	-			100,000
PT BPD Sulawesi Tengah	-			100,000
PT Bank KEB Hana Indonesia	-			80,000
PT Bank Victoria International Tbk	-			80,000
PT Trimegah Sekuritas Indonesia Tbk	-			50,000
PT Bank Yudha Bhakti Tbk	-			40,000
PT Bank Sinarmas Tbk	-			20,000
		2,270,000		3,961,000
<u>Time Deposit</u>				
PT BPD Jawa Timur Tbk		340,000		-
PT BPD Sumatera Utara		334,000		36,000
PT BPD Sumatera Selatan		315,000		-
PT Bank Riau Kepri		244,000		-
PT BPD Sulawesi Tenggara		234,000		-
PT BPD Sulawesi Selatan dan Sulawesi Barat		200,000		41,000
PT BPD Jawa Tengah		200,000		-
PT BPD Sumatera Barat		180,000		-
PT Bank Permata Tbk		155,000		-
PT Maybank Indonesia		131,500		-
PT Bank DKI		124,000		36,000

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENT WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third party</u> (continue)				
<u>Rupiah</u> (continued)				
Time Deposit (continue)				
PT Bank Danamon Indonesia Tbk		115,635		-
PT BPD Sulawesi Tengah		100,000		-
PT BPD Jambi		100,000		27,000
PT Bank OCBC NISP Tbk		99,500		45,000
PT BPD Jawa Barat dan Banten Tbk		77,000		-
PT BPD KALTIM - SMRDA		65,000		-
PT Bank Bukopin Tbk		50,100		750
PT BPD Lampung		50,000		-
PT Bank Danamon Syariah		40,010		150
PT Bank Pan Indonesia Tbk		30,000		45,000
PT BPD Kalimantan Selatan		30,000		-
PT Bank Jatim		7,000		-
PT Bank Bukopin Syariah Tbk		3,450		-
PT Bank Sahabat Sampoerna		2,000		2,000
PT Bank Ganesha Tbk		2,000		-
PT BPR Bringin Dana Sejahtera		1,000		-
PT Bank Panin Dubai Syariah Tbk		300		-
PT Bank Capital Indonesia Tbk		-		5,000
PT Bank Artha Graha Internasional Tbk		-		330
PT BPD Sumatera Selatan		-		45,000
PT Bank CIMB Niaga Tbk		-		45,000
PT Bank SulutGo		-		20,000
		3,230,495		357,880
Deposit on Call				
PT BPD Jawa Barat dan Banten Tbk		50,000		50,000
PT Bank Capital Indonesia		12,750		-
		62,750		50,000
Other Placement (Banker's Acceptance)				
PT Bank Maybank Indonesia Tbk		582,911		-
		582,911		-
		69,457,040		54,887,502
<u>United States Dollar</u>				
Bank Indonesia Term Deposit	2,647,634,864	37,158,383	1,239,449,071	17,823,278
		37,158,383		17,823,278

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENT WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third party (continued)</u>				
<u>United States Dollar</u>				
(continued)				
Inter-bank call money				
Wells Fargo				
Bank, N.A	137,800,000	1,913,009	400,700,000	5,762,066
Citibank, N.A	130,590,000	1,812,916	184,320,000	2,650,521
Federal Reserve				
Bank	114,648,160	1,591,603	104,507,840	1,502,823
The Bank of New York				
Mellon Corporation	108,500,000	1,506,251	34,200,000	491,796
TD Bank, N.A	20,057,393	278,447	29,799	429
PT Bank Pan				
Indonesia Tbk	15,000,000	208,238	3,000,000	43,140
PT BPD Kaltim	10,000,000	138,825	-	-
JP Morgan Chase				
Bank, N.A	3,090,000	42,897	660,000	9,491
PT Bank BNP				
Paribas Indonesia	1,773,098	24,615	911,420	13,106
ING Bank N.V	260,000	3,609	2,530,000	36,381
The Bank of Tokyo				
Mitsubishi UFJ Ltd	-	-	17,000,000	244,460
The Hongkong and				
Shanghai Banking				
Corporation Limited	-	-	11,792,260	169,573
PT Bank Commonwealth	-	-	7,000,000	100,660
PT Bank CTBC				
Indonesia	-	-	5,000,000	71,900
PT BPD Kalimantan Timur				
Dan Kalimantan Utara	-	-	4,000,000	57,520
PT Bank ICBC Indonesia	-	-	10,017,618	144,053
		7,520,410		11,297,919
Term Deposit				
U.S. Bank	87,854	1,220	35,802,938	514,846
TD Bank, N.A.	335,143	4,652	56,040	806
		5,872		515,652
Other placement				
(Banker's Acceptance)				
PT Bank Woori Saudara	20,000,000	277,650		143,800
PT Bank CIMB Niaga Tbk	8,000,000	111,060		-
PT Bank Shinhan Indonesia	10,000,000	138,825		
		527,535		143,800
		45,212,200		29,780,649
		114,669,240		84,668,151

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENT WITH BANK INDONESIA AND OTHER BANKS (continued)

a) By Currency and Type (continued):

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Related party (Note 44)</u>				
<u>Rupiah</u>				
<u>Inter-bank call money</u>				
PT BNI				
Multifinance		-		100,000
PT Mandiri				
Utama Finance		-		200,000
Lembaga Pembiayaan				
Ekspor Indonesia		-		1,200,000
PT Sarana Multigriya				
Finansial (Persero)		-		100,000
		-		1,600,000
<u>Time Deposit</u>				
PT Bank Tabungan Negara				
(Persero) Tbk		641,850		59,700
PT Bank Negara Indonesia				
(Persero) Tbk		121,500		2,000
PT Bank Mandiri Syariah		80,250		36,000
PT Bank Mandiri (Persero) Tbk		13,600		3,100
PT Bank BNI Syariah		5,250		2,000
		862,450		102,800
		866,650		1,702,800
<u>Foreign currency</u>				
<u>Inter-bank call money</u>				
PT Bank Mandiri (Persero) Tbk				
New York	65,000,000	902,362	45,000,000	647,100
PT Bank Negara Indonesia-				
New York	30,000,000	416,475		-
		1,318,837		647,100
		2,185,487		2,349,900
		116,854,727		87,018,051

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENT WITH BANK INDONESIA AND OTHER BANKS (continued)

b) By Time Period:

The classifications of placement based on their remaining period to maturity are as follows:

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
≤ 1 month	68,473,629	54,865,502
> 1 month - 3 months	250,500	22,000
> 3 month - 1 year	732,911	-
	69,457,040	54,887,502
<u>United States Dollar</u>		
≤ 1 month	35,340,464	28,205,442
> 1 month - 3 months	9,410,261	1,575,207
> 3 month - 1 year	461,475	-
	45,212,200	29,780,649
	114,669,240	84,668,151
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 month	795,650	1,365,600
> 1 month - 3 months	71,000	115,000
> 3 months - 1 year	-	222,200
	866,650	1,702,800
<u>United States Dollar</u>		
≤ 1 month	416,474	647,100
> 1 month - 3 months	902,363	-
	1,318,837	647,100
	2,185,487	2,349,900
Total	116,854,727	87,018,051

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

6. PLACEMENT WITH BANK INDONESIA AND OTHER BANKS (continued)

c) Collectability:

As of December 31, 2019 and 2018, all placements with Bank Indonesia and other banks are classified as "Current".

d) Average interest rate:

	December 31,	
	2019	2018
Rupiah		
Placement with Bank Indonesia	4.87%	5.58%
Placement with other banks	5.28	7.75
United States Dollar		
Placement with Bank Indonesia	1.75	2.50
Placement with other banks	1.89	2.71

e) BRI assessed allowance for impairment losses on placements with Bank Indonesia and other banks individually based on whether objective evidence of impairment exists.

As of December 31, 2019 and 2018, there are no placements with Bank Indonesia and other banks which are impaired or restricted.

Management believes that no allowance for impairment losses is necessary as of December 31, 2019 and 2018, because management believes that placements with Bank Indonesia and other banks are fully collectible.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES

a) By Purpose, Currency and Type:

	December 31, 2019		December 31, 2018	
	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 party</u>				
<u>Rupiah</u>				
Bank Indonesia				
Sukuk		1,819,017		-
Mutual Fund		1,741,692		1,228,656
Bank Indonesia				
Certificate		1,437,944		569,017
Negotiable				
Certificate				
Of Deposit		669,875		-
Bonds		139,962		26,213
Subordinated				
Bonds		49,174		55,957
Bank Indonesia				
Deposit				
Certificate		-		99,272
Others		108,359		125,672
		5,966,023		2,104,787
<u>United States</u>				
<u>Dollar</u>				
Bank Indonesia				
Certificate	39,509,711	548,494		-
U.S Treasury Bond	8,940,154	124,112		-
Mutual Fund	590,098	8,192	538,620	7,745
		680,798		7,745
<u>Related party (Note 44)</u>				
<u>Rupiah</u>				
Government				
Bonds		9,413,001		1,453,780
Bonds		726,990		102,556
Negotiable				
Certificate				
of Deposit		133,444		-
Mutual Fund		45,272		14,699
Commercial				
Securities		28,321		-
Others		82,674		77,980
		10,429,702		1,649,015
<u>United States</u>				
<u>Dollar</u>				
Government Bonds	38,785,882	538,445	49,313	709
Bonds	4,784,250	66,417		-
		604,862		709
<u>European Euro</u>				
Government Bonds	1,970	30,671		-
		635,533		709
		17,712,056		3,762,256

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Available-for-sale</u>				
<u>Third party</u>				
<u>Rupiah</u>				
Bonds		3,855,542		3,369,218
Subordinated Bonds		343,801		723,860
Bank Indonesia Certificate		3,276,144		12,020,153
Mutual Fund		1,501,437		1,669,202
Negotiable Certificate of Deposit		743,037		1,007,337
Medium-Term Note		115,449		14,163
Bank Indonesia Deposit Certificate		-		3,557,671
Others		160,480		132,255
		9,997,890		22,493,859
<u>United States</u>				
<u>Dollar</u>				
Bank Indonesia Certificate	304,791,444	4,231,267	99,760,983	1,434,563
Bonds	21,869,444	303,603	24,482,413	352,057
Mutual Fund	20,106,477	279,128	-	-
U.S. Treasury Bonds	31,726,634	440,445	18,728,295	269,313
		5,254,443		2,055,933
<u>Singapore Dollar</u>				
Monetary Authority of Singapore (MAS) Bills	78,345,580	808,138	69,855,211	737,315
Singapore Government Securities (SIGB)	18,541,440	191,256	18,154,080	191,615
		999,394		928,930
<u>Related party</u>				
<u>(Note 44)</u>				
<u>Rupiah</u>				
Government Bonds		69,868,034		72,339,882
Bonds		10,081,693		6,603,043
Medium-Term Note		323,199		402,114
Negotiable Certificate of Deposit		218,411		496,120
Mutual Fund		147,691		151,369
Commercial Securities		18,881		-
Others		184,303		241,911
		80,842,212		80,234,439

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Available-for-sale (continued)</u>				
<u>Related party</u>				
<u>(Note 44) (continued)</u>				
<u>United States</u>				
<u>Dollar</u>				
Government Bonds	1,800,850,639	25,000,309	1,566,688,576	22,528,982
Bonds	82,438,776	1,144,456	63,674,426	915,638
		26,144,765		23,444,620
<u>European Euro</u>				
Government Bonds	58,768,330	915,028	48,235,752	793,027
		124,153,732		129,950,808
<u>Held-to-maturity</u>				
<u>Third party</u>				
<u>Rupiah</u>				
Sharia Bank				
Indonesia Certificate		1,250,000		1,200,000
Bonds		441,169		754,432
Bank Indonesia				
Certificate		488,601		-
Negotiable				
Certificate				
of Deposit		150,305		9,678
Medium-Term Note		50,000		100,000
Bank Indonesia Sukuk		-		100,000
Subordinated				
Bonds		35,999		56,847
Bank Indonesia				
Deposit Certificate		-		21,671
		2,416,074		2,242,628
<u>United States</u>				
<u>Dollar</u>				
Others	261,111,092	3,624,875	29,931,920	430,421
<u>Related party</u>				
<u>(Note 44)</u>				
<u>Rupiah</u>				
Government				
Bonds		34,551,317		30,275,259
Bonds		2,553,928		2,785,335
Negotiable				
Certificate				
of Deposit		-		190,975
Medium-Term				
Note		11,000		-
		37,116,245		33,251,569

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

a) By Purpose, Currency and Type (continued):

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Held-to-maturity (continued)</u>				
<u>Related party</u>				
<u>(Note 44) (continued)</u>				
<u>United States</u>				
<u>Dollar</u>				
Government				
Bonds	701,551,026	9,739,282	979,170,928	14,080,478
Bonds	34,063,825	472,891	25,724,245	369,915
Others	15,001,675	208,261	-	-
		10,420,434		14,450,393
<u>European Euro</u>				
Government Bonds	25,529,821	397,515	11,966,390	196,735
		53,975,143		50,571,746
Total		195,840,931		184,284,810
Less				
Allowance for impairment losses		(758)		(758)
Net		195,840,173		184,284,052

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

b) By Collectability:

As of December 31, 2019 and 2018, all securities are classified as "Current", except Bonds I Year 2003 issued by PT Great River International which is classified as "Loss", and is held by BRI Life (subsidiary) that has already matured on October 13, 2008 amounting to Rp758.

For that matter, BRI Life's management has formed allowance for impairment losses amounting to Rp758 as of December 31, 2019 and 2018.

c) By Remaining Period to Maturity:

The classifications of securities based on their remaining period to maturity are as follows:

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
≤ 1 month	15,963,913	25,069,700
> 1 month - 3 months	-	500,000
> 3 month - 1 year	1,685,825	760,778
> 1 year	730,249	510,796
	18,379,987	26,841,274
<u>Foreign currency</u>		
≤ 1 month	6,934,635	3,133,047
> 1 month - 3 months	3,040,881	255,470
> 3 months - 1 year	583,994	34,512
	10,559,510	3,423,029
	28,939,497	30,264,303
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 month	91,271,914	81,389,780
> 1 month - 3 months	2,094,823	2,351,524
> 3 months - 1 year	4,769,493	7,062,989
> 1 year	30,251,929	24,330,730
	128,388,159	115,135,023
<u>Foreign currency</u>		
≤ 1 month	27,695,327	24,180,301
> 1 month - 3 months	495,779	4,361,996
> 3 months - 1 year	208,260	159,264
> 1 year	10,113,909	10,183,923
	38,513,275	38,885,484
	166,901,434	154,020,507

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

c) By Remaining Period to Maturity (continued):

The classifications of securities based on their remaining period to maturity are as follows (continued):

	December 31,	
	2019	2018
Total	195,840,931	184,284,810
Less		
Allowance for impairment losses	(758)	(758)
Net	195,840,173	184,284,052

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:

	Fair Value/Carrying Value	
	December 31, 2019	December 31, 2018
<u>Fair value through profit or loss</u>		
<u>Rupiah</u>		
Government Treasury Bills	5,591,810	241,770
Fixed Rate Government Bonds	1,617,310	49,917
Sharia Government Treasury Bills	1,468,558	224,861
Sukuk Government Bonds	624,733	604,270
Republic of Indonesia Bonds	110,590	332,962
	<u>9,413,001</u>	<u>1,453,780</u>
<u>Foreign currency</u>		
Republic of Indonesia Bonds	295,437	709
Sukuk Government Bonds	170,679	-
U.S. Treasury Bonds	124,112	-
Fixed Rate United States		
Dollar Government Bonds	72,329	-
Euro European		
Government Bonds	30,671	-
	<u>693,228</u>	<u>709</u>
	<u>10,106,230</u>	<u>1,454,489</u>

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

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 (continued):

	Fair Value/Carrying Value	
	December 31, 2019	December 31, 2018
<u>Available-for-sale</u>		
<u>Rupiah</u>		
Fixed Rate Government Bonds	49,826,527	38,397,808
Sukuk Government Bonds	15,122,425	16,286,957
Government Treasury Bills	3,290,571	15,379,111
Sharia Government Treasury Bills	1,457,555	1,283,799
Republic of Indonesia Bonds	170,959	992,207
	69,868,034	72,339,882
<u>Foreign currency</u>		
United States Dollar Fixed Rate		
Government Bonds	19,032,525	18,744,013
Sukuk Government Bonds	5,967,784	3,784,969
European Euro Government Bonds	915,028	793,027
U.S. Treasury Bonds	440,445	269,313
Singapore Government Securities (SIGB)	191,256	191,615
	26,547,038	23,782,937
	96,415,072	96,122,819
<u>Held-to-maturity</u>		
<u>Rupiah</u>		
Fixed Rate Government Bonds	21,398,411	17,901,317
Sukuk Government Bonds	13,048,369	11,746,682
Sharia Government Treasury Bills	104,537	626,126
Republic of Indonesia Bonds	-	1,134
	34,551,317	30,275,259
<u>Foreign currency</u>		
United States Dollar Fixed Rate		
Government Bonds	5,132,995	5,374,218
Sukuk Government Bonds	4,606,287	8,706,260
European Euro Government Bonds	397,515	196,735
	10,136,797	14,277,213
	44,688,114	44,552,472
Total	151,209,416	142,129,780

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows:

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Fair value through profit or loss</u>		
<u>Rupiah</u>		
Government Treasury Bills	Various	Various
Fixed Rate Government Bonds		
FR0056	8.38	-
FR0061	7.00	7.00
FR0063	5.63	-
FR0068	8.38	8.38
FR0071	9.00	-
FR0077	8.13	8.13
FR0078	8.25	-
FR0079	8.38	-
FR0081	6.50	-
FR0082	7.00	-
Sharia Government Treasury Bills	Various	Various
Sukuk Government Bonds		
IFR0006	10.25	10.25
PBS002	5.45	-
PBS006	8.25	8.25
PBS012	8.88	-
PBS014	6.50	6.50
PBS019	8.25	-
PBS022	8.63	-
PBS026	6.63	-
SR010	5.90	5.90
SR011	8.05	-
Republic of Indonesia Bonds		
ORI013	-	6.60
ORI014	-	5.85
ORI015	-	8.25
<u>Foreign currency</u>		
Republic of Indonesia Bonds		
RI1023	5.37	-
RI0124	5.87	-
RI0126	4.75	-
RI0727	3.85	-
RI0128	3.50	-
RI0229	4.75	-
RI0443	4.62	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Fair value through profit or loss</u>		
<u>Foreign currency</u>		
Sukuk Government Bonds		
INDOIS 24	3.90	-
INDOIS 27	4.15	-
INDOIS 28	4.40	-
INDOIS 29	4.45	-
<i>U.S. Treasury Bonds</i>	Various	-
Fixed Rate Government Bonds		
United States Dollar		
RI0128	3.50	-
RI0224	4.45	-
RI0727	3.85	-
RI0428	4.10	-
RI0422	3.75	-
RI1049	3.70	-
European Euro Government Bonds		
RI1031	1.40	-
RI0725	3.38	-
<u>Available-for-sale</u>		
<u>Rupiah</u>		
Fixed Rate Government Bonds		
FR0053	8.25	8.25
FR0059	7.00	7.00
FR0061	7.00	7.00
FR0063	5.63	5.63
FR0064	6.13	6.13
FR0065	6.63	6.63
FR0074	7.50	7.50
FR0077	8.13	8.13
FR0081	6.50	-
FR0082	7.00	-
Sukuk Government Bonds		
PBS002	5.45	5.45
PBS006	8.25	8.25
PBS011	8.75	8.75
PBS012	8.88	8.88
PBS014	6.50	6.50
PBS016	6.25	6.25
PBS017	6.13	6.13

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Available-for-sale (continued)</u>		
<u>Rupiah (continued)</u>		
Sukuk Government Bonds (continued)		
PBS019	8.25	8.25
PBS026	6.63	-
SR009	6.90	6.90
Government Treasury Bills	Various	Various
Sharia Government Treasury Bills	Various	Various
Republic of Indonesia Bonds		
ORI013	-	6.60
ORI014	5.85	5.85
ORI015	8.25	-
<u>Foreign currency</u>		
Fixed Rate Government Bonds		
United States Dollar		
RI0122	3.70	3.70
RI0124	5.88	-
RI0125	4.13	4.13
RI0127	4.35	-
RI0320	5.88	5.88
RI0422	3.75	3.75
RI0521	4.88	4.88
RI0727	3.85	3.85
RI1023	5.38	5.38
USDFR0002	4.05	4.05
Sukuk Government Bonds		
INDOIS 21	3.40	3.40
INDOIS 21A	3.40	3.40
INDOIS 22	3.30	3.40
INDOIS 23	3.75	3.75
INDOIS 24	4.35	4.35
INDOIS 24A	3.90	3.90
INDOIS 25	4.32	4.32
INDOIS 26	4.55	4.55
INDOIS 27	4.15	4.15
INDOIS 29	4.45	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Available-for-sale (continued)</u>		
<u>Foreign currency (continued)</u>		
European Euro Government Bonds		
RIEUR0623	2.63	2.63
RIEUR0721	2.88	2.88
RIEUR0724	2.15	2.15
RIEUR0725	3.38	3.38
<i>U.S. Treasury Bonds</i>	Various	Various
<i>Singapore Government Securities</i>		
SIGB 0626	2.13	2.13
<u>Held-to-maturity</u>		
<u>Rupiah</u>		
Fixed Rate Government Bonds		
FR0043	10.25	10.25
FR0053	8.25	8.25
FR0056	8.38	8.38
FR0068	8.38	8.38
FR0070	8.38	8.38
FR0071	9.00	9.00
FR0077	8.13	-
FR0078	8.25	-
FR0081	6.50	-
FR0082	7.00	-
Sukuk Government Bonds		
SR009	7.60	7.60
SR011	8.05	-
PBS002	5.45	5.45
PBS006	8.25	8.25
PBS011	8.75	8.75
PBS014	6.50	6.50
PBS016	6.25	6.25
PBS019	8.25	8.25
PBS026	6.63	-
IFR0007	10.25	10.25
Sharia Government Treasury Bills	Various	Various
Republic of Indonesia Bonds		
ORI013	-	6.60

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Held-to-maturity (continued)</u>		
<u>Foreign currency</u>		
Fixed Rate Government Bonds		
United States Dollar		
RI0124	5.88	5.88
RI0125	4.13	4.12
RI0126	4.75	4.75
RI0237	6.63	6.63
RI0320	5.88	5.88
RI0422	3.75	3.75
RI0423	3.38	3.38
RI0521	4.88	4.88
RI1023	5.38	5.38
USDFR0002	4.05	4.05
Sukuk Government Bonds		
INDOIS 21	3.40	3.40
INDOIS 21A	3.40	3.40
INDOIS 22	3.30	3.30
INDOIS 24	4.35	4.35
INDOIS 25	4.33	4.33
INDOIS 26	4.55	4.55
INDOIS 28	4.40	-
European Euro Government Bonds		
RIEUR0623	2.63	2.63

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Fair value through profit or loss</u>		
<u>Rupiah</u>		
Government Treasury Bills	Various	Various
Fixed Rate Government Bonds		
FR0056	Sep 15, 2026	-
FR0061	May 15, 2022	May 15, 2022
FR0063	May 15, 2023	-
FR0068	Mar 15, 2034	Mar 15, 2034
FR0071	Mar 15, 2029	-
FR0077	May 15, 2024	May 15, 2024
FR0078	May 15, 2029	-
FR0079	Apr 15, 2039	-
FR0081	Jun 15, 2025	-
FR0082	Sep 15, 2030	-
Sharia Government Treasury Bills	Various	Various
Sukuk Government Bonds		
IFR0006	Mar 15, 2030	Mar 15, 2030
PBS002	Jan 15, 2022	-
PBS006	Sep 15, 2020	Sep 15, 2020
PBS012	Nov 15, 2020	-
PBS014	May 15, 2021	May 15, 2021
PBS019	Sep 15, 2023	-
PBS022	Apr 15, 2034	-
PBS026	Oct 15, 2024	-
SR010	Mar 10, 2021	Mar 10, 2021
SR011	Mar 10, 2022	-
Republic of Indonesia Bonds		
ORI013	-	Oct 15, 2019
ORI014	-	Oct 15, 2020
ORI015	-	Oct 15, 2021
<u>Foreign currency</u>		
Republic of Indonesia Bonds		
RI1023	Oct 17, 2023	-
RI0124	Jan 15, 2024	-
RI0126	Jan 8, 2026	-
RI0727	Jul 18, 2027	-
RI0128	Jan 11, 2028	-
RI0229	Feb 11, 2029	-
RI0443	Apr 15, 2043	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Fair value through profit or loss (continued)</u>		
<u>Foreign currency (continued)</u>		
Sukuk Government Bonds		
INDOIS 24	Aug 20, 2024	-
INDOIS 27	Mar 29, 2027	-
INDOIS 28	Mar 1, 2028	-
INDOIS 29	Feb 20, 2029	-
<i>U.S. Treasury Bonds</i>	Various	-
Fixed Rate Government Bonds		
United States Dollar		
RI0128	Jan 11, 2028	-
RI0224	Feb 11, 2024	-
RI0727	Jul 18, 2027	-
RI0428	Apr 24, 2028	-
RI0422	Apr 25, 2022	-
RI1049	Oct 30, 2049	-
Obligasi Pemerintah Euro Eropa		
RI1031	Oct 30, 2031	-
RI0725	Jul 30, 2025	-
<u>Available-for-sale</u>		
<u>Rupiah</u>		
Fixed Rate Government Bonds		
FR0053	Jul 15, 2021	Jul 15, 2021
FR0059	May 15, 2027	May 15, 2027
FR0061	May 15, 2022	May 15, 2022
FR0063	May 15, 2023	May 15, 2023
FR0064	May 15, 2028	May 15, 2028
FR0065	May 15, 2033	May 15, 2033
FR0074	Aug 15, 2032	Aug 15, 2032
FR0077	May 15, 2024	May 15, 2024
FR0081	Jun 15, 2025	-
FR0082	Sep 15, 2030	-
Sukuk Government Bonds		
PBS002	Jan 15, 2022	Jan 15, 2022
PBS006	Sep 15, 2020	Sep 15, 2020
PBS011	Aug 15, 2023	Aug 15, 2023
PBS012	Nov 15, 2031	Nov 15, 2031
PBS014	May 15, 2021	May 15, 2021
PBS016	Mar 15, 2020	Mar 15, 2020
PBS017	Oct 15, 2025	Oct 15, 2025
PBS019	Sep 15, 2023	Sep 15, 2023

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Available-for-sale</u>		
<u>Rupiah</u>		
Sukuk Government Bonds		
PBS026	Oct 15, 2024	-
SR009	Mar 10, 2020	Mar 10, 2020
Government Treasury Bills	Various	Various
Sharia Government Treasury Bills	Various	Various
Republic of Indonesia Bonds		
ORI013	-	Oct 15, 2019
ORI014	Oct 15, 2020	Oct 15 2020
ORI015	Oct 15, 2021	-
<u>Foreign currency</u>		
Fixed Rate Government Bonds		
United States Dollar		
RI0122	Jan 8, 2022	Jan 8, 2022
RI0124	Jan 15, 2024	-
RI0125	Jan 15, 2025	Jan 15, 2025
RI0127	Jan 8, 2027	-
RI0320	Mar 13, 2020	Mar 13, 2020
RI0422	Apr 25, 2022	Apr 25, 2022
RI0521	May 05, 2021	May 5, 2021
RI0727	Jul 18, 2027	-
RI1023	Oct 17, 2023	Oct 17, 2023
USD FR0002	Jun 24, 2026	Jun 24, 2026
Sukuk Government Bonds		
INDOIS 21	Mar 31, 2021	Mar 31, 2021
INDOIS 21A	Mar 29, 2021	Mar 29, 2021
INDOIS 22	Nov 21, 2022	Mar 21, 2022
INDOIS 23	Mar 1, 2023	Mar 1, 2023
INDOIS 24	Sep 10, 2024	Sep 10, 2024
INDOIS 24A	Aug 20, 2024	Aug 20, 2024
INDOIS 25	May 28, 2025	May 28, 2025
INDOIS 26	Mar 29, 2026	Mar 29, 2026
INDOIS 27	Mar 29, 2027	Mar 29, 2027
INDOIS 29	Feb 20, 2029	-
European Euro Government Bonds		
RIEUR0623	Jun 14, 2023	Jun 14, 2023
RIEUR0721	Jul 8, 2021	Jul 8, 2021
RIEUR0724	Jul 18, 2024	Jul 18, 2024
RIEUR0725	Jul 30, 2025	Jul 30, 2025
<i>U.S. Treasury Bonds</i>	Various	Various

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Available-for-sale</u>		
<u>Foreign currency</u>		
<i>Singapore Government Securities</i>		
SIGB 0626	Jun 1, 2026	Jun 1, 2026
<u>Held-to-maturity</u>		
<u>Rupiah</u>		
Fixed Rate Government Bonds		
FR0043	Jul 15, 2022	Jul 15, 2022
FR0053	Jul 15, 2021	Jul 15, 2021
FR0056	Sep 15, 2026	Sep 15, 2026
FR0068	Mar 15, 2034	Mar 15, 2034
FR0070	Mar 15, 2024	Mar 15, 2024
FR0071	Mar 15, 2029	Mar 15, 2029
FR0077	May 15, 2024	-
FR0078	May 15, 2029	-
FR0081	Jun 15, 2025	-
FR0082	Sep 15, 2030	-
Sukuk Government Bonds		
SR009	Mar 10, 2020	Mar 10, 2020
SR011	Mar 10, 2022	-
PBS002	Jan 15, 2022	Jan 15, 2022
PBS006	Sep 15, 2020	Sep 15, 2020
PBS011	Aug 15, 2023	Aug 15, 2023
PBS014	May 15, 2021	May 15, 2021
PBS016	Mar 15, 2020	May 15, 2020
PBS019	Sep 15, 2023	Sep 15, 2023
PBS026	Oct 15, 2024	-
IFR0007	Jan 15, 2025	Jan 15, 2025
Sharia Government Treasury Bills	Various	Various
Republic of Indonesia Bonds		
ORI013	-	Oct 15, 2019
<u>Foreign currency</u>		
Fixed Rate Government Bonds		
United States Dollar		
RI0124	Jan 15, 2024	Jan 15, 2024
RI0125	Jan 15, 2025	Jan 15, 2025
RI0126	Jan 8, 2026	Jan 8, 2026
RI0237	Feb 17, 2037	Feb 17, 2037
RI0320	Mar 13, 2020	Mar 13, 2020
RI0422	Apr 25, 2022	Apr 25, 2022
RI0423	Apr 15, 2023	Apr 15, 2023

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.1. Government Bonds (continued)

Information regarding interest rates and maturity dates are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Held-to-maturity</u>		
<u>Foreign currency</u>		
Fixed Rate Government Bonds		
United States Dollar		
RI0521	May 5, 2021	May 5, 2021
RI1023	Oct 17, 2023	Oct 17, 2023
USDFR0002	Jun 24, 2026	Jun 24, 2026
Sukuk Government Bonds		
INDOIS 21	Mar 31, 2021	Mar 31, 2021
INDOIS 21A	Mar 29, 2021	Mar 29, 2021
INDOIS 22	Nov 21, 2021	Nov 21, 2022
INDOIS 24	Sep 10, 2024	Sep 10, 2024
INDOIS 25	May 28, 2025	May 28, 2025
INDOIS 26	Mar 29, 2026	Mar 29, 2026
INDOIS 28	Mar 1, 2028	-
European Euro Government Bonds		
RIEUR0623	Jun 14, 2023	Jun14, 2023
RIEUR0721	Jul 8, 2021	Jul 8, 2021
RIEUR0725	Jul 30, 2025	Jul 30, 2025

The market values of Government bonds classified as "Fair Value through Profit or Loss" and "Available-for-Sale" range from 82.97% to 150.46% and 91.60% to 134.25% as of December 31, 2019 and 2018, respectively.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds

	Fair Value/Carrying Value	
	December 31, 2019	December 31, 2018
<u>Fair value through profit or loss</u>		
<u>Third party</u>		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk	55,223	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	14,944	-
PT Indonesia Infrastructure Finance	14,000	-
PT Bank Maybank Indonesia Tbk	10,307	-
PT Indosat Tbk	15,277	12,018
PT Adira Dinamika Multifinance Tbk	10,098	-
PT Astra Sedaya Finance	10,016	-
PT Medco Energi Internasional Tbk	7,335	7,139
PT Medco Power Indonesia	2,762	-
PT XL Axiata Tbk	-	5,020
PT Summarecon Agung Tbk	-	2,036
	139,962	26,213
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
PT Bank Tabungan Negara (Persero) Tbk	223,179	-
PT Sarana Multi Infrastruktur (Persero)	125,252	-
PT Sarana Multigriya Finansial (Persero)	106,941	68,315
PT Angkasa Pura II (Persero)	83,468	-
PT Pupuk Indonesia (Persero)	70,638	-
PT Telekomunikasi Indonesia (Persero) Tbk	32,303	-
PT Pembangunan Perumahan (Persero) Tbk	29,742	-
PT Perusahaan Listrik Negara (Persero)	25,328	4,629
PT Bank Negara Indonesia (Persero) Tbk	15,261	-
PT Bank Mandiri Taspen	9,998	-
Others	4,880	29,612
	726,990	102,556

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

	Fair Value/Carrying Value	
	December 31, 2019	December 31, 2018
<u>Fair value through profit or loss</u>		
<u>Foreign currency</u>		
<u>United States Dollar</u>		
PT Perusahaan Listrik Negara (Persero)	62,627	-
PT Pertamina (Persero)	3,790	-
	66,417	-
	933,369	128,769
<u>Available-for-sale</u>		
<u>Third party</u>		
<u>Rupiah</u>		
PT Adira Dinamika Multi Finance Tbk	636,633	463,748
PT Bank CIMB Niaga Tbk	454,568	243,432
PT Bank Pan Indonesia Tbk	346,105	337,141
PT Astra Sedaya Finance	289,226	191,414
PT Indosat Tbk	264,071	264,262
PT BCA Finance	254,773	-
PT Bank Tabungan Pensiunan Nasional Tbk	193,013	-
PT BFI Finance Indonesia Tbk	185,654	144,083
PT Bank OCBC NISP Tbk	184,509	382,478
PT Bank Maybank Indonesia Tbk	182,088	163,428
Others	864,902	1,179,232
	3,855,542	3,369,218
<u>Foreign currency</u>		
<u>United States Dollar</u>		
Oversea-Chinese Banking Corporation	59,095	59,563
Alibaba Group Holding Ltd.	72,984	73,673
Bank Of America	10,558	10,666
The Federal Home Loan Mortgage Corporation	8,515	8,655
Citigroup Inc.	8,050	8,102
Wells Fargo & Company	7,615	9,921
Province Of Quebec	6,944	7,073
Royal Bank Of Canada	6,730	6,189
Enterprise Products Oper	6,205	4,238
Verizon	6,067	7,924
Others	110,840	156,053
	303,603	352,057

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

	Fair Value/Carrying Value	
	December 31, 2019	December 31, 2018
<u>Available-for-sale</u>		
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
PT Sarana Multigriya Finansial (Persero)	1,342,851	744,313
Lembaga Pembiayaan Ekspor Indonesia	1,259,616	1,360,765
PT Perusahaan Listrik Negara (Persero)	1,229,646	339,471
PT Bank Tabungan Negara (Persero) Tbk	919,669	746,852
PT Bank Mandiri (Persero) Tbk	916,224	707,878
PT Bank Negara Indonesia (Persero) Tbk	449,691	426,530
PT Sarana Multi Infrastruktur (Persero)	444,208	193,905
PT Pegadaian (Persero)	404,757	360,295
PT Mandiri Tunas Finance	368,310	234,795
PT Angkasa Pura I (Persero)	332,113	9,464
Others	2,414,608	1,478,775
	10,081,693	6,603,043
<u>Foreign currency</u>		
<u>United States Dollar</u>		
PT Pertamina (Persero)	620,514	354,250
PT Perusahaan Listrik Negara (Persero)	286,301	363,151
PT Pelabuhan Indonesia III (Persero)	111,585	105,965
PT Perusahaan Gas Negara (Persero) Tbk	82,696	78,719
PT Bank Mandiri (Persero) Tbk	28,645	-
PT Pelabuhan Indonesia II (Persero)	14,715	13,553
	1,144,456	915,638
	15,385,294	11,239,956

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

	Fair Value/Carrying Value	
	December 31, 2019	December 31, 2018
<u>Held-to-maturity</u>		
<u>Third party</u>		
<u>Rupiah</u>		
PT Bank Pan Indonesia Tbk	185,226	185,339
PT Indosat Tbk	93,266	110,304
PT Indonesia Infrastructure Finance	70,000	50,000
PT Global Mediacom Tbk	26,895	26,888
PT Bank Pembangunan Daerah Jawa Tengah	25,000	25,000
PT Bank UOB Indonesia	10,024	40,114
PT BPD Jambi	10,000	10,000
PT BPD Sumatera Barat	10,000	10,000
PT Bank CIMB Niaga	10,000	10,000
PT Great River International Tbk	758	758
Others	-	286,029
	<u>477,168</u>	<u>754,432</u>
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
PT Pupuk Indonesia (Persero)	900,000	940,084
PT Bank Tabungan Negara (Persero) Tbk	371,352	471,344
Lembaga Pembiayaan Ekspor Indonesia	275,019	315,112
PT Pegadaian (Persero)	249,054	254,092
PT Telekomunikasi Indonesia (Persero) Tbk	236,503	236,899
PT Perusahaan Listrik Negara (Persero)	153,375	53,859
PT Angkasa Pura I (Persero)	100,000	100,000
PT Aneka Tambang (Persero) Tbk	75,000	75,000
PT Jasa Marga (Persero) Tbk	57,160	98,474
PT Kereta Api Indonesia (Persero) Tbk	35,000	-
Others	101,465	240,471
	<u>2,553,928</u>	<u>2,785,335</u>

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

	Fair Value/Carrying Value	
	December 31, 2019	December 31, 2018
<u>Held-to-maturity (continued)</u>		
<u>Related party</u>		
<u>(Note 44) (continued)</u>		
<u>Foreign currency (continued)</u>		
<u>United States Dollar (continued)</u>		
PT Perusahaan Listrik Negara (Persero)	213,610	221,739
PT Pertamina (Persero)	145,426	30,571
PT Perusahaan Gas Negara (Persero) Tbk	55,244	57,081
PT Pelabuhan Indonesia II (Persero)	36,468	37,495
PT Pelabuhan Indonesia III (Persero)	22,143	23,029
	472,891	369,915
	3,467,988	3,909,682
Total	19,786,651	15,278,407

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows:

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Fair value through profit and loss</u>		
<u>Third party</u>		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk		
Berkelanjutan III Phase I Year 2019 Series B	8.50	-
Sukuk <i>Mudharabah</i> Berkelanjutan I		
Phase II Year 2019 Series B	7.90	-
PT Bank Pembangunan Daerah		
Jawa Barat dan Banten Tbk		
Berkelanjutan I Phase III		
Year 2019 Series A	8.25	-
Berkelanjutan I Phase III		
Year 2019 Series B	8.50	-
PT Indonesia Infrastructure Finance		
Berkelanjutan I Phase I		
Year 2019 Series A	6.75	-
PT Bank Maybank Indonesia Tbk		
Berkelanjutan III Phase I		
Year 2019 Series B	7.90	-
PT Indosat Tbk		
Berkelanjutan I Phase I Year 2014		
Series B	-	10.30
Berkelanjutan II Phase III Year 2018		
Series E	8.70	8.70
Sukuk <i>Ijarah</i> Berkelanjutan III		
Phase II Year 2019 Series A	8.60	-
PT Adira Dinamika Multi Finance Tbk		
Berkelanjutan IV Phase II Year 2018		
Series C	7.17	-
PT Astra Sedaya Finance		
Berkelanjutan IV Phase III Year 2019		
Series B	7.70	-
PT Medco Energi Internasional Tbk		
Berkelanjutan II Phase I Year 2016		
Series B	11.30	11.30
PT Medco Power Indonesia		
Sukuk <i>Wakalah</i> II Year 2019 Series A	10.00	-
PT XL Axiata Tbk		
Sukuk <i>Ijarah</i> Berkelanjutan II Phase I		
Year 2018 Series A	-	8.25
PT Summarecon Agung Tbk		
Sukuk <i>Ijarah</i> Berkelanjutan I Phase II		
Year 2014	-	11.50

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Fair value through profit and loss</u>		
<u>(continued)</u>		
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
PT Bank Tabungan Negara (Persero) Tbk		
Berkelanjutan I Phase I Year 2012	7.90	-
Berkelanjutan III Phase I Year 2017		
Series A	8.30	-
Berkelanjutan III Phase II Year 2019		
Series B	8.06	-
PT Sarana Multi Infrastruktur (Persero)		
Berkelanjutan II Phase III Year 2019		
Series A	6.74	-
Series B	7.75	-
Series C	7.95	-
PT Sarana Multigriya Finansial (Persero)		
Berkelanjutan III Phase VI Year 2016	8.51	8.60
Berkelanjutan IV Phase III Year 2018		
Series B	-	6.85
Berkelanjutan IV Phase VII Year 2019		
Series B	7.50	-
Berkelanjutan V Phase I Year 2019		
Series B	7.40	-
PT Angkasa Pura II (Persero)		
I Year 2016 Series A	7.13	-
PT Pupuk Indonesia (Persero)		
Berkelanjutan I Phase II Year 2017		
Series A	7.20	-
Series B	7.77	-
PT Telekomunikasi Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2015		
Series A	7.38	-
Series B	7.86	-
PT Pembangunan Perumahan (Persero) Tbk		
Berkelanjutan II Phase II Year 2019		
Series A	8.24	-
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan III Phase III Year 2019		
Series A	7.43	-
PT Bank Negara Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2017	7.37	-
PT Bank Mandiri Taspen		
Berkelanjutan I Phase I Year 2019		
Series B	8.20	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Fair value through profit and loss</u>		
<u>(continued)</u>		
<u>Related party (Note 4) (continued)</u>		
<u>United States Dollar</u>		
PT Perusahaan Listrik Negara (Persero)		
Year 2030	3.40	-
PT Pertamina (Persero)		
Year 2029	3.16	-
<u>Available-for-sale</u>		
<u>Third party</u>		
<u>Rupiah</u>		
PT Adira Dinamika Multifinance Tbk		
Berkelanjutan III Phase I Year 2015 Series B	10.25	10.25
Berkelanjutan III Phase II Year 2015		
Series C	10.25	10.25
Berkelanjutan III Phase III Year 2016		
Series C	10.25	-
Berkelanjutan III Phase IV Year 2016		
Series B	-	8.75
Berkelanjutan III Phase V Year 2017		
Series B	8.60	8.60
Berkelanjutan III Phase V Year 2017		
Series C	8.90	8.90
Berkelanjutan III Phase VI Year 2017		
Series B	8.10	8.10
Berkelanjutan III Phase VI Year 2017		
Series C	8.40	8.40
Berkelanjutan IV Phase I Year 2017		
Series B	7.45	7.45
Berkelanjutan IV Phase I Year 2017		
Series C	7.55	9.00
Berkelanjutan IV Phase II Year 2018		
Series D	7.50	7.50
Berkelanjutan IV Phase III Year 2018		
Series C	8.50	8.50
Berkelanjutan IV Phase III Year 2018		
Series D	9.00	9.00
Berkelanjutan IV Phase V Year 2019		
Series A	7.80	-
Berkelanjutan IV Phase V Year 2019		
Series B	8.60	-
Berkelanjutan IV Phase VI Year 2019		
Series B	7.47	-
Berkelanjutan IV Phase VI Year 2019		
Series C	7.90	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
Available-for-sale (continued)		
<u>Third party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank CIMB Niaga Tbk		
Berkelanjutan II Phase I Year 2016 Series C	8.25	8.25
Berkelanjutan II Phase II Year 2017 Series B	7.70	7.70
Berkelanjutan II Phase II Year 2017 Series C	8.15	8.15
Berkelanjutan II Phase III Year 2017 Series C	7.75	7.75
Berkelanjutan II Phase IV Year 2017 Series C	8.28	-
Berkelanjutan I Phase I Year 2019	7.80	-
Berkelanjutan III Phase I Year 2019 Series B	7.55	-
Sukuk <i>Mudharabah</i> Berkelanjutan I Phase I Year 2018 Series B	-	9.25
Sukuk <i>Mudharabah</i> Berkelanjutan I Phase II Year 2019 Series B	7.90	-
Sukuk <i>Mudharabah</i> Berkelanjutan I Phase II Year 2019 Series C	8.25	-
PT Bank Pan Indonesia Tbk		
Berkelanjutan II Phase I Year 2016	9.15	9.15
Berkelanjutan II Phase II Year 2016	8.75	8.75
Berkelanjutan II Phase III Year 2018	7.60	7.60
PT Astra Sedaya Finance		
Berkelanjutan III Phase I Year 2016 Series B	-	8.50
Berkelanjutan III Phase II Year 2016 Series B	-	7.95
Berkelanjutan III Phase III Year 2017 Series B	-	8.50
Berkelanjutan III Phase III Year 2017 Series C	8.75	8.75
Berkelanjutan III Phase IV Year 2017 Series B	-	7.50
Berkelanjutan III Phase IV Year 2017 Series C	8.20	-
Berkelanjutan IV Phase I Year 2018 Series B	-	7.50
Berkelanjutan IV Phase II Year 2019 Series A	8.00	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
Available-for-sale (continued)		
<u>Third party (continued)</u>		
<u>Rupiah (continued)</u>		
<u>PT Astra Sedaya Finance (continued)</u>		
Berkelanjutan IV Phase II Year 2019 Series B	8.80	-
Berkelanjutan IV Phase II Year 2019 Series C	9.20	-
Berkelanjutan IV Phase III Year 2019 Series B	7.70	-
Berkelanjutan IV Phase III Year 2019 Series C	7.95	-
<u>PT Indosat Tbk</u>		
Indosat VIII Year 2012 Series A	-	8.63
Indosat VIII Year 2012 Series B	8.88	8.88
Berkelanjutan I Phase I Year 2014 Series B	-	10.30
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I Year 2014 Series B	-	10.30
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I Year 2014 Series C	10.50	10.50
Berkelanjutan I Phase III Year 2015 Series B	10.25	10.25
Berkelanjutan I Phase III Year 2015 Series D	11.20	11.20
Berkelanjutan II Phase II Year 2017 Series E	8.65	8.65
Berkelanjutan II Phase III Year 2018 Series C	7.65	7.65
Berkelanjutan II Phase III Year 2018 Series E	8.70	8.70
Sukuk <i>Ijarah</i> Berkelanjutan III Phase II Year 2019 Series A	8.30	-
<u>PT BCA Finance</u>		
Berkelanjutan III Phase I Year 2019 Series A	6.56	-
Berkelanjutan III Phase I Year 2019 Series C	7.80	-
<u>PT Bank Tabungan Pensiunan Nasional Tbk</u>		
Berkelanjutan III Phase II Year 2017 Series B	7.50	-
Berkelanjutan IV Phase I Year 2019 Series A	7.55	-
Berkelanjutan IV Phase I Year 2019 Series B	7.75	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Available-for-sale (continued)</u>		
<u>Third party (continued)</u>		
<u>Rupiah (continued)</u>		
PT BFI Finance Indonesia		
Berkelanjutan III Phase III Year 2017 Series B	-	7.25
Berkelanjutan IV Phase I Year 2018 Series B	7.75	7.75
Berkelanjutan IV Phase II Year 2019 Series A	9.00	-
Berkelanjutan IV Phase II Year 2019 Series B	7.75	-
PT Bank OCBC NISP Tbk		
Berkelanjutan II Phase I Year 2016 Series C	-	8.25
Berkelanjutan II Phase II Year 2017 Series C	7.70	7.70
Berkelanjutan II Phase IV Year 2018 Series A	-	6.00
Berkelanjutan II Phase IV Year 2018 Series B	6.90	6.90
PT Bank Maybank Indonesia Tbk		
Sukuk <i>Mudharabah</i> Berkelanjutan I Phase II Year 2016	-	8.25
Berkelanjutan II Phase I Year 2017 Series A	8.00	8.00
Berkelanjutan II Phase II Year 2018	7.15	7.15
Berkelanjutan III Phase I Year 2019 Series B	8.50	-
<u>United States Dollar</u>		
Oversea-Chinese Banking Corporation		
OCBCSP 061924	4.25	4.25
Alibaba Group Holding Ltd.		
Alibaba Group Holding Ltd.	3.60	3.60
Bank of America		
Bank of America Year 2023	3.30	3.30
Bank of America Year 2023	3.30	3.30
Bank of America Year 2026	3.50	3.50
The Federal Home Loan Mortgage Co.		
Citigroup Inc.	2.38	2.38
Citigroup Inc.		
Citigroup Inc. Year 2028	3.52	3.52
Citigroup Inc. Year 2020	-	2.65
Citigroup Inc. Year 2024	3.75	3.75

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Available-for-sale (continued)</u>		
<u>Third party (continued)</u>		
<u>United States Dollar (continued)</u>		
Wells Fargo & Company		
Wells Fargo & Company Year 2020	-	2.60
Wells Fargo & Company Year 2022	3.50	3.50
Wells Fargo & Company Year 2029	4.15	-
Province of Quebec		
Province of Quebec	2.75	2.75
The Royal Bank of Canada		
The Royal Bank of Canada Year 2022	2.75	2.75
The Royal Bank of Canada Year 2024	2.55	2.55
The Royal Bank of Canada Year 2026	4.65	4.65
Enterprise Products Operating LLC		
Enterprise Products Operating LLC Year 2023	3.35	-
Enterprise Products Operating LLC Year 2023	3.35	-
Enterprise Products Operating LLC Year 2028	4.15	-
Verizon		
Verizon Year 2025	3.38	-
Verizon Year 2025	3.38	3.38
Verizon Year 2028	4.33	4.33
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
PT Sarana Multigriya Finansial (Persero)		
Berkelanjutan III Phase IV Year 2016 Series B	-	9.13
Berkelanjutan III Phase V Year 2016 Series B	-	8.20
Berkelanjutan III Phase VI Year 2016	8.60	8.60
Berkelanjutan III Phase VII Year 2017 Series B	8.40	8.40
Berkelanjutan IV Phase I Year 2017 Series B	7.80	7.80
Berkelanjutan IV Phase II Year 2017 Series B	7.25	7.25
Berkelanjutan IV Phase III Year 2018 Series B	6.85	6.85
Berkelanjutan IV Phase III Year 2018 Series C	6.95	6.95
Berkelanjutan IV Phase IV Year 2018 Series B	6.95	6.95
Berkelanjutan IV Phase VI Year 2018 Series A	-	8.25
Berkelanjutan IV Phase VII Year 2019 Series A	6.35	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
Available-for-sale (continued)		
<u>Related party (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
Berkelanjutan IV Phase VII Year 2019 Series C	9.25	-
Berkelanjutan IV Phase VIII Year 2019 Series A	7.75	-
Berkelanjutan IV Phase VIII Year 2019 Series B	8.43	-
Berkelanjutan V Phase I Year 2019 Series A	7.50	-
Berkelanjutan V Phase I Year 2019 Series B	8.50	-
EBA SP SMF BTN05 Class A Series A1	8.50	-
Lembaga Pembiayaan Ekspor Indonesia Berkelanjutan II Phase I Year 2014 Series D	-	9.75
Berkelanjutan II Phase V Year 2015 Series C	9.50	9.50
Berkelanjutan II Phase VI Year 2015 Series C	9.50	9.50
Berkelanjutan II Phase VII Year 2016 Series B	-	9.25
Berkelanjutan II Phase VII Year 2016 Series C	9.60	9.60
Berkelanjutan III Phase I Year 2016 Series B	-	8.20
Berkelanjutan III Phase I Year 2016 Series C	8.70	8.70
Berkelanjutan III Phase II Year 2016 Series B	-	7.95
Berkelanjutan III Phase III Year 2016 Series B	-	7.85
Berkelanjutan III Phase III Year 2016 Series C	8.20	8.20
Berkelanjutan III Phase III Year 2016 Series D	8.50	8.50
Berkelanjutan III Phase IV Year 2017 Series B	8.40	8.40
Berkelanjutan III Phase IV Year 2017 Series C	8.90	8.90
Berkelanjutan III Phase V Year 2017 Series A	7.60	-
Berkelanjutan III Phase V Year 2017 Series B	7.90	7.90
Berkelanjutan III Phase V Year 2017 Series C	8.25	8.25

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
Available-for-sale (continued)		
<u>Related party (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
Berkelanjutan III Phase VI Year 2018 Series B	6.70	6.70
Berkelanjutan IV Phase II Year 2018 Series A	-	7.00
Berkelanjutan IV Phase II Year 2018 Series B	7.50	7.50
Berkelanjutan IV Phase II Year 2018 Series C	8.40	8.40
Berkelanjutan IV Phase III Year 2018 Series A	-	8.25
Berkelanjutan IV Phase III Year 2018 Series D	9.25	-
Berkelanjutan IV Phase IV Year 2019 Series A	7.35	-
Berkelanjutan IV Phase IV Year 2019 Series E	9.50	-
Berkelanjutan IV Phase V Year 2019 Series B	8.45	-
Berkelanjutan IV Phase V Year 2019 Series C	8.70	-
Berkelanjutan IV Phase V Year 2019 Series D	9.20	-
Berkelanjutan IV Phase VI Year 2019 Series D	8.50	-
Sukuk Mudarabah Berkelanjutan I Phase II Year 2018 Series B	8.75	8.75
Berkelanjutan IV Phase VII Year 2019 Seri C	8.10	-
PT Perusahaan Listrik Negara (Persero) Phase XI Year 2010 Series B	12.55	12.55
Phase XII Year 2010 Series B	10.40	10.40
Berkelanjutan I Phase I Year 2013 Series A	8.00	8.00
Berkelanjutan I Phase I Year 2013 Series B	8.25	8.25
Berkelanjutan I Phase II Year 2013 Series B	9.60	9.60
Berkelanjutan II Phase II Year 2017 Series C	8.20	8.20
Berkelanjutan II Phase II Year 2017 Series D	8.70	8.70
Berkelanjutan II Phase III Year 2018 Series C	-	7.25

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
Available-for-sale (continued)		
<u>Related party (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
Berkelanjutan II Phase III Year 2018 Series E	8.75	8.75
Berkelanjutan III Phase II Year 2018 Series B	9.00	9.00
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I Year 2013	8.00	8.00
Sukuk <i>Ijarah</i> Berkelanjutan I Phase II Year 2013 Series B	9.60	9.60
Sukuk <i>Ijarah</i> Berkelanjutan II Phase I Year 2017 Series A	7.70	7.70
Sukuk <i>Ijarah</i> Berkelanjutan II Phase III Year 2018 Series B	7.25	7.25
Sukuk <i>Ijarah</i> Berkelanjutan III Phase II Year 2018 Series B	9.00	9.00
Sukuk <i>Ijarah</i> Berkelanjutan III Phase III Year 2018 Series A	8.50	-
Berkelanjutan III Phase III Year 2019 Series A	8.50	-
Berkelanjutan III Phase III Year 2019 Series B	9.10	-
Berkelanjutan III Phase III Year 2019 Series D	9.60	-
Berkelanjutan III Phase IV Year 2019 Series A	8.00	-
Berkelanjutan III Phase IV Year 2019 Series B	8.50	-
Berkelanjutan III Phase V Year 2019 Series A	7.90	-
Berkelanjutan III Phase V Year 2019 Series B	8.40	-
PT Bank Tabungan Negara (Persero) Tbk Phase XIV Year 2010	10.25	10.25
Phase XV Year 2011	9.50	9.50
Berkelanjutan I Phase I Year 2012	7.90	7.65
Berkelanjutan I Phase II Year 2013	10.00	7.90
Berkelanjutan II Phase I Year 2015 Series B	9.88	9.88
Berkelanjutan II Phase I Year 2019 Series C	10.00	10.00
Berkelanjutan II Phase II Year 2016 Series A	-	8.20
Berkelanjutan II Phase II Year 2016 Series B	8.75	10.00

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
Available-for-sale (continued)		
<u>Related party (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
Berkelanjutan III Phase I Year 2017 Series A	8.30	8.30
Berkelanjutan III Phase I Year 2017 Series B	8.50	8.50
Berkelanjutan III Phase II Year 2019 Series B	8.75	-
Berkelanjutan III Phase II Year 2019 Series C	9.00	-
PT Bank Mandiri (Persero) Tbk		
Berkelanjutan I Phase I Year 2016 Series A	7.95	7.95
Berkelanjutan I Phase I Year 2016 Series B	8.50	-
Berkelanjutan I Phase II Year 2017 Series A	8.00	8.00
Berkelanjutan I Phase II Year 2017 Series B	8.50	8.50
Berkelanjutan I Phase III Year 2018 Series A	8.50	8.50
PT Bank Negara Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2017	8.00	8.00
PT Sarana Multi Infrastruktur (Persero)		
Berkelanjutan I Phase I Year 2016 Series B	8.20	8.20
Berkelanjutan I Phase II Year 2017 Series B	7.40	-
Berkelanjutan I Phase II Year 2017 Series C	7.60	7.60
Berkelanjutan II Phase I Year 2019 Series B	8.50	-
Berkelanjutan II Phase III Year 2019 Series B	7.75	-
Berkelanjutan II Phase III Year 2019 Series C	7.95	-
Sukuk <i>Mudharabah</i> I Phase III Year 2019 Series D	8.55	-
PT Pegadaian (Persero)		
Berkelanjutan I Phase I Year 2011 Series C	9.00	9.00
Berkelanjutan I Phase II Year 2012 Series D	-	7.75

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
Available-for-sale (continued)		
<u>Related party (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
Berkelanjutan II Phase I Year 2013 Series D	8.00	8.00
Berkelanjutan II Phase III Year 2015 Series C	9.50	9.50
Berkelanjutan III Phase I Year 2017 Series B	7.40	7.40
Berkelanjutan III Phase I Year 2017 Series C	7.70	7.70
Berkelanjutan III Phase II Year 2018 Series B	6.90	6.90
Berkelanjutan III Phase II Year 2018 Series C	7.10	7.10
PT Mandiri Tunas Finance		
Berkelanjutan II Phase II Year 2016 Series A	-	8.95
Berkelanjutan II Phase II Year 2016 Series B	9.25	9.25
Berkelanjutan III Phase I Year 2016 Series A	-	8.20
Berkelanjutan III Phase II Year 2017 Series A	8.50	8.50
Berkelanjutan IV Phase I Year 2019 Series A	9.40	-
Berkelanjutan IV Phase II Year 2019 Series A	8.90	-
Berkelanjutan IV Phase II Year 2019 Series B	9.50	-
PT Angkasa Pura I (Persero)		
I Year 2016 Series A	7.19	7.19
I Year 2016 Series C	8.55	8.55
<u>United States Dollar</u>		
PT Pertamina (Persero)		
Year 2021	5.25	5.25
Year 2022	4.88	4.88
Year 2023	4.30	4.30
PT Perusahaan Listrik Negara (Persero)		
Year 2021	5.50	5.50
Year 2027	4.13	4.13
Year 2028	5.45	5.45
PT Pelabuhan Indonesia III (Persero)		
Year 2023	4.50	4.50
Year 2024	4.88	4.88

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Available-for-sale (continued)</u>		
<u>Related party (Note 44) (continued)</u>		
<u>United States Dollar (continued)</u>		
PT Perusahaan Gas Negara (Persero) Year 2024	5.13	5.13
PT Bank Mandiri (Persero) Tbk Year 2024	3.91	-
PT Pelabuhan Indonesia II (Persero) Year 2025	4.25	4.25
<u>Held-to-maturity</u>		
<u>Third party</u>		
<u>Rupiah</u>		
PT Bank Pan Indonesia Tbk Berkelanjutan II Phase I Year 2016	9.15	9.15
Berkelanjutan II Phase II Year 2016	8.75	8.75
PT Indosat Tbk Phase VII Year 2012 Series B	8.88	8.88
Sukuk <i>Ijarah</i> Indosat V Year 2012	-	8.63
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I Year 2014 Series C	10.50	10.50
Sukuk <i>Ijarah</i> Berkelanjutan I Phase III Year 2015 Series B	11.20	11.20
Berkelanjutan II Phase I Year 2017 Series E	9.25	-
PT BPD Jawa Tengah Sukuk <i>Mudharabah</i> I Year 2017	8.05	-
PT Global Mediacom Tbk Year 2017 Series A	11.50	11.50
Berkelanjutan Phase II Year 2017	11.00	11.00
PT Indonesia Infrastructure Finance Phase I Year 2016 Series B	8.70	8.70
PT Bank UOB Indonesia Phase I Year 2015 Series C	9.60	9.60
Berkelanjutan I Phase I Year 2016 Series B	-	8.00
PT BPD Jambi Sukuk <i>Mudharabah</i> Year 2017	9.60	-
PT BPD Sumatera Barat Sukuk <i>Mudharabah</i> II Year 2015	10.99	-
PT Bank CIMB Niaga Tbk Sukuk <i>Mudharabah</i> Berkelanjutan I Phase II Year 2019 Series C	9.25	-
PT Great River International Tbk I Year 2003	12.55	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Held-to-maturity (continued)</u>		
<u>Third party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Pupuk Indonesia (Persero)		
Berkelanjutan I Phase II Year 2017		
Series A	7.50	7.50
Phase I Year 2014 Series B	-	9.95
PT Bank Tabungan Negara (Persero) Tbk		
Phase XIV Year 2010	10.25	10.25
Phase XV Year 2011	9.50	9.50
Berkelanjutan I Phase I Year 2012	7.90	7.90
Berkelanjutan I Phase II Year 2013	7.90	7.90
Berkelanjutan II Phase I Year 2015		
Series B	9.88	9.88
Berkelanjutan II Phase I Year 2015		
Series C	10.00	10.00
Berkelanjutan II Phase II Year 2016		
Series A	-	8.20
Berkelanjutan II Phase II Year 2016		
Series B	8.75	8.75
Lembaga Pembiayaan Ekspor Indonesia		
Berkelanjutan II Phase III Year 2014		
Series C	-	9.75
Berkelanjutan II Phase VI Year 2015		
Series C	9.50	9.50
Berkelanjutan II Phase V Year 2015		
Series C	9.50	9.50
Berkelanjutan III Phase VI Year 2018		
Series C	6.90	6.90
Berkelanjutan IV Phase III Year 2018		
Series A	-	8.25
Berkelanjutan IV Phase III Year 2018		
Series B	8.75	8.75
Sukuk <i>Mudharabah</i> I Phase III Year 2019	8.40	-
PT Pegadaian (Persero)		
Obligasi XIII Year 2009 Series C	-	12.88
Berkelanjutan I Phase I Year 2011		
Series C	9.00	9.00
Berkelanjutan I Phase II Year 2012		
Series D	-	7.75
Berkelanjutan II Phase II Year 2014		
Series C	-	9.75
Berkelanjutan II Phase III Year 2015		
Series C	9.50	9.50
<i>Mudharabah</i> I Year 2018	7.00	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Held-to-maturity (continued)</u>		
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
PT Telekomunikasi Indonesia (Persero) Tbk		
Obligasi II Year 2010 Series B	10.00	10.00
Berkelanjutan I Phase I Year 2015		
Series A	9.93	9.93
Berkelanjutan I Phase I Year 2015		
Series D	11.00	11.00
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan I Phase I Year 2013		
Series B	8.25	8.25
Phase VIII Year 2006 Series B	13.75	13.75
Phase IX Year 2007 Series B	10.90	10.90
Phase XI Year 2010 Series B	12.55	12.55
Phase XII Year 2010 Series B	10.40	10.40
Sukuk <i>Ijarah</i> Phase V Year 2010		
Series B	10.40	10.40
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I		
Year 2013	8.00	8.00
Sukuk <i>Ijarah</i> Berkelanjutan I Phase II		
Year 2013 Series B	9.60	9.60
Sukuk <i>Ijarah</i> Berkelanjutan II Phase I		
Year 2017 Series B	8.50	8.50
Sukuk <i>Ijarah</i> Berkelanjutan II Phase III		
Year 2018 Series A	6.50	6.50
Sukuk <i>Ijarah</i> Berkelanjutan III Phase II		
Year 2018 Series B	9.00	9.00
Phase III Year 2019 Series B	9.10	-
Phase III Year 2019 Series A	8.50	-
Berkelanjutan III Phase V Year 2019		
Series D	9.40	-
PT Angkasa Pura I (Persero)		
Sukuk <i>Ijarah</i> Angkasa Pura I Year 2016		
Series A	8.10	8.10
PT Aneka Tambang (Persero) Tbk		
Berkelanjutan I Year 2011 Series B	9.05	9.05
PT Jasa Marga (Persero) Tbk		
Phase XIV Year 2010 Series JM-10	9.35	9.35
Berkelanjutan I Phase II Year 2014		
Series T	-	9.85
JSMR KOMODO 11122020	7.50	-
PT Kereta Api Indonesia (Persero)		
Berkelanjutan II Series A 2019	7.75	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Annual Interest Rate (%)	
	December 31, 2019	December 31, 2018
<u>Held-to-maturity (continued)</u>		
<u>Related party (Note 44)</u>		
<u>United States Dollar</u>		
PT Perusahaan Listrik Negara (Persero)		
Year 2020	7.75	7.75
Year 2021	5.50	5.50
Year 2029	5.38	5.38
PT Perusahaan Gas Negara (Persero) Tbk		
Year 2024	5.13	5.13
PT Pelabuhan Indonesia II (Persero)		
Year 2025	4.25	4.25
PT Pertamina (Persero)		
Year 2021	5.25	-
Year 2023	4.30	4.90
PT Pelabuhan Indonesia III (Persero)		
Year 2024	4.88	4.88
	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Fair value through profit and loss</u>		
<u>Third party</u>		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk		
Berkelanjutan III Phase I Year 2019 Series B	December 19, 2022	-
Sukuk <i>Mudharabah</i> Berkelanjutan I Phase II Year 2019 Series B	August 21, 2022	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk		
Berkelanjutan I Phase III Year 2019 Series A	October 18, 2022	-
Berkelanjutan I Phase III Year 2019 Series B	October 18, 2024	-
PT Indonesia Infrastructure Finance		
Berkelanjutan I Phase I Year 2019 Series A	December 28, 2020	-
PT Bank Maybank Indonesia Tbk		
Berkelanjutan III Phase I Year 2019 Series B	July 3, 2022	-
PT Indosat Tbk		
Berkelanjutan I Phase I Year 2014 Series B	-	December 12, 2019
Berkelanjutan II Phase III Year 2018 Series E	May 3, 2028	May 3, 2028

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Fair value through profit and loss</u>		
<u>(continued)</u>		
<u>Third party (continued)</u>		
<u>Rupiah (continued)</u>		
<u>PT Indosat Tbk (continued)</u>		
Sukuk <i>Ijarah</i> Berkelanjutan III Phase II Year 2019 Series A	August 3, 2020	-
PT Adira Dinamika Multi Finance Tbk Berkelanjutan IV Phase II Year 2018 Series C	March 21, 2021	-
PT Astra Sedaya Finance Berkelanjutan IV Phase III Year 2019 Series B	October 23, 2022	-
PT Medco Energi Internasional Tbk Berkelanjutan II Phase I Year 2016 Series B	15 July 2021	15 July 2021
PT Medco Power Indonesia Sukuk <i>Wakalah</i> II Year 2019 Series A	May 23, 2022	-
PT XL Axiata Tbk Sukuk <i>Ijarah</i> Berkelanjutan II Phase I Year 2018 Series A	October 26, 2019	October 26, 2019
PT Summarecon Agung Tbk Sukuk <i>Ijarah</i> Berkelanjutan I Phase II Year 2014	October 10, 2019	October 10, 2019
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
PT Bank Tabungan Negara (Persero) Tbk Berkelanjutan I Phase I Year 2012	June 5, 2022	-
Berkelanjutan III Phase I Year 2017 Series A	July 13, 2020	-
Berkelanjutan III Phase II Year 2019 Series B	28 Juny 2022	-
PT Sarana Multi Infrastruktur (Persero) Berkelanjutan II Phase III Year 2019 Series A	November 10, 2020	-
Series B	October 30, 2022	-
Series C	October 30, 2024	-
PT Sarana Multigriya Finansial (Persero) Berkelanjutan III Phase VI Year 2016	September 27, 2021	September 27, 2021
Berkelanjutan IV Phase III Year 2018 Series B	-	February 20, 2021
Berkelanjutan IV Phase VII Year 2019 Series B	February 12, 2022	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Fair value through profit and loss</u>		
<u>(continued)</u>		
<u>Related party (Note 44) (continued)</u>		
<u>Rupiah</u>		
<u>PT Sarana Multigriya Finansial (Persero)</u>		
<u>(continued)</u>		
Berkelanjutan V Phase I Year 2019		
Series B	July 4, 2022	-
PT Angkasa Pura II (Persero)		
I Year 2016 Series A	June 30, 2021	-
PT Pupuk Indonesia (Persero)		
Berkelanjutan I Phase II Year 2017		
Series A	November 9, 2020	-
Series B	November 9, 2022	-
PT Telekomunikasi Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2015		
Series A	June 23, 2022	-
Series B	June 23, 2025	-
PT Pembangunan Perumahan (Persero) Tbk		
Berkelanjutan II Phase II Year 2019		
Series A	November 27, 2022	-
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan III Phase III Year 2019		
Series A	February 19, 2022	-
PT Bank Negara Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2017	July 11, 2022	-
PT Bank Mandiri Taspen		
Berkelanjutan I Phase I Year 2019		
Series B	November 26, 2024	-
<u>Dolar Amerika Serieskat</u>		
PT Perusahaan Listrik Negara (Persero)		
Year 2030	February 5, 2030	-
PT Pertamina (Persero)		
Year 2029	July 30, 2029	-
<u>Available For Sale</u>		
<u>Third party</u>		
<u>Rupiah</u>		
<u>PT Adira Dinamika Multifinance Tbk</u>		
Berkelanjutan III Phase I Year 2015		
Series B	June 30, 2020	June 30, 2020
Berkelanjutan III Phase II Year 2015		
Series C	August 25, 2020	August 25, 2020
Berkelanjutan III Phase III Year 2016		
Series C	March 2, 2021	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
Available For Sale (continued)		
<u>Third party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Adira Dinamika Multifinance Tbk (continued)		
Berkelanjutan III Phase IV Year 2016 Series B	-	July 26, 2019
Berkelanjutan III Phase V Year 2017 Series B	March 22, 2020	March 22, 2020
Berkelanjutan III Phase V Year 2017 Series C	March 22, 2022	March 22, 2022
Berkelanjutan III Phase VI Year 2017 Series B	July 14, 2020	July 14, 2020
Berkelanjutan III Phase VI Year 2017 Series C	July 14, 2022	July 14, 2022
Berkelanjutan IV Phase I Year 2017 Series B	December 12, 2020	December 12, 2020
Berkelanjutan IV Phase I Year 2017 Series C	December 12, 2022	December 12, 2022
Berkelanjutan IV Phase II Year 2018 Series D	March 21, 2023	March 21, 2023
Berkelanjutan IV Phase III Year 2018 Series C	August 16, 2021	August 16, 2021
Berkelanjutan IV Phase III Year 2018 Series D	August 16, 2022	August 16, 2022
Berkelanjutan IV Phase V Year 2019 Series A	April 26, 2020	-
Berkelanjutan IV Phase V Year 2019 Series B	April 16, 2022	-
Berkelanjutan IV Phase VI Year 2019 Series B	October 4, 2022	-
Berkelanjutan IV Phase VI Year 2019 Series C	October 4, 2024	-
PT Bank CIMB Niaga Tbk		
Berkelanjutan II Phase I Year 2016 Series C	November 3, 2021	November 3, 2021
Berkelanjutan II Phase II Year 2017 Series B	August 23, 2020	August 23, 2020
Berkelanjutan II Phase II Year 2017 Series C	August 23, 2022	August 23, 2022
Berkelanjutan II Phase III Year 2017 Series C	November 2, 2022	November 2, 2022
Berkelanjutan II Phase IV Year 2017 Series C	September 30, 2023	-
Berkelanjutan I Phase I Year 2019	December 19, 2024	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Available For Sale (continued)</u>		
<u>Third party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Adira Dinamika Multifinance Tbk		
<u>(continued)</u>		
Berkelanjutan III Phase I Year 2019 Series B	December 19, 2022	-
Sukuk <i>Mudharabah</i> Berkelanjutan I Phase I Year 2018 Series B	-	November 15, 2021
Sukuk <i>Mudharabah</i> Berkelanjutan I Phase II Year 2019 Series B	August 21, 2022	-
Sukuk <i>Mudharabah</i> Berkelanjutan I Phase II Year 2019 Series C	August 21, 2024	-
PT Bank Pan Indonesia Tbk		
Berkelanjutan II Phase I Year 2016	June 28, 2021	June 28, 2021
Berkelanjutan II Phase II Year 2016	October 27, 2021	October 27, 2021
Berkelanjutan II Phase III Year 2018	February 27, 2023	February 27, 2023
PT Astra Sedaya Finance		
Berkelanjutan III Phase I Year 2016 Series B	-	May 11, 2019
Berkelanjutan III Phase II Year 2016 Series B	-	October 18, 2019
Berkelanjutan III Phase III Year 2017 Series B	-	March 3, 2020
Berkelanjutan III Phase III Year 2017 Series C	March 3, 2022	March 3, 2022
Berkelanjutan III Phase IV Year 2017 Series B	-	November 2, 2020
Berkelanjutan III Phase IV Year 2017 Series C	November 2, 2020	-
Berkelanjutan IV Phase I Year 2018 Series B	-	May 25, 2021
Berkelanjutan IV Phase II Year 2019 Series A	February 23, 2020	-
Berkelanjutan IV Phase II Year 2019 Series B	February 13, 2022	-
Berkelanjutan IV Phase II Year 2019 Series C	Februari 13, 2024	-
Berkelanjutan IV Phase III Year 2019 Series B	October 23, 2022	-
Berkelanjutan IV Phase III Year 2019 Series C	October 23, 2024	-
PT Indosat Tbk		
Indosat VIII Year 2012 Series A	-	June 27, 2019
Indosat VIII Year 2012 Series B	June 27, 2022	June 27, 2022

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
Available For Sale (continued)		
<u>Third party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Indosat Tbk (continued)		
Berkelanjutan I Phase I Year 2014 Series B	-	December 12, 2019
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I Year 2014 Series B	-	December 12, 2019
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I Year 2014 Series C	December 12, 2021	December 12, 2021
Berkelanjutan I Phase III Year 2015 Series B	December 8, 2020	December 8, 2020
Berkelanjutan I Phase III Year 2015 Series D	December 8, 2025	December 8, 2025
Berkelanjutan II Phase II Year 2017 Series E	November 9, 2027	November 9, 2027
Berkelanjutan II Phase III Year 2018 Series C	May 3, 2023	May 3, 2023
Berkelanjutan II Phase III Year 2018 Series E	May 3, 2028	May 3, 2028
Sukuk <i>Ijarah</i> Berkelanjutan III Phase II Year 2019 Series A	August 3, 2020	-
PT BCA Finance		
Berkelanjutan III Phase I Year 2019 Series A	November 12, 2020	-
Berkelanjutan III Phase I Year 2019 Series C	November 5, 2022	-
PT Bank Tabungan Pensiunan Nasional Tbk		
Berkelanjutan III Phase II Year 2017 Series B	October 17, 2020	-
Berkelanjutan IV Phase I Year 2019 Series A	November 26, 2022	-
Berkelanjutan IV Phase I Year 2019 Series B	November 26, 2024	-
PT BFI Finance Indonesia		
Berkelanjutan III Phase III Year 2017 Series B	-	November 9, 2019
Berkelanjutan IV Phase I Year 2018 Series B	June 26, 2021	June 26, 2021
Berkelanjutan IV Phase II Year 2019 Series A	March 2, 2020	-
Berkelanjutan IV Phase II Year 2019 Series B	February 22, 2020	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
Available For Sale (continued)		
<u>Third party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank OCBC NISP Tbk		
Berkelanjutan II Phase I Year 2016 Series C	-	May 11, 2019
Berkelanjutan II Phase II Year 2017 Series C	August 22, 2020	August 22, 2020
Berkelanjutan II Phase IV Year 2018 Series A	-	April 20, 2019
Berkelanjutan II Phase IV Year 2018 Series B	April 10, 2021	April 10, 2021
PT Bank Maybank Indonesia Tbk		
Sukuk <i>Mudharabah</i> Berkelanjutan I Phase II Year 2016	-	June 10, 2019
Berkelanjutan II Phase I Year 2017 Series A	July 11, 2022	July 11, 2022
Berkelanjutan II Phase II Year 2018	March 15, 2023	March 15, 2023
Berkelanjutan III Phase I Year 2019 Series B	July 3, 2022	-
<u>United Stated Dollar</u>		
Oversea-Chinese Banking Corporation		
OCBCSP 061924	June 19, 2024	June 19, 2024
Alibaba Group Holding Ltd.		
Alibaba Group Holding Ltd.	November 28, 2024	November 28, 2024
Bank of America		
Bank of America Year 2023	January 11, 2023	January 11, 2023
Bank of America Year 2023	December 20, 2023	December 20, 2023
Bank of America Year 2026	April 19, 2026	April 19, 2026
The Federal Home Loan Mortgage Co.	January 13, 2022	Januari 13, 2022
Citigroup Inc.		
Citigroup Inc. Year 2028	October 27, 2028	October 27, 2028
Citigroup Inc. Year 2020	-	October 26, 2020
Citigroup Inc. Year 2024	June 16, 2024	June 16, 2024
Wells Fargo & Company		
Wells Fargo & Company Year 2020	-	July 22, 2020
Wells Fargo & Company Year 2022	March 8, 2022	March 8, 2022
Wells Fargo & Company Year 2029	January 24, 2029	-
Province of Quebec		
Province of Quebec	August 25, 2021	August 25, 2021
The Royal Bank of Canada		
The Royal Bank of Canada Year 2022	February 1, 2022	February 1, 2022
The Royal Bank of Canada Year 2024	July 16, 2024	July 16, 2024
The Royal Bank of Canada Year 2026	January 27, 2026	January 27, 2026

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
Available For Sale (continued)		
<u>Third party (continued)</u>		
<u>United State Dollar</u>		
Enterprise Products Operating LLC		
Enterprise Products Operating LLC Year 2023	March 15, 2023	-
Enterprise Products Operating LLC Year 2023	March 15, 2023	-
Enterprise Products Operating LLC Year 2028	October 16, 2028	-
Verizon		
Verizon Year 2025	February 25, 2025	-
Verizon Year 2025	February 15, 2025	February 15, 2025
Verizon Year 2028	September 21, 2028	September 21, 2028
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
PT Sarana Multigriya Finansial (Persero)		
Berkelanjutan III Phase IV Year 2016		
Series B	-	March 11, 2019
Berkelanjutan III Phase V Year 2016		
Series B	-	June 17, 2019
Berkelanjutan III Phase VI Year 2016	September 27, 2021	September 27, 2021
Berkelanjutan III Phase VII Year 2017		
Series B	March 2, 2020	March 2, 2020
Berkelanjutan IV Phase I Year 2017		
Series B	June 20, 2020	June 20, 2020
Berkelanjutan IV Phase II Year 2017		
Series B	October 13, 2020	October 13, 2020
Berkelanjutan IV Phase III Year 2018		
Series B	February 20, 2021	February 20, 2021
Berkelanjutan IV Phase III Year 2018		
Series C	February 20, 2023	February 20, 2023
Berkelanjutan IV Phase IV Year 2018		
Series B	May 18, 2021	May 18, 2021
Berkelanjutan IV Phase VI Year 2018		
Series A	-	October 29, 2019
Berkelanjutan IV Phase VII Year 2019		
Series A	February 22, 2020	-
Berkelanjutan IV Phase VII Year 2019		
Series C	February 12, 2024	-
Berkelanjutan IV Phase VIII Year 2019		
Series A	April 2, 2020	-
Berkelanjutan IV Phase VIII Year 2019		
Series B	March 22, 2022	-
Berkelanjutan V Phase I Year 2019		
Series A	July 14, 2020	-
Berkelanjutan V Phase I Year 2019		
Series B	July 4, 2022	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
Available For Sale (continued)		
<u>Related party (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Sarana Multigriya Finansial (Persero) (continued)		
EBA SP SMF BTN05 Class A Series A1	May 7, 2032	-
Lembaga Pembiayaan Ekspor Indonesia Berkelanjutan II Phase I Year 2014 Series D	-	June 5, 2019
Berkelanjutan II Phase V Year 2015 Series C	March 13, 2020	March 13, 2020
Berkelanjutan II Phase VI Year 2015 Series C	September 16, 2020	September 16, 2020
Berkelanjutan II Phase VII Year 2016 Series B	-	February 19, 2019
Berkelanjutan II Phase VII Year 2016 Series C	February 19, 2021	February 19, 2021
Berkelanjutan III Phase I Year 2016 Series B	-	June 8, 2019
Berkelanjutan III Phase I Year 2016 Series C	June 8, 2021	June 8, 2021
Berkelanjutan III Phase II Year 2016 Series B	-	August 25, 2019
Berkelanjutan III Phase III Year 2016 Series B	-	November 22, 2019
Berkelanjutan III Phase III Year 2016 Series C	November 22, 2021	November 22, 2021
Berkelanjutan III Phase III Year 2016 Series D	November 22, 2023	November 22, 2023
Berkelanjutan III Phase IV Year 2017 Series B	February 23, 2020	February 23, 2020
Berkelanjutan III Phase IV Year 2017 Series C	February 23, 2022	February 23, 2022
Berkelanjutan III Phase V Year 2017 Series A	August 15, 2020	-
Berkelanjutan III Phase V Year 2017 Series B	August 15, 2022	August 15, 2022
Berkelanjutan III Phase V Year 2017 Series C	August 15, 2024	August 15, 2024
Berkelanjutan III Phase VI Year 2018 Series B	February 14, 2023	February 14, 2023
Berkelanjutan IV Phase II Year 2018 Series A	-	September 15, 2019
Berkelanjutan IV Phase II Year 2018 Series B	September 5, 2021	September 5, 2021
Berkelanjutan IV Phase II Year 2018 Series C	September 5, 2023	September 5, 2023

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
Available For Sale (continued)		
Related party (Note 44) (continued)		
Rupiah (continued)		
Lembaga Pembiayaan Ekspor Indonesia (continued)		
Berkelanjutan IV Phase III Year 2018 Series A	-	November 18, 2019
Berkelanjutan IV Phase III Year 2018 Series D	November 8, 2025	-
Berkelanjutan IV Phase IV Year 2019 Series A	May 3, 2020	-
Berkelanjutan IV Phase IV Year 2019 Series E	April 23, 2029	-
Berkelanjutan IV Phase V Year 2019 Series B	July 9, 2022	-
Berkelanjutan IV Phase V Year 2019 Series C	July 9, 2024	-
Berkelanjutan IV Phase V Year 2019 Series D	July 9, 2026	-
Berkelanjutan IV Phase VI Year 2019 Series D	September 3, 2026	-
Sukuk Mudarabah Berkelanjutan I Phase II Year 2018 Series B	November 8, 2021	November 8, 2021
Berkelanjutan IV Phase VII Year 2019 Series C	December 6, 2026	-
PT Perusahaan Listrik Negara (Persero)		
Phase XI Year 2010 Series B	January 12, 2020	January 12, 2020
Phase XII Year 2010 Series B	July 8, 2022	July 8, 2022
Berkelanjutan I Phase I Year 2013 Series A	July 5, 2020	July 5, 2020
Berkelanjutan I Phase I Year 2013 Series B	July 5, 2023	July 5, 2023
Berkelanjutan I Phase II Year 2013 Series B	December 10, 2023	December 10, 2023
Berkelanjutan II Phase II Year 2017 Series C	November 3, 2027	November 3, 2027
Berkelanjutan II Phase II Year 2017 Series D	November 3, 2032	November 3, 2032
Berkelanjutan II Phase III Year 2018 Series C	-	February 22, 2028
Berkelanjutan II Phase III Year 2018 Series E	February 22, 2038	February 22, 2038

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
Available For Sale (continued)		
Related party (Note 44) (continued)		
Rupiah (continued)		
PT Perusahaan Listrik Negara (Persero)		
(continued)		
Berkelanjutan III Phase II Year 2018 Series B	October 10, 2025	October 10, 2025
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I Year 2013	July 5, 2020	July 5, 2020
Sukuk <i>Ijarah</i> Berkelanjutan I Phase II Year 2013 Series B	December 10, 2023	December 10, 2023
Sukuk <i>Ijarah</i> Berkelanjutan II Phase I Year 2017 Series A	July 11, 2022	July 11, 2022
Sukuk <i>Ijarah</i> Berkelanjutan II Phase III Year 2018 Series B	February 22, 2028	February 22, 2028
Sukuk <i>Ijarah</i> Berkelanjutan III Phase II Year 2018 Series B	October 10, 2025	October 10, 2025
Sukuk <i>Ijarah</i> Berkelanjutan III Phase III Year 2018 Series A	February 19, 2022	-
Berkelanjutan III Phase III Year 2019 Series A	February 19, 2022	-
Berkelanjutan III Phase III Year 2019 Series B	February 19, 2024	-
Berkelanjutan III Phase III Year 2019 Series D	February 19, 2029	-
Berkelanjutan III Phase IV Year 2019 Series A	August 1, 2024	-
Berkelanjutan III Phase IV Year 2019 Series B	August 1, 2026	-
Berkelanjutan III Phase V Year 2019 Series A	October 1, 2024	-
Berkelanjutan III Phase V Year 2019 Series B	October 1, 2026	-
PT Bank Tabungan Negara (Persero) Tbk		
Phase XIV Year 2010	June 11, 2020	June 11, 2020
Phase XV Year 2011	June 28, 2021	June 28, 2021
Berkelanjutan I Phase I Year 2012	June 5, 2022	June 5, 2022
Berkelanjutan I Phase II Year 2013	March 27, 2023	March 27, 2023
Berkelanjutan II Phase I Year 2015 Series B	July 8, 2020	July 8, 2020
Berkelanjutan II Phase I Year 2019 Series C	July 8, 2022	July 8, 2022
Berkelanjutan II Phase II Year 2016 Series A	-	August 30, 2019
Berkelanjutan II Phase II Year 2016 Series B	August 30, 2021	August 30, 2021

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
Available For Sale (continued)		
<u>Related party (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank Tabungan Negara (Persero) Tbk (continued)		
Berkelanjutan III Phase I Year 2017 Series A	July 13, 2020	July 13, 2020
Berkelanjutan III Phase I Year 2017 Series B	July 13, 2022	July 13, 2022
Berkelanjutan III Phase II Year 2019 Series B	June 28, 2022	-
Berkelanjutan III Phase II Year 2019 Series C	June 28, 2024	-
PT Bank Mandiri (Persero) Tbk		
Berkelanjutan I Phase I Year 2016 Series A	September 30, 2021	September 30, 2021
Berkelanjutan I Phase I Year 2016 Series B	September 30, 2023	-
Berkelanjutan I Phase II Year 2017 Series A	June 15, 2022	June 15, 2022
Berkelanjutan I Phase II Year 2017 Series B	June 15, 2024	June 15, 2024
Berkelanjutan I Phase III Year 2018 Series A	September 21, 2023	September 21, 2023
PT Bank Negara Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2017	July 11, 2022	July 11, 2022
PT Sarana Multi Infrastruktur (Persero)		
Berkelanjutan I Phase I Year 2016 Series B	November 18, 2021	November 18, 2021
Berkelanjutan I Phase II Year 2017 Series B	November 15, 2020	-
Berkelanjutan I Phase II Year 2017 Series C	November 15, 2022	November 15, 2022
Berkelanjutan II Phase I Year 2019 Series B	June 25, 2022	-
Berkelanjutan II Phase III Year 2019 Series B	October 30, 2022	-
Berkelanjutan II Phase III Year 2019 Series C	October 30, 2024	-
Berkelanjutan II Phase III Year 2019 Series C	October 30, 2026	-
Sukuk <i>Mudharabah</i> I Phase III Year 2019 Series D	August 28, 2026	-
PT Pegadaian (Persero)		
Berkelanjutan I Phase I Year 2011 Series C	October 11, 2021	October 11, 2021

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
Available For Sale (continued)		
<u>Related party (Note 44) (continued)</u>		
<u>Rupiah (continued)</u>		
PT Pegadaian (Persero) (continued))		
Berkelanjutan I Phase II Year 2012 Series D	-	Februrary 14, 2019
Berkelanjutan II Phase I Year 2013 Series D	July 9, 2020	July 9, 2020
Berkelanjutan II Phase III Year 2015 Series C	May 7, 2020	May 7, 2020
Berkelanjutan III Phase I Year 2017 Series B	October 3, 2020	October 3, 2020
Berkelanjutan III Phase I Year 2017 Series C	October 3, 2020	October 3, 2022
Berkelanjutan III Phase II Year 2018 Series B	March 16, 2021	March 16, 2021
Berkelanjutan III Phase II Year 2018 Series C	March 16, 2023	March 16, 2023
PT Mandiri Tunas Finance		
Berkelanjutan II Phase II Year 2016 Series A	-	June 1, 2019
Berkelanjutan II Phase II Year 2016 Series B	June 1, 2021	June 1, 2021
Berkelanjutan III Phase I Year 2016 Series A	-	October 7, 2019
Berkelanjutan III Phase II Year 2017 Series A	June 6, 2020	June 6, 2020
Berkelanjutan IV Phase I Year 2019 Series A	June 8, 2022	-
Berkelanjutan IV Phase II Year 2019 Series A	July 26, 2022	-
Berkelanjutan IV Phase II Year 2019 Series B	July 26, 2024	-
PT Angkasa Pura I (Persero)		
I Year 2016 Series A	November 22, 2021	November 22, 2021
I Year 2016 Series C	November 22, 2026	November 22, 2026
<u>United State Dollar</u>		
PT Pertamina (Persero)		
Year 2021	May 23, 2021	May 23, 2021
Year 2022	May 3, 2022	May 3, 2022
Year 2023	May 20, 2023	May 20, 2023
PT Perusahaan Listrik Negara (Persero)		
Year 2021	November 22, 2021	November 22, 2021
Year 2027	May 15, 2027	May 15, 2027
Year 2028	May 21, 2028	May 21, 2028

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
Available For Sale (continued)		
<u>Related party (Note 44) (continued)</u>		
<u>United State Dollar (continued)</u>		
PT Pelabuhan Indonesia III (Persero)		
Year 2023	May 2, 2023	May 2, 2023
Year 2024	October 1, 2024	October 1, 2024
PT Perusahaan Gas Negara (Persero)		
Year 2024	May 16, 2024	May 16, 2024
PT Bank Mandiri (Persero) Tbk		
Year 2024	April 11, 2024	-
PT Pelabuhan Indonesia II (Persero)		
Year 2025	May 5, 2025	May 5, 2025
Held To Maturity		
<u>Third Party</u>		
<u>Rupiah</u>		
PT Bank Pan Indonesia Tbk		
Berkelanjutan II Phase I Year 2016	June 28, 2021	June 28, 2021
Berkelanjutan II Phase II Year 2016	October 27, 2021	October 27, 2021
PT Indosat Tbk		
Phase VII Year 2012 Series B	June 27, 2022	June 27, 2022
Sukuk <i>Ijarah</i> Indosat V Year 2012	-	June 27, 2019
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I		
Year 2014 Series C	December 12, 2021	December 12, 2021
Sukuk <i>Ijarah</i> Berkelanjutan I Phase III		
Year 2015 Series B	December 8, 2025	December 8, 2025
Berkelanjutan II Phase I Year 2017 Series E	May 31, 2027	-
PT BPD Jawa Tengah		
Sukuk <i>Mudharabah</i> I Year 2017	December 12, 2020	-
PT Global Mediacom Tbk		
Year 2017 Series A	July 7, 2022	July 7, 2022
Berkelanjutan Phase II Year 2017	September 19, 2020	September 19, 2020
PT Indonesia Infrastructure Finance		
Phase I Year 2016 Series B	July 19, 2021	July 19, 2021
PT Bank UOB Indonesia		
Phase I Year 2015 Series C	April 1, 2020	April 1, 2020
Berkelanjutan I Phase I Year 2016 Series B	-	November 25, 2019
PT BPD Jambi		
Sukuk <i>Mudharabah</i> Year 2017	July 14, 2020	-
PT BPD Sumatera Barat		
Sukuk <i>Mudharabah</i> II Year 2015	January 7, 2021	-
PT Bank CIMB Niaga Tbk		
Sukuk <i>Mudharabah</i> Berkelanjutan I		
Phase II Year 2019 Series C	August 21, 2024	-
PT Great River International Tbk		
I Year 2003	May 27, 2017	May 27, 2017

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Held To Maturity (continued)</u>		
<u>Related Party</u>		
<u>Rupiah</u>		
PT Pupuk Indonesia (Persero)		
Berkelanjutan I Phase II Year 2017 Series A	November 9, 2020	November 9, 2020
Phase I Year 2014 Series B	-	July 8, 2019
PT Bank Tabungan Negara (Persero) Tbk		
Phase XIV Year 2010	June 11, 2020	June 11, 2020
Phase XV Year 2011	June 28, 2021	June 28, 2021
Berkelanjutan I Phase I Year 2012	June 5, 2022	June 5, 2022
Berkelanjutan I Phase II Year 2013	March 27, 2023	March 27, 2023
Berkelanjutan II Phase I Year 2015 Series B	July 8, 2020	July 8, 2020
Berkelanjutan II Phase I Year 2015 Series C	July 8, 2022	July 8, 2022
Berkelanjutan II Phase II Year 2016 Series A	-	August 30, 2019
Berkelanjutan II Phase II Year 2016 Series B	August 30, 2021	August 30, 2021
Lembaga Pembiayaan Ekspor Indonesia		
Berkelanjutan II Phase III Year 2014 Series C	-	October 16, 2019
Berkelanjutan II Phase VI Year 2015 Series C	September 16, 2020	September 16, 2020
Berkelanjutan II Phase V Year 2015 Series C	March 13, 2020	March 13, 2020
Berkelanjutan III Phase VI Year 2018 Series C	February 14, 2025	February 14, 2025
Berkelanjutan IV Phase III Year 2018 Series A	-	November 18, 2019
Berkelanjutan IV Phase III Year 2018 Series B	November 8, 2021	November 8, 2021
Sukuk Mudharabah I Phase III Year 2019	April 23, 2023	-
PT Pegadaian (Persero)		
Obligasi XIII Year 2009 Series C	-	July 1, 2019
Berkelanjutan I Phase I Year 2011 Series C	October 11, 2021	October 11, 2021
Berkelanjutan I Phase II Year 2012 Series D	-	February 14, 2019
Berkelanjutan II Phase II Year 2014 Series C	-	July 11, 2019
Berkelanjutan II Phase III Year 2015 Series C	May 7, 2020	May 7, 2020
Mudharabah I Year 2018	March 6, 2021	-
PT Telekomunikasi Indonesia (Persero) Tbk		
Obligasi II Year 2010 Series B	July 6, 2020	July 6, 2020

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Held To Maturity (continued)</u>		
<u>Related Party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Telekomunikasi Indonesia (Persero) Tbk (continued)		
Berkelanjutan I Phase I Year 2015 Series A	June 23, 2022	June 23, 2022
Berkelanjutan I Phase I Year 2015 Series D	June 23, 2045	June 23, 2045
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan I Phase I Year 2013 Series B	July 5, 2023	05 July 2023
Phase VIII Year 2006 Series B	June 21, 2021	June 21, 2021
Phase IX Year 2007 Series B	July 10, 2022	July 10, 2022
Phase XI Year 2010 Series B	January 12, 2020	January 12, 2020
Phase XII Year 2010 Series B	July 8, 2022	July 8, 2022
Sukuk <i>Ijarah</i> Phase V Year 2010 Series B	July 8, 2022	July 8, 2022
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I Year 2013	July 5, 2022	July 5, 2022
Sukuk <i>Ijarah</i> Berkelanjutan I Phase II Year 2013 Series B	December 10, 2023	December 10, 2023
Sukuk <i>Ijarah</i> Berkelanjutan II Phase I Year 2017 Series B	July 11, 2027	July 11, 2027
Sukuk <i>Ijarah</i> Berkelanjutan II Phase III Year 2018 Series A	February 22, 2023	February 23, 2023
Sukuk <i>Ijarah</i> Berkelanjutan III Phase II Year 2018 Series B	October 10, 2025	October 10, 2025
Phase III Year 2019 Series B	February 19, 2024	-
Phase III Year 2019 Series A	February 19, 2022	-
Berkelanjutan III Phase V Year 2019 Series D	October 1, 2034	-
PT Angkasa Pura I (Persero)		
Sukuk <i>Ijarah</i> Angkasa Pura I Year 2016 Series A	November 22, 2021	November 22, 2021
PT Aneka Tambang (Persero) Tbk		
Berkelanjutan I Year 2011 Series B	December 14, 2021	December 14, 2021
PT Jasa Marga (Persero) Tbk		
Phase XIV Year 2010 Series JM-10 Berkelanjutan I Phase II Year 2014 Series T	October 12, 2020	October 12, 2020
JSMR KOMODO 11122020	-	September 19, 2019
PT Kereta Api Indonesia (Persero)		
Berkelanjutan II Series A 2019	December 11, 2020	-
	December 13, 2024	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Maturity Date	
	December 31, 2019	December 31, 2018
<u>Held To Maturity (continued)</u>		
<u>Related Party (continued)</u>		
<u>United State Dollar</u>		
PT Perusahaan Listrik Negara (Persero)		
Year 2020	January 20, 2020	January 20, 2020
Year 2021	November 22, 2021	November 22, 2021
Year 2029	January 25, 2029	January 25, 2029
PT Perusahaan Gas Negara (Persero) Tbk		
Year 2024	May 16, 2024	May 16, 2024
PT Pelabuhan Indonesia II (Persero)		
Year 2025	May 5, 2025	May 5, 2025
PT Pertamina (Persero)		
Year 2021	May 23, 2021	-
Year 2023	May 20, 2023	May 20, 2023
PT Pelabuhan Indonesia III (Persero)		
Year 2024	October 1, 2024	October 1, 2024
	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Fair value through profit and loss</u>		
<u>Third Party</u>		
<u>Rupiah</u>		
PT Bank CIMB Niaga Tbk		
Berkelanjutan III Phase I Year 2019 Series B	idAAA	-
Sukuk Mudharabah Berkelanjutan I Phase II Year 2019 Series B	idAAA(sy)	-
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk		
Berkelanjutan I Phase III Year 2019 Series A	idAA-	-
Berkelanjutan I Phase III Year 2019 Series B	idAA-	-
PT Indonesia Infrastructure Finance		
Berkelanjutan I Phase I Year 2019 Series A	idAAA	-
PT Bank Maybank Indonesia Tbk		
Berkelanjutan III Phase I Year 2019 Series B	idAAA	-
PT Indosat Tbk		
Berkelanjutan I Phase I Year 2014 Series B	-	idAAA
Berkelanjutan II Phase III Year 2018 Series E	idAAA	idAAA
Sukuk <i>Ijarah</i> Berkelanjutan III Phase II Year 2019 Series A	idAAA(sy)	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Fair value through profit and loss (continued)</u>		
<u>Third Party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Adira Dinamika Multi Finance Tbk Berkelanjutan IV Phase II Year 2018 Series C	idAAA	-
PT Astra Sedaya Finance Berkelanjutan IV Phase III Year 2019 Series B	idAAA	-
PT Medco Energi Internasional Tbk Berkelanjutan II Phase I Year 2016 Series B	idA+	idA+
PT Medco Power Indonesia Sukuk <i>Wakalah</i> II Year 2019 Series A	idA(sy)	-
PT XL Axiata Tbk Sukuk <i>Ijarah</i> Berkelanjutan II Phase I Year 2018 Series A	AAA(idn)	AAA(idn)
PT Summarecon Agung Tbk Sukuk <i>Ijarah</i> Berkelanjutan I Phase II Year 2014	idA(sy)	idA(sy)
PT Bank Tabungan Negara (Persero) Tbk Berkelanjutan I Phase I Year 2012	idAA+	-
Berkelanjutan III Phase I Year 2017 Series A	idAA+	-
Berkelanjutan III Phase II Year 2019 Series B	idAA+	-
PT Sarana Multi Infrastruktur (Persero) Berkelanjutan II Phase III Year 2019 Series A	idAAA	-
Series B	idAAA	-
Series C	idAAA	-
PT Sarana Multigriya Finansial (Persero) Berkelanjutan III Phase VI Year 2016	idAAA	idAAA
Berkelanjutan IV Phase III Year 2018 Series B	-	idAAA
Berkelanjutan IV Phase VII Year 2019 Series B	idAAA	-
Berkelanjutan V Phase I Year 2019 Series B	idAAA	-
PT Angkasa Pura II (Persero) I Year 2016 Series A	idAAA	-
PT Pupuk Indonesia (Persero) Berkelanjutan I Phase II Year 2017 Series A	idAAA	-
Series B	idAAA	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Fair value through profit and loss (continued)</u>		
<u>Related Party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Telekomunikasi Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2015		
Series A	idAAA	-
Series B	idAAA	-
PT Pembangunan Perumahan (Persero) Tbk		
Berkelanjutan II Phase II Year 2019		
Series A	idA+	-
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan III Phase III Year 2019		
Series A	idAAA	-
PT Bank Negara Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2017	idAAA	-
PT Bank Mandiri Taspen		
Berkelanjutan I Phase I Year 2019		
Series B	AAA***)	-
<u>United State Dollar</u>		
PT Perusahaan Listrik Negara (Persero)		
Year 2030	BBB***)	-
PT Pertamina (Persero)		
Year 2029	BBB***)	-
<u>Available For Sale</u>		
<u>Third Party</u>		
<u>Rupiah</u>		
PT Adira Dinamika Multifinance Tbk		
Berkelanjutan III Phase I Year 2015		
Series B	idAAA	idAAA
Berkelanjutan III Phase II Year 2015		
Series C	idAAA	idAAA
Berkelanjutan III Phase III Year 2016		
Series C	idAAA	-
Berkelanjutan III Phase IV Year 2016		
Series B	-	idAAA
Berkelanjutan III Phase V Year 2017		
Series B	idAAA	idAAA
Berkelanjutan III Phase V Year 2017		
Series C	idAAA	idAAA
Berkelanjutan III Phase VI Year 2017		
Series B	idAAA	idAAA
Berkelanjutan III Phase VI Year 2017		
Series C	idAAA	idAAA

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Tersedia untuk dijual (continued)</u>		
<u>Third Party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Adira Dinamika Multifinance Tbk		
(lanjutan)		
Berkelanjutan IV Phase I Year 2017		
Series B	idAAA	idAAA
Berkelanjutan IV Phase I Year 2017		
Series C	idAAA	idAAA
Berkelanjutan IV Phase II Year 2018		
Series D	idAAA	idAAA
Berkelanjutan IV Phase III Year 2018		
Series C	idAAA	idAAA
Berkelanjutan IV Phase III Year 2018		
Series D	idAAA	idAAA
Berkelanjutan IV Phase V Year 2019		
Series A	idAAA	-
Berkelanjutan IV Phase V Year 2019		
Series B	idAAA	-
Berkelanjutan IV Phase VI Year 2019		
Series B	idAAA	-
Berkelanjutan IV Phase VI Year 2019		
Series C	idAAA	-
PT Bank CIMB Niaga Tbk		
Berkelanjutan II Phase I Year 2016		
Series C	idAAA	idAAA
Berkelanjutan II Phase II Year 2017		
Series B	idAAA	idAAA
Berkelanjutan II Phase II Year 2017		
Series C	idAAA	idAAA
Berkelanjutan II Phase III Year 2017		
Series C	idAAA	idAAA
Berkelanjutan II Phase IV Year 2017		
Series C	idAAA	-
Berkelanjutan I Phase I Year 2019	idAAA	-
Berkelanjutan III Phase I Year 2019		
Series B	idAAA	-
Sukuk <i>Mudharabah</i> Berkelanjutan I		
Phase I Year 2018 Series B	-	idAAA(sy)
Sukuk <i>Mudharabah</i> Berkelanjutan I		
Phase II Year 2019 Series B	idAAA	-
Sukuk <i>Mudharabah</i> Berkelanjutan I		
Phase II Year 2019 Series C	idAAA	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Available For Sale (continued)</u>		
<u>Third Party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank Pan Indonesia Tbk		
Berkelanjutan II Phase I Year 2016	idAA	idAA
Berkelanjutan II Phase II Year 2016	idAA	idA+
Berkelanjutan II Phase III Year 2018	idAA	idAA
PT Astra Sedaya Finance		
Berkelanjutan III Phase I Year 2016		
Series B	-	idAAA
Berkelanjutan III Phase II Year 2016		
Series B	-	idAAA
Berkelanjutan III Phase III Year 2017		
Series B	-	idAAA
Berkelanjutan III Phase III Year 2017		
Series C	idAAA	idAAA
Berkelanjutan III Phase IV Year 2017		
Series B	-	idAAA
Berkelanjutan III Phase IV Year 2017		
Series C	idAAA	-
Berkelanjutan IV Phase I Year 2018		
Series B	-	idAAA
Berkelanjutan IV Phase II Year 2019		
Series A	idAAA	-
Berkelanjutan IV Phase II Year 2019		
Series B	idAAA	-
Berkelanjutan IV Phase II Year 2019		
Series C	idAAA	-
Berkelanjutan IV Phase III Year 2019		
Series B	idAAA	-
Berkelanjutan IV Phase III Year 2019		
Series C	idAAA	-
PT Indosat Tbk		
Indosat VIII Year 2012 Series A	-	idAAA
Indosat VIII Year 2012 Series B	idAAA	idAAA
Berkelanjutan I Phase I Year 2014		
Series B	-	idAAA
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I		
Year 2014 Series B	-	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I		
Year 2014 Series C	idAAA(sy)	idAAA(sy)
Berkelanjutan I Phase III Year 2015		
Series B	idAAA	idAAA

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Available For Sale (continued)</u>		
<u>Third Party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Indosat Tbk (continued)		
Berkelanjutan I Phase III Year 2015 Series D	idAAA	idAAA
Berkelanjutan II Phase II Year 2017 Series E	idAAA	idAAA
Berkelanjutan II Phase III Year 2018 Series C	idAAA	idAAA
Berkelanjutan II Phase III Year 2018 Series E	idAAA	idAAA
Sukuk <i>Ijarah</i> Berkelanjutan III Phase II Year 2019 Series A	idAAA(sy)	-
PT BCA Finance		
Berkelanjutan III Phase I Year 2019 Series A	idAAA	-
Berkelanjutan III Phase I Year 2019 Series C	idAAA	-
PT Bank Tabungan Pensiunan Nasional Tbk		
Berkelanjutan III Phase II Year 2017 Series B	AAA***)	-
Berkelanjutan IV Phase I Year 2019 Series A	AAA***)	-
Berkelanjutan IV Phase I Year 2019 Series B	AAA***)	-
PT BFI Finance Indonesia		
Berkelanjutan III Phase III Year 2017 Series B	A+(idn)	AA-(idn)
Berkelanjutan IV Phase I Year 2018 Series B	A+(idn)	AA-(idn)
Berkelanjutan IV Phase II Year 2019 Series A	A+(idn)	-
Berkelanjutan IV Phase II Year 2019 Series B	AA+(idn)	-
PT Bank OCBC NISP Tbk		
Berkelanjutan II Phase I Year 2016 Series C	-	idAAA
Berkelanjutan II Phase II Year 2017 Series C	idAAA	idAAA
Berkelanjutan II Phase IV Year 2018 Series A	-	idAAA
Berkelanjutan II Phase IV Year 2018 Series B	idAAA	idAAA
PT Bank Maybank Indonesia Tbk		
Sukuk <i>Mudharabah</i> Berkelanjutan I Phase II Year 2016	-	idAAA
Berkelanjutan II Phase I Year 2017 Series A	idAAA	idAAA
Berkelanjutan II Phase II Year 2018	idAAA	idAAA
Berkelanjutan III Phase I Year 2019 Series B	idAAA	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating ^{*)}	
	December 31, 2019	Desember 31, 2018
<u>Available For Sale (continued)</u>		
<u>Third Party (continued)</u>		
<u>United state (continued)</u>		
Oversea-Chinese Banking Corporation		
OCBCSP 061924	A3**)	Ba1**)
Alibaba Group Holding Ltd.		
Alibaba Group Holding Ltd.	A1**)	A1**)
Bank of America		
Bank of America Year 2023	A2**)	A3**)
Bank of America Year 2023	A2**)	A3**)
Bank of America Year 2026	A2**)	A3**)
The Federal Home Loan Mortgage Co.		
Citigroup Inc.		
Citigroup Inc. Year 2028	A3**)	Baa1**)
Citigroup Inc. Year 2020	-	Baa1**)
Citigroup Inc. Year 2024	A3**)	Baa1**)
Wells Fargo & Company		
Wells Fargo & Company Year 2020	-	A2**)
Wells Fargo & Company Year 2022	A2**)	A2**)
Wells Fargo & Company Year 2029	A2**)	-
Province of Quebec		
Province of Quebec	Aa2**)	Aa2**)
The Royal Bank of Canada		
The Royal Bank of Canada Year 2022	Aa2**)	Aa2**)
The Royal Bank of Canada Year 2024	Aa2**)	Aa2**)
The Royal Bank of Canada Year 2026	Aa2**)	Aa2**)
Enterprise Products Operating LLC		
Enterprise Products Operating LLC Year 2023	Baa1**)	-
Enterprise Products Operating LLC Year 2023	Baa1**)	-
Enterprise Products Operating LLC Year 2028	Baa1**)	-
Verizon		
Verizon Year 2025	Baa1**)	-
Verizon Year 2025	Baa1**)	Baa1**)
Verizon Year 2028	Baa1**)	Baa1**)

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Available For Sale (continued)</u>		
<u>Related Party</u>		
<u>Rupiah</u>		
PT Sarana Multigriya Finansial (Persero)		
Berkelanjutan III Phase IV Year 2016 Series B	-	idAAA
Berkelanjutan III Phase V Year 2016 Series B	-	idAAA
Berkelanjutan III Phase VI Year 2016	idAAA	idAAA
Berkelanjutan III Phase VII Year 2017 Series B	idAAA	idAAA
Berkelanjutan IV Phase I Year 2017 Series B	idAAA	idAAA
Berkelanjutan IV Phase II Year 2017 Series B	idAAA	idAAA
Berkelanjutan IV Phase III Year 2018 Series B	idAAA	idAAA
Berkelanjutan IV Phase III Year 2018 Series C	idAAA	idAAA
Berkelanjutan IV Phase IV Year 2018 Series B	idAAA	idAAA
Berkelanjutan IV Phase VI Year 2018 Series A	-	idAAA
Berkelanjutan IV Phase VII Year 2019 Series A	idAAA	-
Berkelanjutan IV Phase VII Year 2019 Series C	idAAA	-
Berkelanjutan IV Phase VIII Year 2019 Series A	idAAA	-
Berkelanjutan IV Phase VIII Year 2019 Series B	idAAA	-
Berkelanjutan V Phase I Year 2019 Series A	idAAA	-
Berkelanjutan V Phase I Year 2019 Series B	idAAA	-
EBA SP SMF BTN05 Class A Series A1	idAAA	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Available For Sale (continued)</u>		
<u>Related Party (continued)</u>		
<u>Rupiah (continued)</u>		
Lembaga Pembiayaan Ekspor Indonesia		
Berkelanjutan II Phase I Year 2014		
Series D	-	idAAA
Berkelanjutan II Phase V Year 2015		
Series C	idAAA	idAAA
Berkelanjutan II Phase VI Year 2015		
Series C	idAAA	idAAA
Berkelanjutan II Phase VII Year 2016		
Series B	-	idAAA
Berkelanjutan II Phase VII Year 2016		
Series C	idAAA	idAAA
Berkelanjutan III Phase I Year 2016		
Series B	-	idAAA
Berkelanjutan III Phase I Year 2016		
Series C	idAAA	idAAA
Berkelanjutan III Phase II Year 2016		
Series B	-	idAAA
Berkelanjutan III Phase III Year 2016		
Series B	-	idAAA
Berkelanjutan III Phase III Year 2016		
Series C	idAAA	idAAA
Berkelanjutan III Phase III Year 2016		
Series D	idAAA	idAAA
Berkelanjutan III Phase IV Year 2017		
Series B	idAAA	idAAA
Berkelanjutan III Phase IV Year 2017		
Series C	idAAA	idAAA
Berkelanjutan III Phase V Year 2017		
Series A	idAAA	-
Berkelanjutan III Phase V Year 2017		
Series B	idAAA	idAAA
Berkelanjutan III Phase V Year 2017		
Series C	idAAA	idAAA
Berkelanjutan III Phase VI Year 2018		
Series B	idAAA	idAAA
Berkelanjutan IV Phase II Year 2018		
Series A	-	idAAA
Berkelanjutan IV Phase II Year 2018		
Series B	idAAA	idAAA

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Available For Sale (continued)</u>		
<u>Related Party (continued)</u>		
<u>Rupiah (continued)</u>		
Lembaga Pembiayaan Ekspor Indonesia (continued)		
Berkelanjutan IV Phase II Year 2018 Series C	idAAA	idAAA
Berkelanjutan IV Phase III Year 2018 Series A	-	idAAA
Berkelanjutan IV Phase III Year 2018 Series D	idAAA	-
Berkelanjutan IV Phase IV Year 2019 Series A	idAAA	-
Berkelanjutan IV Phase IV Year 2019 Series E	idAAA	-
Berkelanjutan IV Phase V Year 2019 Series B	idAAA	-
Berkelanjutan IV Phase V Year 2019 Series C	idAAA	-
Berkelanjutan IV Phase V Year 2019 Series D	idAAA	-
Berkelanjutan IV Phase VI Year 2019 Series D	idAAA	-
Sukuk Mudarabah Berkelanjutan I Phase II Year 2018 Series B	idAAA(sy)	idAAA(sy)
Berkelanjutan IV Phase VII Year 2019 Series C	idAAA	-
PT Perusahaan Listrik Negara (Persero)		
Phase XI Year 2010 Series B	idAAA	idAAA
Phase XII Year 2010 Series B	idAAA	idAAA
Berkelanjutan I Phase I Year 2013 Series A	idAAA	idAAA
Berkelanjutan I Phase I Year 2013 Series B	idAAA	idAAA
Berkelanjutan I Phase II Year 2013 Series B	idAAA	idAAA
Berkelanjutan II Phase II Year 2017 Series C	idAAA	idAAA
Berkelanjutan II Phase II Year 2017 Series D	idAAA	idAAA
Berkelanjutan II Phase III Year 2018 Series C	-	idAAA
Berkelanjutan II Phase III Year 2018 Series E	idAAA	idAAA

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Available For Sale (continued)</u>		
<u>Related Party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Perusahaan Listrik Negara (Persero)		
(continued)		
Berkelanjutan III Phase II Year 2018 Series B	idAAA	idAAA
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I		
Year 2013	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan I Phase II		
Year 2013 Series B	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan II Phase I		
Year 2017 Series A	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan II Phase III		
Year 2018 Series B	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan III Phase II		
Year 2018 Series B	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan III Phase III		
Year 2018 Series A	idAAA(sy)	-
Berkelanjutan III Phase III Year 2019		
Series A	idAAA	-
Berkelanjutan III Phase III Year 2019		
Series B	idAAA	-
Berkelanjutan III Phase III Year 2019		
Series D	idAAA	-
Berkelanjutan III Phase IV Year 2019		
Series A	idAAA	-
Berkelanjutan III Phase IV Year 2019		
Series B	idAAA	-
Berkelanjutan III Phase V Year 2019		
Series A	idAAA	-
Berkelanjutan III Phase V Year 2019		
Series B	idAAA	-
PT Bank Tabungan Negara (Persero) Tbk		
Phase XIV Year 2010	idAA+	idAA+
Phase XV Year 2011	idAA+	idAA+
Berkelanjutan I Phase I Year 2012	idAA+	idAA+
Berkelanjutan I Phase II Year 2013	idAA+	idAA+
Berkelanjutan II Phase I Year 2015		
Series B	idAA+	idAA+
Berkelanjutan II Phase I Year 2019		
Series C	idAA+	idAA+
Berkelanjutan II Phase II Year 2016		
Series A	-	idAA+
Berkelanjutan II Phase II Year 2016		
Series B	idAA+	idAA+
Berkelanjutan III Phase I Year 2017		
Series A	idAA+	idAA+

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Available For Sale (continued)</u>		
<u>Related Party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Bank Tabungan Negara (Persero) Tbk		
(continued)		
Berkelanjutan III Phase I Year 2017		
Series B	idAA+	idAA+
Berkelanjutan III Phase II Year 2019		
Series B	idAA+	-
Berkelanjutan III Phase II Year 2019		
Series C	idAA+	-
PT Bank Mandiri (Persero) Tbk		
Berkelanjutan I Phase I Year 2016		
Series A	idAAA	idAAA
Berkelanjutan I Phase I Year 2016		
Series B	idAAA	-
Berkelanjutan I Phase II Year 2017		
Series A	idAAA	idAAA
Berkelanjutan I Phase II Year 2017		
Series B	idAAA	idAAA
Berkelanjutan I Phase III Year 2018		
Series A	idAAA	idAAA
PT Bank Negara Indonesia (Persero) Tbk		
Berkelanjutan I Phase I Year 2017	idAAA	idAAA
PT Sarana Multi Infrastruktur (Persero)		
Berkelanjutan I Phase I Year 2016		
Series B	idAAA	idAAA
Berkelanjutan I Phase II Year 2017		
Series B	idAAA	-
Berkelanjutan I Phase II Year 2017		
Series C	idAAA	idAAA
Berkelanjutan II Phase I Year 2019		
Series B	idAAA	-
Berkelanjutan II Phase III Year 2019		
Series B	idAAA	-
Berkelanjutan II Phase III Year 2019		
Series C	idAAA	-
Berkelanjutan II Phase III Year 2019		
Series C	idAAA	-
Sukuk <i>Mudharabah</i> I Phase III Year 2019		
Series D	idAAA(sy)	-
PT Pegadaian (Persero)		
Berkelanjutan I Phase I Year 2011		
Series C	idAAA	idAAA
Berkelanjutan I Phase II Year 2012 Series D	-	idAAA
Berkelanjutan II Phase I Year 2013		
Series D	idAAA	idAAA

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Available For Sale (continued)</u>		
<u>Related Party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Pegadaian (Persero) (continued)		
Berkelanjutan II Phase III Year 2015 Series C	idAAA	idAAA
Berkelanjutan III Phase I Year 2017 Series B	idAAA	idAAA
Berkelanjutan III Phase I Year 2017 Series C	idAAA	idAAA
Berkelanjutan III Phase II Year 2018 Series B	idAAA	idAAA
Berkelanjutan III Phase II Year 2018 Series C	idAAA	idAAA
PT Mandiri Tunas Finance		
Berkelanjutan II Phase II Year 2016 Series A	-	idAA+
Berkelanjutan II Phase II Year 2016 Series B	idAA+	idAAA
Berkelanjutan III Phase I Year 2016 Series A	-	idAAA
Berkelanjutan III Phase II Year 2017 Series A	idAA+	idA
Berkelanjutan IV Phase I Year 2019 Series A	idAA+	-
Berkelanjutan IV Phase II Year 2019 Series A	idAA+	-
Berkelanjutan IV Phase II Year 2019 Series B	idAA+	-
PT Angkasa Pura I (Persero)		
I Year 2016 Series A	idAAA	idAAA
I Year 2016 Series C	idAAA	idAAA
<u>Dolar Amerika Serieskat</u>		
PT Pertamina (Persero)		
Year 2021	BBB***)	Baa2*)
Year 2022	BBB***)	BBB-***)
Year 2023	BBB***)	BBB***)
PT Perusahaan Listrik Negara (Persero)		
Year 2021	BBB***)	BBB***)
Year 2027	BBB***)	BBB***)
Year 2028	BBB***)	BBB***)
PT Pelabuhan Indonesia III (Persero)		
Year 2023	BBB-***)	BBB***)
Year 2024	BBB-***)	BBB***)
PT Perusahaan Gas Negara (Persero)		
Year 2024	BBB-***)	Baa2*)

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Available For Sale (continued)</u>		
<u>Related Party (continued)</u>		
<u>United State Dollar (continued)</u>		
PT Bank Mandiri (Persero) Tbk Year 2024	BBB-***)	-
PT Pelabuhan Indonesia II (Persero) Year 2025	BBB***)	BBB***)
<u>Held To Maturity</u>		
<u>Third Party</u>		
<u>Rupiah</u>		
PT Bank Pan Indonesia Tbk Berkelanjutan II Phase I Year 2016	idAA	idA+
Berkelanjutan II Phase II Year 2016	idAA	idA+
PT Indosat Tbk Phase VII Year 2012 Series B	idAAA	idAAA
Sukuk <i>Ijarah</i> Indosat V Year 2012	-	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I Year 2014 Series C	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan I Phase III Year 2015 Series B	idAAA(sy)	idAAA(sy)
Berkelanjutan II Phase I Year 2017 Series E	idAAA	-
PT BPD Jawa Tengah Sukuk <i>Mudharabah</i> I Year 2017	idAA-(sy)	-
PT Global Mediacom Tbk Year 2017 Series A	A+**)	A+**)
Berkelanjutan Phase II Year 2017	idA+	idA+
PT Indonesia Infrastructure Finance Phase I Year 2016 Series B	idAAA	idAAA
PT Bank UOB Indonesia Phase I Year 2015 Series C	AAA	AA**)
Berkelanjutan I Phase I Year 2016 Series B	-	AA+**)
PT BPD Jambi Sukuk <i>Mudharabah</i> Year 2017	A(sy)**)	-
PT BPD Sumatera Barat Sukuk <i>Mudharabah</i> II Year 2015	idA(sy)	-
PT Bank CIMB Niaga Tbk Sukuk <i>Mudharabah</i> Berkelanjutan I Phase II Year 2019 Series C	idAAA(sy)	-
PT Great River International Tbk I Year 2003	D	D

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Held To Maturity (continued)</u>		
<u>Related Party</u>		
<u>Rupiah</u>		
PT Pupuk Indonesia (Persero)		
Berkelanjutan I Phase II Year 2017		
Series A	AAA***)	AAA***)
Phase I Year 2014 Series B	-	AA**)
PT Bank Tabungan Negara (Persero) Tbk		
Phase XIV Year 2010	idAA	idAA+
Phase XV Year 2011	idAA	idAA+
Berkelanjutan I Phase I Year 2012	idAA	idAA+
Berkelanjutan I Phase II Year 2013	idAA	idAA+
Berkelanjutan II Phase I Year 2015		
Series B	idAA	idAA+
Berkelanjutan II Phase I Year 2015		
Series C	idAA	idAA+
Berkelanjutan II Phase II Year 2016		
Series A	-	idAA+
Berkelanjutan II Phase II Year 2016		
Series B	idAA+	idAA+
Lembaga Pembiayaan Ekspor Indonesia		
Berkelanjutan II Phase III Year 2014		
Series C	-	idAAA
Berkelanjutan II Phase VI Year 2015		
Series C	idAAA	idAAA
Berkelanjutan II Phase V Year 2015		
Series C	idAAA	idAAA
Berkelanjutan III Phase VI Year 2018		
Series C	idAAA	idAAA
Berkelanjutan IV Phase III Year 2018		
Series A	-	idAAA
Berkelanjutan IV Phase III Year 2018		
Series B	idAAA	idAAA
Sukuk <i>Mudharabah</i> I Phase III Year 2019	idAAA	-
PT Pegadaian (Persero)		
Obligasi XIII Year 2009 Series C	-	idAAA
Berkelanjutan I Phase I Year 2011		
Series C	idAAA	idAAA
Berkelanjutan I Phase II Year 2012		
Series D	-	idAAA
Berkelanjutan II Phase II Year 2014		
Series C	-	idAAA
Berkelanjutan II Phase III Year 2015		
Series C	idAAA	idAAA
<i>Mudharabah</i> I Year 2018	idAAA	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Held To Maturity (continued)</u>		
<u>Related Party (continued)</u>		
<u>Rupiah (continued)</u>		
PT Telekomunikasi Indonesia (Persero) Tbk		
Obligasi II Year 2010 Series B	idAAA	idAAA
Berkelanjutan I Phase I Year 2015		
Series A	idAAA	idAAA
Berkelanjutan I Phase I Year 2015		
Series D	idAAA	idAAA
PT Perusahaan Listrik Negara (Persero)		
Berkelanjutan I Phase I Year 2013		
Series B	idAAA	idAAA
Phase VIII Year 2006 Series B	idAAA	idAAA
Phase IX Year 2007 Series B	idAAA	idAAA
Phase XI Year 2010 Series B	idAAA	idAAA
Phase XII Year 2010 Series B	idAAA	idAAA
Sukuk <i>Ijarah</i> Phase V Year 2010		
Series B	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan I Phase I		
Year 2013	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan I Phase II		
Year 2013 Series B	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan II Phase I		
Year 2017 Series B	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan II Phase III		
Year 2018 Series A	idAAA(sy)	idAAA(sy)
Sukuk <i>Ijarah</i> Berkelanjutan III Phase II		
Year 2018 Series B	idAAA(sy)	idAAA(sy)
Phase III Year 2019 Series B	idAAA	-
Phase III Year 2019 Series A	idAAA	-
Berkelanjutan III Phase V Year 2019		
Series D	idAAA	-
PT Angkasa Pura I (Persero)		
Sukuk <i>Ijarah</i> Angkasa Pura I Year 2016		
Series A	idAAA(sy)	idAAA(sy)
PT Aneka Tambang (Persero) Tbk		
Berkelanjutan I Year 2011 Series B	idA	idA-
PT Jasa Marga (Persero) Tbk		
Phase XIV Year 2010 Series JM-10	idAA	idAA
Berkelanjutan I Phase II Year 2014		
Series T	-	idAA
JSMR KOMODO 11122020	Baa2**)	-
PT Kereta Api Indonesia (Persero)		
Berkelanjutan II Series A 2019	idAAA	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.2. Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

	Rating *)	
	December 31, 2019	Desember 31, 2018
<u>Held To Maturity (continued)</u>		
<u>Related Party</u>		
<u>United State Dollar</u>		
PT Perusahaan Listrik Negara (Persero)		
Year 2020	BBB***)	BBB-***)
Year 2021	BBB***)	BBB-***)
Year 2029	BBB***)	BBB-***)
PT Perusahaan Gas Negara (Persero) Tbk		
Year 2024	BBB-***)	BBB-***)
PT Pelabuhan Indonesia II (Persero)		
Year 2025	BBB***)	BBB***)
PT Pertamina (Persero)		
Year 2021	BBB***)	-
Year 2023	BBB***)	BBB***)
PT Pelabuhan Indonesia III (Persero)		
Year 2024	BBB-***)	BBB-***)

*) Based on the rank published by PT Pemeringkat Efek Indonesia (Pefindo)

**) Based on the rank published by Moody's

***) Based on the rank published by Fitch Ratings

****) Based on the rank published by Standard & Poor's

d.3. Mutual Fund

	December 31,	
	2019	2018
<u>Fair value through profit or loss</u>		
<u>Third party</u>		
<u>Rupiah</u>		
PT Schroder Investment Management		
Indonesia	1,680,740	1,111,354
PT Trimegah Asset Management	22,357	29,732
PT Insight Investments Management	18,855	32,035
PT BNP Paribas Investment Partners	9,888	15,651
PT Avrist Asset Managemen	9,852	-
PT Batavia Prosperindo Aset Manajemen	-	16,776
PT Sinarmas Asset Management	-	16,359
PT Manulife Aset Manajemen Indonesia	-	3,864
PT Mega Capital Investama	-	2,885
	1,741,692	1,228,656
<u>United States Dollar</u>		
PT Schroder Investment Management		
Indonesia	8,192	7,745
	1,749,884	1,236,401

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.3. Mutual Fund (continued)

	December 31,	
	2019	2018
<u>Fair value through profit or loss</u>		
<u>(continued)</u>		
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
PT Bahana TCW Investment Management	33,500	1,256
PT Mandiri Manajemen Investasi	11,772	1,261
PT Danareksa Investment Management	-	8,957
PT PNM Investment Management	-	3,225
	45,272	14,699
	1,795,156	1,251,100
 <u>Available-for-sale</u>		
<u>Third party</u>		
<u>Rupiah</u>		
PT Trimegah Asset Management	465,212	456,620
PT EMCO Asset Management	262,709	262,470
PT Samuel Aset Manajemen	193,632	192,217
PT Aberdeen Standard Indonesia Government Bond Fund	100,300	-
PT Sutorinvest Asset Management	99,941	-
PT Insight Investments Management	95,122	313,898
PT Syailendra Capital	65,983	68,545
PT Ashmore Asset Management Indonesia	62,778	64,139
PT Manulife Aset Manajemen Indonesia	52,297	51,322
PT Panin Asset Management	48,143	46,866
PT Mega Capital Investama	20,208	57,997
PT RHB Asset Management Indonesia	13,606	13,094
PT Sinarmas Asset Management	9,992	24,186
PT Mega Asset Management	7,154	9,798
PT BNP Paribas Investment Partners	4,360	5,253
PT Henan Putihrai Asset Management	-	42,039
PT Maybank Asset Management	-	40,413
PT Majoris Asset Management	-	9,745
PT CIMB Principal Asset Management	-	7,293
PT Pratama Capital Assets Management	-	1,999
PT Schroder Investment Management Indonesia	-	1,308
	1,501,437	1,669,202

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.3. Mutual Fund (continued)

	December 31,	
	2019	2018
<u>Available-for-sale (continued)</u>		
<u>United State Dollar</u>		
PT Schroder Investment Management Indonesia	139,916	-
PT Ashmore Asset Management Indonesia	139,212	-
	279,128	-
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
PT BNI Asset Management	76,287	75,337
PT Mandiri Manajemen Investasi	71,404	60,412
PT Danareksa Investment Management	-	10,147
PT Bahana TCW Investment Management	-	5,473
	147,691	151,369
	1,928,256	1,820,571
Total	3,723,412	3,071,671

d.4. Negotiable Certificate of Deposit (NCD)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
				December 31, 2019	December 31, 2018
<u>Fair value through profit or loss</u>					
<u>Third party</u>					
<u>Rupiah</u>					
PT Bank Commonwealth					
VI Phase II Year 2019 Series A	50,000	5.54	Mar 20, 2020	49,364	-
VI Phase II Year 2019 Series B	80,000	5.59	Sep 22, 2020	76,463	-
PT BPD DKI					
Year I 2019 Series B	100,000	6.95	Dec 8, 2020	94,429	-
PT BPD Jateng					
Year 2019 Series B	100,000	6.70	May 15, 2020	97,798	-
Year 2019 Series C	100,000	6.97	Nov 13, 2020	94,668	-
The Bank of Tokyo-Mitsubishi UFJ Ltd					
IV Phase IV Year 2019 Series C	100,000	6.20	Aug 14, 2020	96,258	-
IV Phase IV Year 2019 Series B	50,000	6.70	Feb 14, 2020	-	-
IV Phase V Year 2019 Series C	100,000	6.10	Nov 6, 2020	94,788	-
PT Bank Mizuho Indonesia					
Phase VII Year 2018	70,000	6.05	Nov 25, 2020	66,107	-
				669,875	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.4. Negotiable Certificate of Deposit (NCD) (continued):

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
				December 31, 2019	December 31, 2018
<u>Fair value through profit or loss (continued)</u>					
<u>Related party (Note 44)</u>					
<u>Rupiah</u>					
PT Bank Negara Indonesia (Persero) Tbk					
II Year 2019 Series D	36,000	6.47	Jul 2, 2020	34,916	-
III Year 2019 Series B	100,000	5.55	Apr 1, 2020	98,528	-
				133,444	-
				803,319	-
<u>Available-for-sale</u>					
<u>Third party</u>					
<u>Rupiah</u>					
PT Bank Woori Saudara Indonesia 1906 Tbk					
III Phase I Year 2018	40,000	7.88	Oct 3, 2019	-	37,974
IV Phase II Year 2019	50,000	7.84	Jul 2, 2020	48,494	-
PT Bank Commonwealth					
V Phase I Year 2018 Series B	150,000	6.23	Apr 19, 2019	-	147,021
V Phase II Year 2018	50,000	6.76	May 24, 2019	-	48,651
V Phase III Year 2018	200,000	8.30	Oct 22, 2019	-	189,210
VI Phase I Year 2019	50,000	7.88	Apr 8, 2020	49,209	-
VI Phase II Year 2019 Series B	50,000	6.65	Sep 22, 2020	48,789	-
PT BPD Kalimantan Timur and Kalimantan Utara					
I Year 2019	45,000	8.80	Mar 5, 2020	44,536	-
The Bank of Tokyo-Mitsubishi UFJ Ltd.					
III Phase II Year 2018 Series C	100,000	6.07	May 14, 2019	-	97,483
IV Phase I Year 2018 Series B	100,000	8.00	May 22, 2019	-	97,334
IV Phase V Year 2019 Series C	100,000	6.10	Nov 6, 2020	94,788	-
IV Phase IV Year 2019 Series C	200,000	6.95	Aug 14, 2020	192,517	-
PT Bank KEB Hana Indonesia					
IV Year 2018	50,000	7.88	Sep 25, 2019	-	47,537
V Year 2019	50,000	6.89	Sep 17, 2020	47,834	-
PT Bank Sumitomo Mitsui Indonesia					
II Phase II Year 2018 Series A	150,000	8.30	Apr 23, 2019	-	146,809
PT BPD Sulawesi Barat					
II Year 2019 Series B	30,000	6.97	Dec 15, 2020	28,293	-
PT BPD Jawa Tengah					
Year 2018 Series A	97,353	8.50	May 21, 2019	-	97,353
PT BPD DKI					
I Year 2019 Series B	100,000	6.95	Dec 3, 2020	94,429	-
PT Bank Maybank Indonesia Tbk					
IX Year 2019 Series B	50,000	6.20	Sep 6, 2020	47,929	-
PT Bank Mizuho Indonesia					
Phase IV Year 2018	50,000	6.05	Nov 26, 2020	47,219	48,828
PT BPD Jawa Barat and Banten Tbk					
III Year 2018 Series A	50,000	6.30	Apr 5, 2019	-	49,137
				743,037	1,007,337

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.4. Negotiable Certificate of Deposit (NCD) (continued):

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
				December 31, 2019	December 31, 2018
Related party (Note 44)					
<u>Rupiah</u>					
PT Bank Negara Indonesia (Persero) Tbk					
I Year 2019 Series D	28,000	7.77	Apr 1, 2020	27,574	-
III Year 2019 Series D	200,000	6.70	Oct 1, 2020	190,837	-
PT Bank Tabungan Negara (Persero) Tbk					
Phase I Year 2018 Series B	100,000	6.20	Apr 2, 2019	-	98,324
Phase II Year 2018 Series A	105,000	7.60	Jan 15, 2019	-	104,713
Phase III Year 2018 Series A	300,000	8.30	May 7, 2019	-	293,083
				218,411	496,120
				961,448	1,503,457
Held-to-maturity					
<u>Third party</u>					
<u>Rupiah</u>					
PT BPD Jawa Tengah					
Year 2018 Series A	60,000	6.97	Nov 13, 2020	56,520	9,678
PT Bank DKI					
I Series B	100,000	6.95	Dec 13, 2020	93,785	-
				150,305	9,678
Related party (Note 44)					
<u>Rupiah</u>					
PT Bank Tabungan Negara (Persero) Tbk					
Phase III Year 2018 Series A	50,000	8.30	May 7, 2019	-	48,577
Phase III Year 2018 Series B	50,000	8.40	Aug 2, 2019	-	47,621
Phase III Year 2018 Series C	50,000	8.50	Nov 5, 2019	-	46,598
Phase IV Year 2018 Series B	50,000	8.40	Jun 11, 2019	-	48,179
				-	190,975
				150,305	200,653
				1,915,072	1,704,110

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.5. Subordinated Bonds

<u>Issuer</u>	<u>Carrying Value</u>	
	<u>December 31, 2019</u>	<u>December 31, 2018</u>
<u>Fair value through profit or loss</u>		
<u>Third party</u>		
<u>Rupiah</u>		
PT Bank KEB Hana Indonesia Year 2016	33,051	30,936
PT Bank Central Asia Tbk		
<i>Berkelanjutan</i> I Phase I Year 2018 Series B	14,669	13,676
PT Bank CIMB Niaga Tbk II Year 2010	1,454	1,418
PT Bank Maybank Indonesia Tbk		
<i>Berkelanjutan</i> II Phase II Year 2016	-	7,915
PT Bank Pan Indonesia Tbk		
<i>Berkelanjutan</i> I Phase I Year 2012	-	2,012
	49,174	55,957
<u>Available-for-sale</u>		
<u>Third party</u>		
<u>Rupiah</u>		
PT Bank Permata Tbk		
<i>Berkelanjutan</i> I Phase I Year 2012	-	10,052
<i>Berkelanjutan</i> I Phase II Year 2012	-	187,051
<i>Berkelanjutan</i> II Phase I Year 2013	5,261	5,277
<i>Berkelanjutan</i> II Phase II Year 2014	37,579	36,833
PT Bank Pan Indonesia Tbk		
<i>Berkelanjutan</i> I Phase I Year 2012	-	114,331
<i>Berkelanjutan</i> II Phase II Year 2017	39,234	39,370
PT Bank CIMB Niaga Tbk		
II Year 2010	134,639	148,369
PT Bank Maybank Indonesia Tbk		
<i>Berkelanjutan</i> I Phase II Year 2012	-	67,340
<i>Berkelanjutan</i> II Phase I Year 2014	31,706	31,375
<i>Berkelanjutan</i> II Phase II Year 2016	24,169	14,840
PT Bank Bukopin Tbk		
<i>Berkelanjutan</i> II Phase I Year 2015	2,533	-
<i>Berkelanjutan</i> II Phase II Year 2017	3,940	-
PT Bank Central Asia Tbk		
<i>Berkelanjutan</i> I Phase I Year 2018 Series A	4,851	-
PT Bank UOB Indonesia		
I Year 2014	29,522	40,763
<i>Berkelanjutan</i> I Phase II Year 2017	20,771	19,278
PT Bank KEB Hana Indonesia		
I Year 2016	9,596	8,981
	343,801	723,860

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.5. Subordinated Bonds (continued)

Issuer	Carrying Value	
	December 31, 2019	December 31, 2018
Held-to-maturity		
<u>Third party</u>		
<u>Rupiah</u>		
PT BPD Jawa Tengah I Year 2015	35,999	36,847
PT Bank Permata Tbk <i>Berkelanjutan</i> I Phase II Year 2012	-	20,000
	35,999	56,847
Total	428,974	836,664

Information regarding interest rates, maturity dates and ratings are as follows:

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{*)}	
			December 31, 2019	December 31, 2018
Fair value through profit or loss				
<u>Third party</u>				
<u>Rupiah</u>				
PT Bank KEB Hana Indonesia Phase I Year 2016	9.95	Dec 21, 2023	AA(idn)	AA(idn)
PT Bank Central Asia Tbk <i>Berkelanjutan</i> I Phase I Year 2018 Seri B	8.00	Jul 5, 2030	idAA	idAA
PT Bank Pan Indonesia Tbk <i>Berkelanjutan</i> I Phase I Year 2012	9.40	Dec 20, 2019	-	idAA-

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo)

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.5. Subordinated Bonds (continued)

Information regarding interest rates, maturity dates and ratings are as follows (continued):

Issuer	Annual Interest Rate (%)	Maturity Date	Rating ^{*)}	
			December 31, 2019	December 31, 2018
Fair value through profit or loss (continued)				
<u>Third party (continued)</u>				
<u>Rupiah</u>				
PT Bank CIMB Niaga Tbk II Year 2010	10.85	Dec 23, 2020	AA(idn)	AA(idn)
PT Bank Maybank Indonesia Tbk <i>Berkelanjutan</i> II Phase II Year 2016	9.63	Jun 10, 2023	-	AA(idn)
Available-for-sale				
<u>Third party</u>				
<u>Rupiah</u>				
PT Bank Permata Tbk <i>Berkelanjutan</i> I Phase I Year 2012	8.90	Jun 15, 2019	-	idAA+
<i>Berkelanjutan</i> I Phase II Year 2012	9.40	Dec 19, 2019	-	idAA+
<i>Berkelanjutan</i> II Phase I Year 2013	12.00	Dec 24, 2020	idAA+	idAA+
<i>Berkelanjutan</i> II Phase II Year 2014	11.75	Oct 24, 2021	idAA	idAA
PT Bank Pan Indonesia Tbk <i>Berkelanjutan</i> I Phase I Year 2012	9.40	Dec 20, 2019	-	idAA-
<i>Berkelanjutan</i> II Phase II Year 2017	10.25	Mar 17, 2024	idA+	idA+
PT Bank CIMB Niaga Tbk II Year 2010	10.85	Dec 23, 2020	AA(idn)	AA(idn)
PT Bank Maybank Indonesia Tbk <i>Berkelanjutan</i> I Phase II Year 2012	9.25	Oct 31, 2019	-	idAA
<i>Berkelanjutan</i> II Phase I Year 2014	11.35	Jul 8, 2021	AA(idn)	AA(idn)
<i>Berkelanjutan</i> II Phase II Year 2016	9.63	Jun 10, 2023	AA(idn)	AA(idn)
PT Bank UOB Indonesia I Year 2014	11.35	May 28, 2021	AA(idn)	AA(idn)
<i>Berkelanjutan</i> I Phase II Year 2017	9.25	Oct 17, 2024	AA(idn)	AA(idn)
PT Bank KEB Hana Indonesia I Year 2016	9.95	Dec 21, 2023	-	AA(idn)
PT Bank Bukopin Tbk <i>Berkelanjutan</i> II Phase I Year 2015	11,00	Jun 30, 2022	BBB(idn)	-
<i>Berkelanjutan</i> II Phase II Year 2017	10,00	Jan 31, 2024	BBB(idn)	-
PT Bank Central Asia Tbk <i>Berkelanjutan</i> I Phase I Year 2018 Series A	7,75	Jul 5, 2025	AA(idn)	-
Held-to-maturity				
<u>Third party</u>				
<u>Rupiah</u>				
PT BPD Jawa Tengah I Year 2015	12.25	Dec 18, 2022	-	idA
PT Bank Permata Tbk <i>Berkelanjutan</i> I Phase II Year 2012	9.40	Dec 19, 2019	-	idAA+

*) Based on ratings issued by PT Pemeringkat Efek Indonesia (Pefindo)

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

d) By Type and Issuer (continued):

d.6. Medium-Term Note (MTN)

Issuer	Nominal Value	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
				December 31, 2019	December 31, 2018
Available-for-sale					
<u>Third party</u>					
<u>Rupiah</u>					
PT Bank Danamon Indonesia Tbk I Year 2019	115,000	8.15 ^{*)}	Mar 6, 2020	115,449	-
PT Indonesia Infrastructure Finance I Year 2018	15,000	8.35 ^{*)}	Nov 10, 2019	-	14,163
				115,449	14,163
 <u>Related party (Note 44)</u>					
<u>Rupiah</u>					
PT Telekomunikasi Indonesia (Persero) Tbk I Year 2018 Seri A	50,000	7.25 ^{*)}	Sep 14, 2019	-	50,450
I Year 2018 Seri C	100,000	8.12 ^{*)}	Sep 4, 2021	102,570	50,350
I Year 2018 Seri B	65,000	7.07 ^{*)}	Sep 4, 2020	65,838	50,450
Perum Perumnas III Year 2018 Seri A	60,000	10.75 ^{*)}	Dec 10, 2021	61,104	58,992
PT Kimia Farma (Persero) Tbk Phase I Year 2017	57,000	8.10 ^{*)}	Sep 15, 2020	57,359	56,567
Phase II Year 2018	36,000	7.75 ^{*)}	Mar 15, 2021	36,328	35,305
PT Wijaya Karya (Persero) Tbk I Year 2018	100,000	10.50 ^{*)}	Dec 28, 2021	-	100,000
				323,199	402,114
				438,648	416,277
 <u>Held-to-maturity</u>					
<u>Third party</u>					
<u>Rupiah</u>					
PT Indah Kiat Pulp & Paper Tbk VII Year 2018	50,000	10.25 ^{*)}	Apr 20, 2021	50,000	50,000
PT Indonesia Infrastructure Finance I Year 2018	50,000	8.35 ^{*)}	Nov 10, 2019	-	50,000
				50,000	100,000
 <u>Related party (Note 44)</u>					
<u>Rupiah</u>					
PT Perkebunan Nusantara II (Persero) VIII Year 2019	10,000	11.00 ^{*)}	Jun 26, 2024	10,000	-
VII Series B	1,000	11.00 ^{*)}	Oct 31, 2024	1,000	-
				11,000	-
				61,000	100,000
				499,648	516,277

*) Interest received every 3 (three) months

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

7. SECURITIES (continued)

- e) BRI assessed impairment losses on securities individually based on whether objective evidence of impairment existed.

Management believes that the allowance for impairment losses as of December 31, 2019 and 2018 is adequate.

- f) The average interest rates:

	December 31,	
	2019	2018
Rupiah	7.46%	7.57%
United States Dollar	4.17	4.91
European Euro	2.85	2.77
Singaporean Dollar	1.90	2.03

- g) BRI recognized net unrealized gain (loss) resulting from the changes in fair values of securities classified as "Fair Value through Profit or Loss" amounting to Rp80,980 and Rp338,097 for years ended December 31, 2019 and 2018, respectively, which are presented in the "Unrealized gain on changes in fair value of securities" in the consolidated statement of profit or loss and other comprehensive income.
- h) BRI recognized net gain on sale of securities amounting Rp1,839,341 and Rp534,952 for years ended December 31, 2019 and 2018, respectively, which are presented in the "Gain on sale of securities and Government Recapitalization Bonds - net" in the consolidated statements of profit or loss and other comprehensive income.
- i) Securities with nominal value Rp48,539,991 and Rp37,950,853 as of December 31, 2019 and 2018, respectively, were sold under agreement to (Note 24).

8. EXPORT BILLS AND NOTES RECEIVABLE

- a) By Type and Currency:

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
Third party				
<u>Rupiah</u>				
<u>Domestic</u>				
Notes Receivable		3,740,125		2,795,744
Documentary				
Letters of Credit (SKBDN)		3,362,976		6,972,662
Export Bills		3,244,802		4,009,507
Other Bills		537,893		187,162
		<u>10,885,827</u>		<u>13,965,075</u>

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

8. EXPORT BILLS AND NOTES RECEIVABLE (continued)

a) By Type and Currency (continued):

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
Third party				
<u>(continued)</u>				
<u>Foreign currency</u>				
Documentary				
Letters of Credit (SKBDN)	1,195,050	16,590		-
Export Bills				
United States				
Dollar	306,931,212	4,260,973	219,507,845	3,156,523
Renminbi	18,195,016	2,325	297,628	622
Japanese Yen	-	-	17,993,921	2,350
European Euro	-	-	36,627	602
		4,279,888		3,160,097
Notes Receivable				
United States				
Dollar	298,277,752	4,140,841	214,185,325	3,079,985
Renminbi	15,864,856	31,637	258,459,000	540,327
Japanese Yen	174,341,222	22,283	165,385,979	21,603
European Euro	613,581	9,554	249,964	4,110
		4,204,315		3,646,025
Other Bills				
United States				
Dollar	37,368,396	518,767	7,907,551	113,711
European Euro	2,980,000	46,400	-	-
Singapore Dollar	1,134,222	11,700	-	-
Renminbi	3,973,250	7,923	4,457,638	9,319
Japanese Yen	36,615,000	4,680	12,686,814	1,657
		589,469		124,687
		9,073,672		6,930,809
		19,959,499		20,895,884

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

8. EXPORT BILLS AND NOTES RECEIVABLE (continued)

a) By Type and Currency (continued):

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Related party</u> (Note 44)				
<u>Rupiah</u>				
Domestic				
Documentary Letters of Credit (SKBDN)		3,472,960		1,360,666
Notes receivable		3,406,600		4,812,064
Export Bills		5,994		650,624
Other Bills		1,851,090		2,236,823
		8,736,644		9,060,177
<u>Foreign currency</u>				
Notes receivable				
United States Dollar	53,771,939	746,489	2,390,196	34,371
European Euro	4,718,418	73,469	-	-
Export Bills				
United States Dollar	81,771	1,135	64,649	930
		821,093		35,301
Other Bills				
United States Dollar	217,985,486	3,026,183	117,257,609	1,686,164
European Euro	82,492,599	1,284,460	69,491,745	1,142,490
Great Britain Pound Sterling	2,413,767	44,023	3,930,218	71,968
Singapore Dollar	225,907	2,330	227,050	2,396
Swiss Franc	176,449	2,530	390,517	5,700
		4,359,527		2,908,718
		5,180,620		2,944,019
		13,917,264		12,004,196
Total		33,876,763		32,900,080
Allowance for impairment losses		(132,241)		(91,932)
Total - Net		33,744,522		32,808,148

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

8. EXPORT BILLS AND NOTES RECEIVABLE (continued)

b) By Collectability:

All export bills and notes receivable are classified as "Current" as of December 31, 2019 and 2018 except PT Airsindo Multi Selaras is classified as "Special Mention" and PT Nobil Putra Angkasa is classified as "Substandard"

c) By Time Period:

The classification of export bills and notes receivable based on their remaining period to maturity are as follows:

	December 31,	
	2019	2018
Third party		
≤ 1 month	4,797,871	3,467,751
> 1 month - 3 months	7,465,986	8,727,350
> 3 months - 1 year	7,695,642	8,700,783
	19,959,499	20,895,884
Related party (Note 44)		
≤ 1 month	2,213,007	2,047,761
> 1 month - 3 months	2,121,449	2,246,497
> 3 months - 1 year	9,582,808	7,709,938
	13,917,264	12,004,196
Total	33,876,763	32,900,080
Allowance for impairment losses	(132,241)	(91,932)
Total - Bersih	33,744,522	32,808,148

BRI assessed allowance for impairment losses on export bills and notes receivable individually based on whether objective evidence of impairment exists.

Management believes that no allowance for impairment losses is necessary as of December 31, 2019 and 2018, because management believes that export bills and notes receivable 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 issued 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 are fixed rate interest bonds (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.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

9. GOVERNMENT RECAPITALIZATION BONDS (continued)

a) By Ownership Purpose and Remaining Period to Maturity:

	December 31,	
	2019	2018
Available-for-sale ≤ 1 month	30,306	30,273
Held-to-maturity ≤ 1 year	-	375,000
> 1 year - 5 years	1,100,000	1,100,000
Total	1,130,306	1,505,273

b) By Classification and Type:

Issuer	Annual Interest Rate (%)	Maturity Date	Fair Value/Carrying Value	
			December 31, 2019	December 31, 2018
Available-for-sale VR0031	3 months SPN	July 25, 2020	30,306	30,273
			30,306	30,273
Held-to-maturity VR0031 VR0029	3 months SPN 3 months SPN	July 25, 2020 August 25, 2019	1,100,000 -	1,100,000 375,000
			1,100,000	1,475,000
Total			1,130,306	1,505,273

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 as "Available-for-sale" are 99.97% and 99.87% of nominal amounts as of December 31, 2019 and 2018, respectively.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL

Securities purchased under agreement to resell as of December 31, 2019 and 2018 consist of:

	December 31, 2019				
	Interest Rate (%)	Date of Purchase	Date of Resale	Purchase Amount	Resale Amount - Net
<u>Third party</u>					
<u>Rupiah</u>					
Bank Indonesia					
Government Bonds					
FR0063	5.04	Dec 17, 2019	Jan 14, 2020	7,709,270	7,724,380
FR0077	5.06	Dec 17, 2019	Mar 17, 2020	3,063,470	3,069,498
FR0063	5.02	Dec 20, 2019	Jan 3, 2020	931,289	932,717
FR0065	5.04	Dec 5, 2019	Jan 2, 2020	874,280	877,462
FR0064	5.04	Dec 20, 2019	Jan 17, 2020	443,180	443,862
FR0065	5.06	Dec 20, 2019	Mar 20, 2020	432,370	433,039
FR0070	5.01	Dec 31, 2019	Jan 14, 2020	312,756	312,756
FR0068	5.04	Dec 12, 2019	Jan 9, 2020	310,439	311,265
FR0077	5.05	Nov 26, 2019	Feb 25, 2020	304,376	305,870
FR0061	5.04	Dec 31, 2019	Jan 28, 2020	293,558	293,558
FR0061	5.04	Dec 11, 2019	Jan 8, 2020	292,221	293,039
FR0061	5.01	Dec 26, 2019	Jan 9, 2020	292,691	292,894
FR0063	5.04	Dec 10, 2019	Jan 7, 2020	279,670	280,492
FR0077	5.33	Oct 16, 2019	Jan 15, 2020	125,660	127,074
FR0077	5.06	Nov 26, 2019	Feb 25, 2020	202,917	203,915
FR0079	5.09	Nov 22, 2019	May 20, 2020	102,938	103,506
FR0079	5.09	Dec 6, 2019	Jun 5, 2020	102,727	103,090
FR0078	5.33	Oct 16, 2019	Jan 15, 2020	83,774	84,716
FR0079	5.19	Dec 13, 2019	Dec 11, 2020	51,203	51,336
FR0061	5.13	Dec 13, 2019	Sep 11, 2020	48,681	48,806
SPN12200410	5.00	Dec 26, 2019	Jan 2, 2020	2,799,210	2,801,154
SPN12201106	5.09	Nov 15, 2019	Feb 14, 2020	542,427	545,955
SPN12201009	5.00	Dec 31, 2019	Jan 7, 2020	273,186	273,186
PT BPD Maluku and Maluku Utara					
Government Bonds					
FR0077	5.20	Dec 23, 2019	Jan 6, 2020	47,756	47,811
PT BPD Jawa Tengah					
Government Bonds					
FR0065	5.10	Dec 30, 2019	Jan 2, 2020	749,053	749,159
FR0064	5.10	Dec 30, 2019	Jan 2, 2020	325,612	325,658
				20,994,714	21,036,197
<u>United States Dollar</u>					
Bank ING N.V.					
RI0822	2.01	Dec 11, 2019	Jan 6, 2020	520,760	521,343
SNI0323	2.01	Dec 11, 2019	Jan 6, 2020	145,489	145,651
				666,249	666,994
				21,660,963	21,703,191

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL (continued)

Securities purchased under agreement to resell as of December 31, 2019 and 2018 consist of (continued):

December 31, 2019					
	Interest Rate (%)	Date of Purchase	Date of Resale	Purchase Amount	Resale Amount - Net
<u>Related party (Note 44)</u>					
<u>Rupiah</u>					
PT Asuransi Jiwasraya					
Government Bonds					
FR0059	6.59	Aug 28, 2019	Feb 19, 2020	351,324	359,364
FR0074	6.59	Aug 30, 2019	Feb 21, 2020	249,555	255,174
FR0061	6.59	Aug 29, 2019	Feb 21, 2020	81,328	83,174
FR0061	6.59	Aug 29, 2019	Feb 20, 2020	60,751	62,130
FR0065	6.59	Aug 30, 2019	Feb 20, 2020	45,806	46,838
FR0061	6.59	Aug 29, 2019	Feb 19, 2020	44,094	45,094
FR0068	6.59	Aug 30, 2019	Feb 20, 2020	13,128	13,424
FR0063	6.59	Aug 29, 2019	Feb 20, 2020	7,954	8,135
FR0044	6.59	Aug 29, 2019	Feb 20, 2020	5,593	5,720
				859,533	879,053
Total				22,520,496	22,582,244

December 31, 2018					
	Interest Rate (%)	Date of Purchase	Date of Resale	Purchase Amount	Resale Amount - Net
<u>Third party</u>					
<u>Rupiah</u>					
Bank Indonesia					
Government Bonds					
FR0047	5.80	Jul 6, 2018	Jan 4, 2019	111,740	114,944
FR0063	6.20	Aug 24, 2018	Feb 22, 2019	441,274	451,078
FR0063	6.60	Sep 28, 2018	Jun 28, 2019	429,611	437,015
FR0063	6.55	Nov 2, 2018	May 3, 2019	2,629,134	2,657,357
FR0063	6.35	Nov 9, 2018	Feb 8, 2019	1,784,336	1,800,702
FR0064	5.85	Jul 27, 2018	Jan 25, 2019	255,678	262,201
FR0064	6.00	Jul 27, 2018	Jan 25, 2019	85,226	87,456
FR0064	5.90	Jul 27, 2018	Jan 25, 2019	85,226	87,419
FR0064	6.35	Oct 12, 2018	Jan 11, 2019	813,616	825,097
PT BPD Sulawesi Tengah					
Government Bonds					
FR0068	7.25	Dec 26, 2018	Jan 9, 2019	89,906	89,997
PT BPD Jawa Tengah					
Government Bonds					
FR0059	7.30	Dec 20, 2018	Jan 3, 2019	504,225	505,350
FR0065	7.25	Dec 19, 2018	Jan 2, 2019	505,148	506,368
FR0070	7.00	Dec 27, 2018	Jan 10, 2019	319,951	320,200
				8,055,071	8,145,184

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

10. SECURITIES PURCHASED UNDER AGREEMENT TO RESELL (continued)

Securities purchased under agreement to resell as of December 31, 2019 and 2018 consist of (continued):

	December 31, 2018				
	Interest Rate (%)	Date of Purchase	Date of Resale	Purchase Amount	Resale Amount-Net
<u>Related party (Note 44)</u>					
<u>Rupiah</u>					
PT Bank Mandiri Taspen					
Government Bonds					
FR0061	7.40	Oct 3, 2018	Jan 3, 2019	100,377	102,213
PT Asuransi Jiwasraya					
Government Bonds					
FR0044	7.59	Sep 19, 2018	Mar 12, 2019	5,750	5,875
FR0059	7.59	Sep 10, 2018	Mar 11, 2019	350,586	358,864
FR0061	7.59	Sep 12, 2018	Mar 12, 2019	193,242	197,724
FR0063	7.59	Sep 19, 2018	Mar 12, 2019	8,053	8,228
FR0065	7.59	Sep 14, 2018	Mar 13, 2019	45,385	46,419
FR0068	7.59	Sep 14, 2018	Mar 13, 2019	13,048	13,345
FR0074	7.59	Sep 14, 2018	Mar 13, 2019	244,307	249,869
Bonds I Angkasa Pura I					
Year 2016 Series A	7.59	Sep 24, 2018	Mar 22, 2019	173,119	176,696
Bonds I Angkasa Pura II					
Year 2016 Series A	7.59	Sep 24, 2018	Mar 22, 2019	48,475	49,476
Bonds <i>Berkelanjutan</i> I Telkom					
Phase I Year 2015 Series A	7.59	Sep 24, 2018	Mar 22, 2019	12,124	12,375
Phase I Year 2015 Series B	7.59	Sep 24, 2018	Mar 22, 2019	6,116	6,243
Bonds <i>Berkelanjutan</i> III SMF					
Phase V Year 2016 Series B	7.59	Sep 24, 2018	Mar 22, 2019	8,977	9,162
Phase VII Year 2017 Series B	7.59	Sep 24, 2018	Mar 22, 2019	5,951	6,074
Bonds <i>Berkelanjutan</i> I BNI					
Phase I Year 2017	7.59	Sep 24, 2018	Mar 22, 2019	8,627	8,806
				1,224,137	1,251,369
Total				9,279,208	9,396,553

11. DERIVATIVES RECEIVABLE AND PAYABLE

The summary of the derivatives transactions are as follows:

Transaction	December 31, 2019	
	Derivatives receivable	Derivatives payable
Foreign currency swap	139,081	34,341
Purchase and sale of foreign currency forward	21,975	21,943
Cross currency and interest rate swap	19,264	74,114
Currency option	17,306	-
Interest rate swap	9,092	21,424
Shares option	3,151	32,338
Purchase and sale of foreign currency spot	527	445
Total	210,396	184,605

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

The summary of the derivatives transactions are as follows (continued):

Transaction	December 31, 2018	
	Derivatives receivable	Derivatives payable
Foreign currency swap	276,071	56,195
Purchase and sale of foreign currency forward	72,275	94,922
Interest rate swap	69,307	91,211
Cross currency and interest rate swap	25,671	67,944
Currency option	23,951	20,774
Shares option	16,468	-
Purchase and sale of foreign currency spot	2,067	1,297
Total	485,810	332,343

a. Cross Currency and Interest Rate Swap

As of December 31, 2019, BRI enters into cross currency interest rate swap contracts with several counterparties, whereby BRI agrees to exchange funds amounting to USD11,458,000 (full amount) and USD100,000,000 (full amount) equivalent to contractual amount of EUR10,000,000 (full amount) and Rp1,417,500, respectively.

As of December 31, 2018, BRI enters into cross currency interest rate swap contracts with several counterparties, whereby BRI agrees to exchange funds amounting to USD20,000,000 (full amount), USD60,000,000 (full amount), EUR45,000,000 (full amount), EUR50,000,000 (full amount), EUR57,000,000 (full amount) and CHF20,000,000 (full amount) equivalent to Rp279,500, RMB386,118,000 (full amount), Rp748,225, RMB392,725,000 (full amount), USD64,625,500 (full amount) and RMB137,650,000 (full amount) at the effective date of the respective contracts.

The parties in the cross currency interest rate swap contracts are obliged to pay interest with fixed rate or floating rate of three-month or six-month LIBOR plus a given margin.

b. Interest Rate Swap

As of December 31, 2019 and 2018, BRI enters into 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 total contractual amount of USD441,572,073.71 (full amount), and USD474,901,309 (full amount), respectively.

c. Shares Option

As of December 31, 2019 and 2018, Danareksa Sekuritas (subsidiary) has outstanding option to sell a number of shares of a public company at a certain price applicable until December 31, 2019 and 2018. The fair value of the option as of December 31, 2019 and 2018 amounted to Rp17,306 and Rp16,468, respectively.

d. Currency Option

As of December 31, 2019, BRI has outstanding call spread option purchase contracts with notional amount of USD190,626,196 (full amount) and contractual amount of Rp2,753,163 and option sale contracts which include call spread option with notional amount of USD636,127,645 (full amount), EUR2,000,000 (full amount), GBP 4,000,000 (full amount), NZD1,000,000 (full amount) and USD4,000,000 (full amount) contractual amount of Rp9,191,375, ASD2,177,800 (full amount), ASD5,372,500 (full amount), ASD664,500 (full amount) and JYP435,420,000 (full amount), respectively.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

11. DERIVATIVES RECEIVABLE AND PAYABLE (continued)

d. Currency Option (continued)

As of December 31, 2018, BRI has outstanding call spread option purchase contracts with notional amount of USD187,358,879 (full amount) and contractual amount of Rp2,823,836 and call spread option sale contracts with notional amount of USD187,358,879 (full amount) and contractual amount of Rp2,785,165.

e. Purchase and Sale of Foreign Currency Spots and Forward

As of December 31, 2019, BRI has outstanding foreign currency spot purchase contracts with notional amount of USD3,000,000 (full amount) and contractual amount of Rp41,831 and foreign currency spot sale contracts with notional amount of USD29,150,000 (full amount) and contractual amount of Rp404,941.

Furthermore, BRI also has outstanding foreign currency forward purchase with notional amount of USD71,782,079 (full amount) and EUR3,806,914 (full amount) and contractual amount of Rp1,014,332 and USD4,298,616 (full amount), respectively and foreign currency forward sale contracts with notional amount of USD209,823,836 (full amount), USD100,509 (full amount), USD101,119 (full amount) and AUD50,143 (full amount) and contractual amount of Rp2,944,855, JPY10,956,500 (full amount), CHF98,238 (full amount) and JPY3,687,500, respectively.

As of December 31, 2018 BRI has outstanding foreign currency spot purchase contracts with notional amount of USD17,322,157 (full amount), USD1,000,000 (full amount), EUR12,500,000 (full amount), and GBP4,000,000 (full amount) and contractual amount of Rp249,838, JPY111,040,000 (full amount), USD14,275,000 (full amount), and USD5,080,000 (full amount), respectively and foreign currency spot sale contracts with notional amount of USD20,000,000 (full amount), USD1,000,000 (full amount), EUR10,500,000 (full amount), and GBP4,000,000 (full amount) and contractual amount of Rp289,094, JPY110,860,000 (full amount), USD12,015,000 (full amount) and USD5,080,000 (full amount), respectively.

Furthermore, BRI also has outstanding foreign currency forward purchase contracts with notional amount of USD284,390,596 (full amount) and EUR12,561,688 (full amount) and contractual amount of Rp4,203,384 and USD14,568,260 (full amount), respectively and foreign currency forward sale contracts with notional amount of USD253,890,615 (full amount) and EUR12,506,492 (full amount) and contractual amount of Rp3,747,010 and Rp216,839.

f. Foreign Currency Swap

As of December 31, 2019, BRI has outstanding foreign currency swap purchase contracts with notional amount of AUD50,000 (full amount), USD100,000 (full amount), USD53,000,000 (full amount), USD4,600,000 (full amount) and USD112,541,135 (full amount) and contractual amount of JPY3,675,074 (full amount), CHF97,102 (full amount), Rp742,013, JPY499,460,271 (full amount) and SGD153,000,000 (full amount), respectively and foreign currency swap sale contracts with notional amount of AUD3,000,000 (full amount), EUR50,000,000 (full amount), EUR3,213,329 (full amount), GBP10,000,000 (full amount), USD86,493,512 (full amount), USD1,346,000,000 (full amount) and USD3,500,000 (full amount) and contractual amount of USD12,888,821 (full amount), RMB601,122,800, Rp18,859,500 and JPY382,461,180 (full amount), respectively.

As of December 31, 2018, BRI has outstanding foreign currency swap purchase contracts with notional amount of USD782,858,750 (full amount), USD8,034,182 (full amount), USD20,138,961 (full amount), EUR61,694 (full amount), EUR40,000,000 (full amount), and GBP292,930 (full amount) and contractual amount of Rp11,546,038, SGD11,000,000 (full amount), CHF20,000,000 (full amount), USD70,000 (full amount), RMB313,966,020 (full amount) and Rp5,453, respectively and foreign currency swap sale contracts with notional amount of USD243,500,000 (full amount), USD22,513,595 (full amount), and EUR400,000,000 (full amount) and contractual amount of Rp3,559,731, SGD31,000,000 (full amount) and USD457,373,041 (full amount), respectively.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS

a) By Type and Currency:

The details of loans by type are as follows:

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
Kupedes	307,717,343	274,265,895
Working capital	157,280,773	152,699,625
Consumer	140,783,704	131,094,876
Investment	62,735,396	61,687,748
Program	35,139,821	19,794,242
Syndicated	606,930	483,441
	704,263,967	640,025,827
 <u>Foreign currency</u>		
Investment	38,079,976	40,467,186
Working capital	30,662,859	22,049,222
Syndicated	812,255	662,306
Consumer	839,482	561,112
	70,394,572	63,739,826
	774,658,539	703,765,653
 <u>Related party (Note 44)</u>		
<u>Rupiah</u>		
Working capital	41,123,158	46,809,988
Investment	44,273,596	35,086,557
Syndicated	4,989,605	7,930,481
Key employees	22,847	34,092
Consumer	960	9,934
	90,410,166	89,871,052
 <u>Foreign currency</u>		
Working capital	10,133,668	17,502,447
Investment	2,228,820	2,752,795
Syndicated	-	660,820
	12,362,488	20,916,062
	102,772,654	110,787,114
Total	877,431,193	814,552,767
Less		
allowance for impairment losses	(38,363,840)	(34,926,050)
Net	839,067,353	779,626,717

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

a) By Type and Currency (continued):

The details of loans by currency are as follows:

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Rupiah</u>		794,674,133		729.896.879
<u>Foreign currency</u>				
United States Dollar	5,946,335,164	82,549,997	5,663,032,441	84,393,341
Singapore Dollar	18,947,828	195,448	18,995,228	207,026
Japanese Yen	90,876,476	11,615	90,432,934	11,874
European Euro	-	-	2,521,614	43,647
		82,757,060		84,655,888
Total		877,431,193		814,552,767
Less Allowance for impairment losses		(38,363,840)		(34,926,050)
Net		839,067,353		779,626,717

b) By Economic Sector:

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
Trading, hotels and restaurants	273,382,521	256,219,193
Agriculture	88,019,439	77,912,574
Business services	38,225,264	31,464,535
Manufacturing	35,394,385	27,315,202
Construction	20,272,747	16,565,441
Transportation, warehousing and communications	11,709,242	9,033,846
Social services	10,689,178	9,475,464
Mining	3,988,819	3,562,846
Electricity, gas and water	2,632,523	2,550,965
Others	219,949,849	205,925,761
	704,263,967	640,025,827

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

b) By Economic Sector (continued):

	December 31,	
	2019	2018
<u>Third party (continued)</u>		
<u>Foreign currency</u>		
Manufacturing	25,389,715	22,171,794
Agriculture	15,775,631	17,667,723
Electricity, gas and water	10,344,163	9,095,537
Mining	4,684,343	3,203,206
Trading, hotels and restaurants	4,652,808	3,129,719
Construction	3,697,854	2,740,675
Business services	3,408,835	2,018,103
Transportation, warehousing and communication	1,350,059	2,616,944
Social services	190,096	466,899
Others	901,068	629,826
	70,394,572	63,739,826
	774,658,539	703,765,653
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
Electricity, gas and water	26,009,009	23,631,348
Trading, hotels and restaurants	16,477,443	19,643,364
Construction	15,087,950	13,495,108
Manufacturing	9,763,102	9,408,455
Agriculture	7,510,746	7,473,930
Transportation, warehousing and communication	6,338,133	8,343,126
Business services	4,904,395	6,971,996
Social services	3,702,928	274,683
Mining	592,653	590,995
Others	23,807	38,047
	90,410,166	89,871,052
<u>Foreign currency</u>		
Mining	7,754,021	27,236
Social services	1,761,903	2,544,738
Manufacturing	1,646,608	5,811,609
Business services	733,039	107,850
Transportation, warehousing and communication	466,917	769,019
Trading, hotels and restaurants	-	11,575,627
Construction	-	79,983
	12,362,488	20,916,062
	102,772,654	110,787,114
Total	877,431,193	814,552,767
Less		
Allowance for impairment losses	(38,363,840)	(34,926,050)
Net	839,067,353	779,626,717

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

c) By Time Period:

The classification of loans based on the remaining period to maturity are as follows:

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
≤ 1 month	22.998.164	20.330.742
> 1 month - 3 months	33.389.203	29,348,601
> 3 months - 1 year	95.818.374	117.611.122
> 1 year - 2 years	212.855.436	89.107.704
> 2 years - 5 years	131.427.104	189.939.235
> 5 years	207.775.686	193.688.423
	<u>704,263,967</u>	<u>640,025,827</u>
<u>Foreign currency</u>		
≤ 1 month	6,211,997	5,724,232
> 1 month - 3 months	2,127,349	1,546,241
> 3 months - 1 year	9,507,224	13,810,191
> 1 year - 2 years	14,306,607	3,762,848
> 2 years - 5 years	16,336,905	12,132,848
> 5 years	21,904,490	26,763,466
	<u>70,394,572</u>	<u>63,739,826</u>
	<u>774,658,539</u>	<u>703,765,653</u>
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 month	9,970,354	8,337,635
> 1 month - 3 months	18,073,172	3,959,650
> 3 months - 1 year	2,270,891	10,058,371
> 1 year - 2 years	10,727,209	21,668,042
> 2 years - 5 years	6,464,047	9,772,338
> 5 years	42,904,493	36,075,016
	<u>90,410,166</u>	<u>89,871,052</u>
<u>Foreign currency</u>		
≤ 1 month	24,193	1,315,772
> 1 month - 3 months	7,789,566	-
> 3 months - 1 year	2,166,267	16,701,061
> 1 year - 2 years	667,675	423,105
> 2 years - 5 years	1,247,870	2,476,124
> 5 years	466,917	-
	<u>12,362,488</u>	<u>20,916,062</u>
	<u>102,772,654</u>	<u>110,787,114</u>
Total	877,431,193	814,552,767
Less		
Allowance for impairment losses	(38,363,840)	(34,926,050)
Net	<u>839,067,353</u>	<u>779,626,717</u>

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

d) By Collectability:

	December 31,	
	2019	2018
Individual	38,017,682	27,145,695
Collective		
Current	802,402,488	756,988,556
Special mention	25,510,533	20,787,067
Substandard	2,359,753	1,573,704
Doubtful	2,518,424	1,777,038
Loss	6,622,313	6,280,707
	<u>839,413,511</u>	<u>787,407,072</u>
Total	<u>877,431,193</u>	<u>814,552,767</u>
Less		
Allowance for impairment losses:		
Individual	(16,860,013)	(16,780,413)
Collective	(21,503,827)	(18,145,637)
	<u>(38,363,840)</u>	<u>(34,926,050)</u>
Net	<u>839,067,353</u>	<u>779,626,717</u>

e) By Operating Segment:

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
Retail	336,148,459	311,615,532
Micro	329,535,811	291,615,908
Corporate	38,579,697	36,794,387
	<u>704,263,967</u>	<u>640,025,827</u>
<u>Foreign currency</u>		
Corporate	54,485,406	49,240,775
Retail	15,909,166	14,499,051
	<u>70,394,572</u>	<u>63,739,826</u>
	<u>774,658,539</u>	<u>703,765,653</u>
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
Corporate	84,168,630	85,459,930
Retail	6,241,536	4,411,122
	<u>90,410,166</u>	<u>89,871,052</u>

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

e) By Operating Segment (continued):

	December 31,	
	2019	2018
<u>Related party (Note 44) (continued)</u>		
<u>Foreign currency</u>		
Corporate	12,362,488	20,866,043
Retail	-	50,019
	12,362,488	20,916,062
	102,772,654	110,787,114
<u>Total</u>	877,431,193	814,552,767
<u>Less</u>		
Allowance for impairment losses	(38,363,840)	(34,926,050)
Net	839,067,353	779,626,717

f) Other Significant Information:

1) Average interest rate:

	December 31,	
	2019	2018
Contractual Rate		
Rupiah	11.64%	11.19%
Foreign currencies	4.27	4.20
Effective Rate		
Rupiah	13.38%	13.46%
Foreign currencies	4.36	4.30

2) Loans are generally secured by collateral bound by mortgages, power of attorneys to sell, demand deposits, saving deposits, time deposits or other guarantees generally accepted by banks (Notes 20, 21 and 22).

3) Working capital and investment loans are provided to debtors to meet their working capital needs and capital goods.

4) Consumer loans consist of loans to employees and retired employees, mortgage loans, motor vehicle loans and other consumer loans.

5) Program loans represent loan facilities channeled by BRI based on the instruction from the Government in order to support the development in Indonesia, especially the development of small and medium businesses and cooperatives.

6) Kupedes loans represent loan facilities channeled by BRI through BRI's Units. The target of these loans is micro businesses and fixed income employees that require additional funding, whereby the amount is in accordance with the maximum limit stated in the Kupedes regulation. The targeted economic sectors are agriculture, manufacturing, trading and others.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

f) Other Significant Information (continued):

- 7) Syndicated loans represent loans provided to debtors under syndication agreements with other banks. The total of BRI's syndicated loans amounted to Rp61,915,310 and Rp52,765,949 as of December 31, 2019 and 2018, respectively. BRI's participation as leader of the syndication ranged from 39.00% to 77.00%, and from 24.50% to 77.00%, while BRI's participation as member of the syndication ranged from 1% to 77%, and 1% to 36% as of December 31, 2019 and 2018, respectively.
- 8) Employee loans are loans provided to employees with annual interest rate of 5.50% that are intended for the acquisition of vehicles, houses and other necessities with a period ranging from 4 (four) to 20 (twenty) years maturity. Loan principal and interest payments were paid 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 in other assets. The deferred expense for employee loans amounted to Rp2,055,609 and Rp2,251,490 as of December 31, 2019 and 2018, respectively (Note 18).
- 9) Loans provided by BRI to related parties, other than loans to key employees (Note 44) are as follows:

	December 31,	
	2019	2018
PT Perusahaan Listrik Negara (Persero)	25,998,611	23,616,099
Perum BULOG	14,919,169	16,316,937
PT Pertamina (Persero)	7,797,013	11,575,627
PT Kresna Kusuma Dyandra Marga	2,881,119	2,338,069
PT Pegadaian (Persero)	2,751,793	687,042
PT Trans Jabar Tol	2,141,861	2,438,362
PT Krakatau Steel (Persero) Tbk	2,122,094	2,196,923
Government of the Republic of Indonesia	1,886,099	2,804,944
PT Petrokimia Gresik	1,858,161	2,222,289
PT Kereta Api Indonesia (Persero)	1,795,405	1,687,746
Others	38,598,482	43,865,862
Total	102,749,807	110,753,022

- 10) Loans that have been restructured by BRI (parent entity) amounted to RP51,867,610 and Rp49,102,800 as of December 31, 2019, and 2018. The restructuring schemes generally consist of extension of the loan maturity date and rescheduling of interest payment in arrears.
- 11) In report on Legal Lending Limit to Bank Indonesia as of December 31, 2019 and 2018, 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.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

f) Other Significant Information (continued):

12) The details of impaired loans by economic sector and the allowance for impairment losses are as follows:

	December 31,	
	2019	2018
Agriculture	15,859,453	6,034,872
Manufacturing	11,879,996	9,343,139
Trading, hotels and restaurants	11,360,517	9,614,317
Construction	1,995,762	3,374,882
Business services	1,491,252	2,060,793
Mining	2,246,320	1,730,752
Transportation, warehousing and communications	1,359,475	1,677,441
Electricity, gas and water	731,965	743,514
Social services	506,719	506,673
Others	2,086,712	1,690,761
Total	49,518,171	36,777,144
Less		
Allowance for impairment losses	(19,504,591)	(19,170,366)
Net	30,013,580	17,606,778

13) Ratios

- a. BRI's (parent entity) ratios of non-performing loans (NPL) - gross based on related regulations are 2.62% and 2.17% as of December 31, 2019 and 2018, respectively. While the ratios of BRI's (parent entity) non-performing loans (NPL) - net are 1.04% and 0.92%, respectively.
- b. The ratio of BRI's small business loans to total loans are 48.43% and 45.82% as of December 31, 2019 and 2018, respectively.

The movements in the allowance for impairment losses on loans:

	December 31,	
	2019	2018
Beginning balance	34,926,050	29,423,380
Provision for allowance for impairment losses (Note 34)	20,810,248	17,592,892
Loans written-off during the year	(17,006,364)	(12,243,478)
Foreign currency translation	(366,094)	153,256
Ending balance	38,363,840	34,926,050

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

12. LOANS (continued)

BRI's (parent entity) allowance for impairment losses balance includes the allowance for impairment losses for areas that are still categorized as disaster prone areas or disaster-affected areas by the Government of the Republic of Indonesia amounting to Rp1,354,379 and Rp1,365,090 as of December 31, 2019 and 2018, respectively (Note 2e).

The minimum allowance for impairment losses of BRI's (Parent Entity) loans, that must be provided based on Bank Indonesia regulation (Note 2e) amounted to Rp27,409,053 and Rp22,354,615 as of December 31, 2019 and 2018, respectively.

As of December 31, 2019 and 2018, there are no loans that were transferred or used as collateral for debts.

Management believes that the allowance for impairment losses on loans as of December 31, 2019 and 2018 is adequate.

13. SHARIA RECEIVABLES AND FINANCING

a) Sharia receivables and financing based on collectability are as follows:

	December 31,	
	2019	2018
<u>Third party</u>		
Current	19,474,961	15,494,736
Special Mention	758,984	874,130
Substandard	195,421	331,900
Doubtful	76,703	213,122
Loss	1,061,273	826,082
	21,567,342	17,739,970
<u>Related party (Note 44)</u>		
Current	4,183,648	2,430,525
Special mention	3,442	6,355
Substandard	-	-
Doubtful	815	1,357
Loss	10,950	194
	4,198,855	2,438,431
Total	25,766,197	20,178,401
Less		
Allowance for impairment losses	(745,029)	(497,141)
Net	25,021,168	19,681,260

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

13. SHARIA RECEIVABLES AND FINANCING (continued)

b) Sharia receivables and financing based on the time period and currency are as follows:

	December 31,	
	2019	2018
Third party		
Rupiah		
≤ 1 month	417,276	804,824
> 1 month - 3 months	676,901	1,137,238
> 3 months - 1 year	2,459,441	1,706,078
> 1 year - 2 years	1,981,410	2,145,029
> 2 years - 5 years	8,095,420	6,390,455
> 5 years	7,936,894	5,556,346
	21,567,342	17,739,970
Related party (Note 44)		
Rupiah		
≤ 1 month	435,686	250,516
> 1 month - 3 months	1,215,211	604,905
> 3 months - 1 year	192,078	99,570
> 1 year - 2 years	247,099	633,184
> 2 years - 5 years	356,841	364,348
> 5 years	1,751,940	485,908
	4,198,855	2,438,431
Total	25,766,197	20,178,401
Less		
Allowance for impairment losses	(745,029)	(497,141)
Net	25,021,168	19,681,260

Sharia receivables and financing consist of *murabahah* receivables, *istishna* receivables, *qardh* borrowing, *mudharabah* financing and *musyarakah* financing.

Unrecognized *murabahah* receivables income as of December 31, 2019 and 2018 amounting to Rp5,199,426 and Rp4,436,203.

The movements in the allowance for impairment losses on sharia receivables and financing:

	December 31,	
	2019	2018
Beginning balance	497,141	577,257
Provision for allowance for impairment losses (Note 34)	682,820	186,998
Recovery from loans written-off	59,005	20,050
Written-off during the year	(493,937)	(287,164)
Ending balance	745,029	497,141

Management believes that the allowance for impairment losses on sharia receivables and financing as of December 31, 2019 and 2018 is adequate.

The types of collateral submitted by the debtors for the sharia receivables and financing are land and buildings, Motor Vehicle Ownership Certificates and other properties.

As of December 31, 2019 and 2018, there are no sharia receivables and financing that were transferred or used as collateral for debts.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

14. FINANCE LEASE RECEIVABLE

a) Finance lease receivables as of December 31, 2019 and 2018 consist of:

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
Finance leases receivable - gross	4,703,181	3,944,313
Guarantee residual values	2,575,844	1,972,808
Unearned finance leases income	(586,009)	(520,761)
Security deposits	(2,575,844)	(1,986,514)
	4,117,172	3,409,846
<u>Related party (Note 44)</u>		
Finance leases receivable - gross	80,772	-
Guarantee residual values	6,565	-
Unearned finance leases income	(6,348)	-
Security deposits	(6,565)	-
	74,424	-
Total	4,191,595	3,409,846
Less		
Allowance for impairment losses	(87,500)	(88,000)
Net	4,104,095	3,321,846

b) Finance leases receivable in accordance to the maturity date:

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
≤ 1 year	366,664	286,955
> 1 year - 2 years	1,152,391	658,579
> 2 years - 5 years	2,118,519	2,333,899
	3,637,574	3,279,433
<u>United States Dollar</u>		
≤ 1 year	51,412	21,791
> 1 year - 2 years	127,101	66,407
> 2 years - 5 years	301,085	42,215
	479,598	130,413
	4,117,172	3,409,846
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 year	30,857	-
> 1 year - 2 years	24,545	-
> 2 years - 5 years	19,022	-
	74,424	-
Total	4,191,596	3,409,846
Less		
Allowance for impairment losses	(87,500)	(88,000)
Net	4,104,096	3,321,846

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

14. FINANCE LEASES RECEIVABLE (continued)

The movement in the allowance for impairment losses on financial lease receivable:

	December 31,	
	2019	2018
Beginning balance	88,000	103,500
Provision for (reversal of) allowance for impairment losses (Note 34)	63,251	12,803
Written-off during the year	(62,839)	(28,341)
Foreign currency translation	(912)	38
Ending balance	87,500	88,000

As of December 31, 2019 and 2018, there are no finance lease receivables that were transferred or used as collateral for debts.

Management believes that the allowance for impairment losses on finance lease receivables as of December 31, 2019 and 2018 is adequate.

15. ACCEPTANCES RECEIVABLE AND PAYABLE

a) By Type and Currency:

	December 31, 2019		December 31, 2018	
	amount foreign currency (Full amount)	Notional Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third party</u>				
<u>Rupiah</u>				
Import L/C and Domestic Documentary Letters of Credit (SKBDN)		6,579,401		7,105,174
<u>Foreign currency</u>				
Import L/C and SKBDN				
United States Dollar	123,214,660	1,710,528	205,140,355	2,949,919
European Euro	6,443,155	101,705	6,532,906	107,405
Japanese Yen	60,413,207	7,721	3,800,000	496
Renminbi	1,180,318	2,354		-
Great Britain Pound Sterling		-	126,463	2,316
		1,822,308		3,060,136
		8,401,709		10,165,310

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

15. ACCEPTANCES RECEIVABLE AND PAYABLE (continued)

a) By Type and Currency (continued):

	December 31, 2019		December 31, 2018	
	amount foreign currency (Full amount)	Notional Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Related party</u> (Note 44)				
<u>Rupiah</u> Import L/C and SKBDN		763,441		335,085
<u>Mata uang asing</u> Import L/C and SKBDN				
United States				
Dollar	12,903,095	179,127	78,905,049	1,134,655
European Euro	65,669	1,023		-
Singapore Dollar	73,997	763		-
Japanese Yen		-	60,890,000	7,953
		180,913		1,142,608
		944,354		1,477,693
Total		9,346,063		11,643,003

b) By Collectability:

All acceptances receivable were classified as "Current" as of December 31, 2019 and 2018, respectively, except PT Delta Dunia Tekstil with collectability "Loss".

c) by Time Period:

The classification of time period for acceptances receivable based on the remaining period until maturity are as follows:

	December 31,	
	2019	2018
<u>Third party</u>		
≤ 1 month	2,616	797,543
> 1 month - 3 months	2,551,641	2,477,018
> 3 months - 1 year	5,847,452	6,890,749
	8,401,709	10,165,310
<u>Related party (Note 44)</u>		
≤ 1 month	-	193,709
> 1 month - 3 months	556,645	208,324
> 3 months - 1 year	387,709	1,075,660
	944,354	1,477,693
Total	9,346,063	11,643,003

Management believes that no allowance for impairment losses is necessary as of December 31, 2019 and 2018.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

16. INVESTMENT IN ASSOCIATED ENTITIES

The details of investment in associated entities are as follows:

Company Name	Type of Business	Percentage of Ownership (%)	December 31, 2019		
			Acquisition Cost	Accumulated Net Earnings of Associated Entities	Carrying Value
Equity Method					
<u>Related Party (Note 44)</u>					
(Investment in associated entity)					
PT Danareksa Investment Management	Securities Company	35.00	371,959	5,811	377,770
PT Bahana Artha Ventura	Venture capital	35.00	71,325	2,880	74,205
			443,284	8,691	451,975
Cost Method					
PT Fintek Karya Nusantara	Fintech Technology Company	13.69			250,000
Ayo Technology Pte.Ltd	Financial Technology Provider	6.79			28,111
PT Pemeringkat Efek Indonesia	Credit Rating Regency	7.97			7,978
Lembaga Pembayaran Nasional	Financial	17.50			3,500
PT Kustodian Sentral Efek Indonesia	Securities Depository Service	4.30			1,275
PT Kliring Berjangka Indonesia (Persero)	Clearing Institution	2.00			1,000
PT Sarana Bersama Pembiayaan Indonesia	Non-banking Financial	8.00			536
PT Jakarta Kyoei Medical Center	Health Service	1.68			220
PT Menara Proteksi Indonesia	Infrastruktur	2.00			200
Bursa Efek Indonesia	Stock Exchange	0.80			135
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	Sport Facilities	0.64			50
PT Kendari Expressindo Bahari	Transportation	8.33			50
BPR Cinta Manis Agroloka	Banking	1.75			35
PT Sukapraja Estetika Padang Golf	Sport Facilitis	0.24			25
BPR Bungamayang Agroloka	Banking	1.13			23
PT Aplikanusa Lintasarta	Non-banking	0,03			20
PT Danareksa Finance	Financial Institution	0.01			1
					293,379
Total					745,354
Allowance for Impairment losses					(50)
Total - Net					745,304

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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, 2018		
			Acquisition Cost	Accumulated Net Earnings of Associated Entities	Carrying Value
Equity Method					
<u>Related party (Note 44)</u>					
(Investment in associated entity)					
PT Bahana Artha Ventura	Venture capital	35.00	71,325	1,282	72,607
PT Danareksa Investment Management	Securities company	35.00	371,959	312	372,271
			443,284	1,594	444,878
Metode Biaya					
PT Pemeringkat Efek Indonesia	Credit Rating Agency	7.97			7,978
Lembaga Pembayaran Nasional	Financial	17.50			3,500
PT Kustodian Sentral Efek Indonesia	Central Securities Depository Services	4.30			1,275
PT Kliring Berjangka Indonesia (Persero)	Clearing Institution	2.00			1,000
PT Sarana Bersama Pembiayaan Indonesia	Non-banking Financial Institution	8.00			536
PT Jakarta Kyoei Medical Center	Health Services	1.68			220
PT Menara Proteksi Indonesia	Infrastructure	2.00			200
Bursa Efek Indonesia	Stock Exchange	0.87			135
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	Sport Facilities	0.64			50
PT Kendari Expressindo Bahari	Transportation	8.33			50
BPR Cinta Manis Agroloka	Banking	1.75			35
PT Sukapraja Estetika Padang Golf	Sport Facilities	0.24			25
BPR Bungamayang Agroloka	Banking	1.13			23
PT Aplikanusa Lintasarta	Non-banking	0.03			20
PT Danareksa Finance	Financial Institution	0.01			1
					15,268
Total					460,146
Allowance for Impairment losses					(50)
Total - Net					460,096

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

16. INVESTMENT IN ASSOCIATED ENTITIES (continued)

BRI assessed impairment losses on investment in associated entities individually based on whether objective evidence of impairment exists.

As of December 31, 2019 and 2018, all investments are classified as "Current", except for investment made by PT BRI Ventura Investama (subsidiary) in PT Kendari Expressindo Bahari.

As of December 31, 2019 and 2018, BRI received cash dividend from PT Sarana Bersama Pembiayaan Indonesia of Rp362 and Rp11,720. In addition, BRI also received cash dividend from PT Danareksa Investment Management (a subsidiary) of Rp5,495 and RpNil.

As of December 31, 2019, BRI Agro (subsidiary) received cash dividend from BPR Cinta Manis Agroloka and BPR Bungamayang Agroloka and PT Aplikanusa Lintasarta of Rp6, Rp6 and Rp27. In 2018, BRI Agro (subsidiary) received cash dividend from BPR Cinta Manis Agroloka, BPR Bungamayang Agroloka and PT Aplikanusa Lintasarta of Rp7, Rp6 and Rp25, respectively.

As of December 31, 2019 and December 31, 2018, PT Danareksa Sekuritas (subsidiary) received cash dividend from PT Pemeringkat Efek Indonesia of Rp857 and Rp776.

As of December 31, 2019 and 2018, the allowance for impairment losses on investment in associated entities amounted to Rp50. Management believes that the allowance for impairment losses on investment in associated entities is adequate.

17. PREMISES AND EQUIPMENT

Premises and equipment consist of:

Description	December 31, 2019				Ending Balance
	Beginning Balance	Addition	Disposal	Reclassification	
<u>Cost</u>					
Landrights	17,300,589	3,870,064	48,460	894	21,123,087
Buildings	4,959,992	286,426	21,250	(273,793)	4,951,375
Motor Vehicles	2,284,879	115,754	22,531	-	2,378,102
Computers and Machineries	8,286,786	1,413,248	39,279	-	9,660,755
Furnitures and Fixtures	1,808,142	215,046	43,080	-	1,980,108
Museum Assets	184	-	-	-	184
Satellite	3,284,664	-	-	-	3,284,664
Construction in Progress	-	423,612	-	273,793	697,405
	<u>37,925,236</u>	<u>6,324,150</u>	<u>174,600</u>	<u>*894</u>	<u>44,075,680</u>
<u>Accumulated Depreciation</u>					
Buildings	1,785,676	257,157	1,825	-	2,041,008
Motor Vehicles	1,955,595	180,307	20,698	-	2,115,204
Computers and Machineries	5,516,494	902,805	40,065	-	6,379,234
Furnitures and Fixtures	1,405,897	174,382	38,367	-	1,541,912
Satellite	346,175	218,978	-	-	565,693
	<u>11,010,377</u>	<u>1,733,629</u>	<u>100,955</u>	<u>-</u>	<u>12,643,051</u>
Book Value - Net	<u>26,914,859</u>				<u>31,432,629</u>

*) includes reclassification of land from abandoned assets

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

17. PREMISES AND EQUIPMENT (continued)

Premises and equipment consist of (continued):

Description	December 31, 2018				Ending Balance
	Beginning Balance	Addition	Disposal	Reclassification	
<u>Cost</u>					
Landrights	16,134,127	1,167,827	1,365	-	17,300,589
Buildings	3,675,421	1,387,341	102,770	-	4,959,992
Motor vehicles	2,204,637	88,353	8,111	-	2,284,879
Computers and machineries	7,097,817	1,243,266	54,297	-	8,286,786
Furnitures and fixtures	1,593,957	248,210	34,025	-	1,808,142
Museum assets	184	-	-	-	184
Satellite	3,284,664	-	-	-	3,284,664
	33,990,807	4,134,997	200,568	-	37,925,236
<u>Accumulated depreciation</u>					
Buildings	1,529,321	258,567	2,212	-	1,785,676
Motor vehicles	1,705,407	258,165	7,977	-	1,955,595
Computers and machineries	4,607,771	962,466	53,743	-	5,516,494
Furnitures and fixtures	1,268,536	167,141	29,780	-	1,405,897
Satellite	127,737	218,978	-	-	346,715
	9,238,772	1,865,317	93,712	-	11,010,377
Book value - net	24,752,035				26,914,859

Depreciation expense of premises and equipment charged to the consolidated statement of profit or loss and other comprehensive income amounted to 1,733,629 and Rp1,865,317 for the years ended December 31, 2019 and 2018, respectively (Note 36).

BRI has insured its premises and equipment (excluding landrights and satellite) to cover possible losses due to fire, theft, vandalism, force majeure and other risks to PT Asuransi Bringin Sejahtera Artamakmur (related party - Note 44) and PT Asuransi Tugu Pratama Indonesia Tbk (related party - Note 44) with a total coverage amount of Rp14,291,901 and Rp13,174,911 for the years ended December 31, 2019, and 2018, respectively.

BRI has insured its satellite to PT Asuransi Bringin Sejahtera Artamakmur (related party - Note 44) with a total coverage amount of USD192,000,000 (full amount) and USD208,000,000 (full amount) as of December 31, 2019 and 2018, which is due on June 19, 2020 and June 19, 2019, respectively.

The gross carrying value of premises and equipment that have been fully depreciated but still used by BRI as of December 31, 2019 and 2018 are Rp7,743,856 and Rp6,157,653, respectively.

As of December 31, 2019 and 2018, there are no premises and equipment owned by BRI which are pledged as collateral.

On April 1, 2016, BRI changed its accounting policy for landrights measurement from cost model to revaluation model.

Based on Chairman of Bapepam-LK's Decision Letter No. KEP-347/BL/2012 dated June 25, 2012 regarding the "Guidelines on Financial Statements Presentations and Disclosures for Issuers or Public Companies", section 27 letter e, considering the book value of land that has been revalued in 2016, on April 1, 2019, BRI and subsidiaries have revalued land to meet Bapepam LK's provisions and not for taxation purposes.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

17. PREMISES AND EQUIPMENT (continued)

The valuation is performed based on the Indonesian Valuations Standards, determined based on the current market transactions and carried out under customary conditions. The valuation methods used are market data method and cost method.

The valuation of landrights is performed by external independent appraiser, as follows:

1. KJPP Nanang Rahayu Sigit Paryanto and Partners with report No. 00286/2.0160-00/PI/07/0218/1/VII/2019 dated on June 28, 2019 amounting to Rp8,285,841 signed by Nanang Rahayu.
2. KJPP Immanuel Johnny and Partners with report No. 00021T-W/PA/IMM-VI/2019 000101-104/0064-00/PI/07/0184/1/VI/2019 dated on June 28, 2019 amounting to Rp4,588,664 signed by Immanuel H. Sitompul.
3. KJPP Aksa Nelson and Partners with report No. 00211/2.0026-00/PI/07/0179/1/VI/2019 dated on June 28, 2019 amounting to Rp1,630,648 signed by Aksa Nurdin.
4. KJPP Abdullah Fitriantoro and Partners with report No. 00233/2.0051-00/PI/07/0152/1/VI/2019 dated on June 28, 2019 amounting to Rp1,588,322 signed by Abdullah Fitriantoro.
5. KJPP Toha Okky Heru and Partners with report No. 00056/2.0014-00/PI/07/0080/1/VI/2019 dated on June 28, 2019 amounting to Rp417,084 signed by Okky Danuza.
6. Satria Iskandar Setiawan and Partners with report No. 00078-81/2.0124.00/PI/07/0257/1V/2019 dated on June 28, 2019 amounting to Rp3,825,260 signed by Setiawan.
7. KJPP Iwan Bachron & Rekan with report No. 000298/2.0047-05/PI/08/0500/1/VI/2019 dated on June 21, 2019 amounting to Rp101,851 signed by Bunga Budiarti.

The increase in the carrying amount arising from the revaluation amounting to Rp3,215,455 is recorded as "Revaluation surplus arising from premises and equipment", and is presented in other comprehensive income amounting to Rp3,316,985, while the decrease in the carrying amount arising from the revaluation amounted to Rp101,530 is recognized in the statement of profit or loss for the year. The fair value of landrights is included in the fair value hierarchy as level 2.

As of December 31, 2019 and 2018 if the landrights are measured using the cost model, the carrying value amounted to Rp3,611,820 and Rp2,939,398, respectively.

Construction in progress details as of December 31, 2019, as follows:

	December 31, 2019		
	Cost Accumulation	Completion Percentage	Estimated Date of Completion
BRI Gatot Subroto Tower	400,860	47.39%	March 5, 2021
TI Tabanan Building	57,950	95.00%	January 31, 2020
Others	238,595	Various	Various
Total	697,405		

Management believes that there is no impairment on premises and equipment and the amount of insurance coverage is adequate to cover the risk of possible losses on premises and equipment as of December 31, 2019 and 2018.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

18. OTHER ASSETS

Other assets consist of:

	December 31,	
	2019	2018
Rupiah		
Prepaid expenses	2,584,867	1,597,777
Deffered expense for employee loans (Note 12f)	2,055,609	2,251,490
Receivables from government related to Generation II KUR disbursement	1,952,104	1,174,619
Estimated tax refund	129,309	230,015
Tax Advance	1,678,510	1,371,867
<i>Ijarah</i> assets	1,597,231	1,676,682
Interest receivable:		
Securities	1,385,919	1,376,069
Placement with Bank Indonesia and other banks	20,768	11,345
Government Recapitalization Bonds	13,875	16,369
Others	82,212	60,496
Receivables related to ATM and credit card transactions	1,197,686	1,843,475
Reinsurance assets	1,136,849	311,677
Internal advance	314,316	321,870
Receivables from Perum BULOG	300,267	297,846
Office supplies	278,242	273,496
Accrued revenue based on Sharia principle	248,037	2,066
Premium receivable	193,573	28,031
Office, warehouse and classroom rent	163,981	800,740
Penalty charges of loan principle and interest	86,007	79,543
Foreclosed collaterals	65,104	231,776
Receivables for distribution of government social assistance	61,870	1,295,093
Others	3,149,939	5,474,511
	18,696,635	20,726,853
Foreign currency		
Interest receivable:		
Securities	405,285	569,610
Others	65,380	331,451
Claims of refinancing	344,407	271,121
Others	753,455	1,480,514
	1,568,527	2,652,696
Total	20,265,162	23,379,549

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

19. LIABILITIES DUE IMMEDIATELY

Liabilities due immediately consist of:

	December 31,	
	2019	2018
<u>Rupiah</u>		
Advance payment deposits	2,390,341	2,276,993
Tax payment deposits	614,123	734,288
Insurance deposits	172,414	178,005
Channeling loan deposits	129,494	62,853
Third party cooperation deposits	91,363	96,985
Social grant deposits	7,588	353,128
Clearing deposits	30,224	43,214
ATM and credit card deposits	92,068	499,165
Money transfer deposits	22,169	24,774
Others	3,569,637	3,639,171
	<u>7,119,421</u>	<u>7,908,576</u>
<u>Foreign currency</u>		
Advance payment deposits	75,525	71,752
Tax payment deposits	37,775	35,757
ATM and credit card deposits	120	55,068
Others	316,471	391,805
	<u>429,891</u>	<u>554,382</u>
Total	<u>7,549,312</u>	<u>8,462,958</u>

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

20. DEMAND DEPOSITS

Demand deposits consist of:

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third party</u>				
<u>Rupiah</u>		94,213,418		103,332,732
<u>Foreign currency</u>				
United States				
Dollar	1,791,170,525	24,865,925	1,374,006,418	19,754,744
European Euro	63,590,469	990,142	104,729,955	1,721,829
Singapore Dollar	32,035,467	330,447	13,327,865	140,674
Renminbi	25,014,864	49,884	22,545,386	47,133
Japanese Yen	162,560,057	20,777	142,213,970	18,576
Australian Dollar	938,028	9,123	258,082	2,623
Hong Kong Dollar	2,117,497	3,775	930,433	1,709
Great Britain				
Pound Sterling	8,855	161	1,810,762	33,158
United Arab				
Emirates Dirham	30,025	113	6,250	24
Saudi Arabian Riyal	697	3	824	3
		26,270,350		21,720,473
		120,483,768		125,053,205
<u>Related party</u> (Note 44)				
<u>Rupiah</u>		25,708,146		34,903,376
<u>Foreign currency</u>				
United States				
Dollar	1,433,788,505	19,905,665	1,137,990,244	16,364,300
European Euro	127,503,515	1,985,307	95,725,282	1,573,786
Japanese Yen	5,815,265,960	743,249	1,556,534,512	203,314
		22,634,221		18,141,400
		48,342,367		53,044,776
Total		168,826,135		178,097,981

Average interest rate:

	December 31,	
	2019	2018
Rupiah	3.24%	2.44%
Foreign currency	0.45	0.20

Demand deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp901,523 and Rp344,799 as of December 31, 2019 and 2018, respectively.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

21. SAVING DEPOSITS (continued)

Saving deposits consist of (continued):

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third party</u>				
<u>Rupiah</u>				
Simpedes		247,723,324		229,394,411
Britama		143,989,658		134,397,305
Others		11,369,573		10,891,846
		403,082,555		374,683,562
<u>Foreign currency</u>				
<u>Britama</u>				
United States				
Dollar	134,469,831	1,866,777	335,612,125	4,826,102
Singapore Dollar	7,483,754	77,195	4,555,166	48,079
Renminbi	30,373,854	60,571	2,019,925	4,223
European Euro	2,586,917	40,280	2,241,412	36,850
Great Britain				
Pound Sterling	805,413	14,689	83,525	1,530
Australian Dollar	1,053,637	10,247	761,405	7,738
Japanese Yen	10,302,845	1,317	10,181,661	1,330
Saudi Arabian Riyal	35,553	132	3,478	6
United Arab				
Emirates Dirham	7,610	23	306	1
Hong Kong Dollar	12,423	22	9,368	36
		2,071,253		4,925,895
<u>Others</u>				
United States				
Dollar	27,024	375	588,483	8,462
		2,071,628		4,934,357
		405,154,183		379,617,919
<u>Related Party (Note 44)</u>				
<u>Rupiah</u>				
Britama		179,771		168,687
Simpedes		35		7,180
Others		9,988		106,037
		189,794		281,904
<u>Foreign currency</u>				
<u>Britama</u>				
European Euro	6,003	93	3,498	58
Australian Dollar	192	2		-
Renminbi	691	1	814	2
United States				
Dollar			1,307,242	18,798
Singapore Dollar			1,724	18
Saudi Arabian Riyal			1,564	6
		96		18,882

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

21. SAVING DEPOSITS (continued)

Saving deposits consist of (continued) :

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
Others				
United States Dollar	800,756	11,116		-
Singapore Dollar	28,485	294		-
		11,506		18,882
		201,300		300,786
Total		405,355,483		379,918,705

Average interest rate:

	December 31,	
	2019	2018
Rupiah	0.87%	0.84%
Foreign currency	0.38	0.17

Saving deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp97,937 and Rp99,506 as of December 31, 2019 and 2018, respectively.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

22. TIME DEPOSITS

Time deposits consist of :

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third party</u>				
<u>Rupiah</u>		264,159,347		221,071,235
<u>Foreign currency</u>				
United States				
Dollar	4,298,213,762	60,593,647	3,145,348,545	45,230,112
Singapore Dollar	31,602,312	325,979	23,203,837	244,914
Australian Dollar	25,786,449	250,783	26,740,800	271,749
European Euro	6,089,425	94,816	164,662,217	2,707,154
Great Britain				
Pound Sterling	1,081,080	32,848	308,276	5,645
Renminbi	6,261,891	12,487	6,188,661	12,938
Japanese Yen	9,957,500	1,273	4,030,000	526
Franc Swiss	98,435	1,411	-	-
		61,313,244		48,473,038
		325,472,591		269,544,273
<u>Related party (Note 44)</u>				
<u>Rupiah</u>		58,269,545		63,111,013
<u>Foreign currency</u>				
United States				
Dollar	2,116,001,446	29,375,808	1,681,439,370	24,179,098
European Euro	6,694,290	104,234	6,649,000	109,314
Japanese Yen	10,956,500	1,400	-	-
Great Britain				
Pound Sterling	4,126	75	-	-
Singapore Dollar	-	-	44,511,414	469,815
		29,481,517		24,758,227
		87,751,062		87,869,240
Total		413,223,653		357,413,513

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

22. TIME DEPOSITS (continued)

Time deposits based on their contractual periods are as follows :

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
Deposits on call	11,503,294	7,579,408
Deposits		
1 month	145,564,465	132,937,328
3 months	86,529,286	67,086,988
6 months	14,502,228	9,649,807
12 months	4,974,516	2,961,301
More than 12 months	1,085,558	856,403
	264,159,347	221,071,235
<u>Foreign currency</u>		
Deposits on call	6,146,307	2,457,146
Deposits		
1 month	18,787,941	23,008,396
3 months	9,477,673	8,233,970
6 months	9,355,188	2,727,620
12 months	16,772,051	12,034,915
More than 12 months	774,084	10,991
	61,313,244	48,473,038
	325,472,591	269,544,273
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
Deposits on call	4,153,045	16,941,003
Deposits		
1 month	18,344,766	24,374,120
3 months	11,695,650	14,449,930
6 months	519,383	1,071,273
12 months	6,112,201	93,187
More than 12 months	17,444,500	6,181,500
	58,269,545	63,111,013
<u>Foreign currency</u>		
Deposits on call	1,264,270	2,168,901
Deposits		
1 month	21,323,553	9,738,302
3 months	6,081,265	7,934,172
6 months	492,701	4,461,550
12 months	319,728	455,302
More that 12 months	-	-
	29,481,517	24,758,227
	87,751,062	87,869,240
Total	413,223,653	357,413,513

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

22. TIME DEPOSITS (continued)

Average interest rate:

	December 31,	
	2019	2018
Rupiah	6.83%	6.17%
Foreign currency	2.54	2.14

Time deposits used as collateral for banking facilities granted by BRI and subsidiaries amounted to Rp233,197 and Rp948,588 as of December 31, 2019 and 2018, respectively.

23. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS

Deposits from other banks and financial institutions consist of:

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
Third party				
Rupiah				
Deposits on call		8,507,000		4,981,000
Inter-bank call money		2,486,648		-
Time deposits		1,042,058		966,011
Demand deposits		297,280		241,978
Saving deposits		9,148		3,407
		12,342,134		6,192,396
United States Dollar				
Inter-bank call money	304,000,000	422,0280	3,500,000	2,236,090
Time deposits	30,000,000	41,6476	155,500,000	50,330
Demand deposits	17,463,600	242,438	7,038,414	101,213
		4,879,194		2,387,633
		17,221,328		8,580,029
Related party (Note 44)				
Rupiah				
Inter-bank call money		640,000		550,000
Demand deposits		16,876		1,129
Deposits on call		-		-
Time deposits-bank		-		-
		656,876		551,129
United States Dollar				
Inter-bank call money	6,600,000	91,625		-
		748,501		551,129
Total		17,969,829		9,131,158

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

23. DEPOSITS FROM OTHER BANKS AND FINANCIAL INSTITUTIONS (continued)

Average interest rate:

	Rupiah		United States Dollar	
	December 31,		December 31,	
	2019	2018	2019	2018
Deposits on call	5,90%	5,88%	-%	-%
Inter-bank call money	6,80	7,40	1,74	0,02
Time deposits	6,45	6,00	-	0,32
Demand deposits	1,49	1,44	0,05	0,07
Saving deposits	1,30	1,48	-	0,14

The classification of deposits from other banks and financial institutions based on their remaining period to maturity is as follows:

	December 31, 2019			Total
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	
<u>Third party</u>				
<u>Rupiah</u>				
Deposits on call	8,507,000	-	-	8,507,000
Inter bank call money	2,486,648	-	-	2,486,648
Demand deposits	297,280	-	-	297,280
Time deposits	42,108	999,950	-	1,042,058
Saving deposits	9,148	-	-	9,148
	11,342,184	999,950	-	12,342,134
<u>United States Dollar</u>				
Inter-bank call money	3,179,093	1,041,187	-	4,220,280
Time deposits	416,476	-	-	416,476
Demand deposits	242,438	-	-	242,438
	3,838,007	1,041,187	-	4,879,194
	15,180,191	2,041,137	-	17,221,328
<u>Related party (Note 44)</u>				
<u>Rupiah</u>				
Inter-bank call money	640,000	-	-	640,000
Demand deposits	16,876	-	-	16,876
	656,876	-	-	656,876
<u>Foreign currency</u>				
Inter bank call money	91,625	-	-	91,625
	748,501	-	-	748,501
Total	15,928,692	2,041,137	-	17,969,829

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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, 2018			Total
	≤ 1 month	> 1 - 3 months	> 3 months - 1 year	
<u>Third party</u>				
<u>Rupiah</u>				
Deposits on call	4,981,000	-	-	4,981,000
Time deposits	915,350	50,661	-	966,011
Demand deposits	241,978	-	-	241,978
Saving deposits	3,407	-	-	3,407
	6,141,735	50,661	-	6,192,396
<u>United States Dollar</u>				
Inter-bank call money	2,236,090	-	-	2,236,090
Demand deposits	101,213	-	-	101,213
Time deposits	50,330	-	-	50,330
	2,387,633	-	-	2,387,633
	8,529,368	50,661	-	8,580,029
<u>Related party (Note 44)</u>				
<u>Rupiah</u>				
Inter-bank call money	550,000	-	-	550,000
Demand deposits	1,129	-	-	1,129
	551,129	-	-	551,129
Total	9,080,497	50,661	-	9,131,158

24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE

Securities sold under agreement to repurchase consist of:

	December 31, 2019				
	Date of Sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount - Net
<u>Third Party</u>					
<u>Rupiah</u>					
<u>Other Bank</u>					
<u>Government Bonds</u>					
FR0081	Dec 23, 2019	Jan 6, 2020	3,500,000	3,322,730	3,326,629
FR0081	Dec 27, 2019	Jan 10, 2020	3,100,000	2,949,443	2,951,172
FR0061	Dec 30, 2019	Jan 13, 2020	3,000,000	2,934,310	2,934,740
FR0061	Dec 23, 2019	Jan 20, 2020	2,500,000	2,435,320	2,438,177
FR0061	Dec 31, 2019	Jan 14, 2020	1,000,000	2,021,050	2,021,050
FR0063	Dec 27, 2019	Jan 3, 2020	500,000	1,966,830	1,967,977
FR0081	Dec 18, 2019	Jan 15, 2020	2,000,000	1,892,090	1,895,698
FR0063	Dec 27, 2019	Jan 24, 2020	2,000,000	1,870,865	1,871,965
FR0063	Dec 27, 2019	Mar 27, 2020	2,000,000	1,870,860	1,871,964
FR0064	Dec 30, 2019	Jan 6, 2020	2,000,000	1,787,480	1,787,741
FR0061	Dec 23, 2019	Mar 23, 2020	1,000,000	974,128	975,275
FR0082	Dec 30, 2019	Mar 30, 2020	1,000,000	959,925	960,066

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consist of (continued) :

	December 31, 2019				
	Date of Sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount - Net
<u>Third Party (continued)</u>					
<u>Rupiah (continued)</u>					
Other Bank (continued)					
Government Bonds (continued)					
FR0059	Dec 31, 2019	Jan 7, 2020	1,000,000	954,366	954,366
FR0081	Dec 18, 2019	Jan 2, 2020	1,000,000	946,043	947,843
FR0063	Dec 31, 2019	Jan 7, 2020	1,000,000	936,699	936,699
FR0063	Dec 26, 2019	Jan 23, 2020	1,000,000	934,186	934,872
FR0064	Dec 31, 2019	Jan 7, 2020	1,000,000	894,380	894,380
FR0053	May 7, 2019	Jul 15, 2021	550,000	519,218	519,218
FR0053	Dec 31, 2019	Mar 31, 2020	500,000	511,454	511,454
FR0074	Dec 31, 2019	Jan 28, 2020	500,000	485,623	485,623
FR0059	Dec 30, 2019	Jan 27, 2020	500,000	476,547	476,617
FR0081	Dec 18, 2019	Mar 18, 2020	500,000	473,022	473,927
FR0056	Dec 30, 2019	Jan 30, 2020	465,000	448,842	448,910
FR0063	Nov 7, 2017	May 15, 2023	500,000	446,090	446,090
FR0053	Sep 6, 2016	Jul 15, 2021	450,000	437,025	437,025
FR0053	Sep 9, 2016	Jul 15, 2021	416,000	390,000	390,000
FR0053	Feb 28, 2017	Jul 15, 2021	440,000	382,690	382,690
FR0034	Sep 6, 2016	Jun 15, 2021	300,000	344,315	344,315
FR0034	May 7, 2019	Jun 15, 2021	300,000	313,520	313,520
FR0061	Feb 28, 2017	May 13, 2022	362,000	304,722	304,722
FR0056	Dec 30, 2019	Jan 28, 2020	315,000	304,054	304,100
FR0056	Dec 30, 2019	Jan 29, 2020	315,000	304,054	304,100
FR0063	Dec 26, 2019	Jan 9, 2020	200,000	176,590	176,717
FR0031	May 7, 2019	Nov 15, 2020	150,000	150,264	157,566
FR0074	Dec 20, 2019	Jan 20, 2020	100,000	86,650	88,796
FR0074	Dec 23, 2013	Jan 6, 2020	50,000	44,408	44,458
			35,513,000	36,251,793	36,280,462
Sukuk Berharga Syariah Negara					
PBS016 SL	Dec 20, 2019	Jan 3, 2020	3,000,000	2,862,070	2,866,679
PBS006 SL	Dec 20, 2019	Jan 17, 2020	2,000,000	1,952,416	1,955,566
PBS014 SL	Dec 26, 2019	Mar 26, 2020	750,000	1,490,974	1,492,073
PBS014 SL	Dec 20, 2019	Jan 17, 2020	1,000,000	948,110	949,640
PBS0002 SL	Dec 20, 2019	Mar 20, 2020	1,000,000	942,469	943,995
PBS0002 SL	Dec 20, 2019	Jan 17, 2020	1,000,000	942,469	943,990
PBS0002 SL	Dec 26, 2019	Jan 23, 2020	250,000	489,087	489,446
PBS016	Oct 28, 2019	Jan 27, 2020	150,000	141,720	143,074
			9,150,000	9,769,315	9,784,464
			44,663,000	46,021,108	46,064,926
<u>United States Dollar</u>					
Other Bank					
Government Bonds					
FR0043	Jan 14, 2019	Jul 15, 2022	500,000	560,986	561,064
RI1023	Dec 20, 2019	Mar 20, 2020	416,475	418,532	418,832
RI0124	Dec 20, 2019	Nov 13, 2020	424,804	416,707	417,019
RI1023	Dec 23, 2019	Mar 23, 2020	428,275	415,985	416,207
RI0521	Dec 27, 2019	Mar 27, 2020	416,475	391,320	391,426
RI0423	Dec 27, 2019	Mar 27, 2020	416,475	388,696	388,806
RI0124	Dec 19, 2019	Mar 30, 2020	277,650	289,275	289,487
RI0521	Dec 22, 2019	Jan 22, 2020	208,237	195,342	195,784
FR0061	Dec 27, 2018	May 12, 2022	150,000	147,093	147,093
RI0929	Dec 30, 2019	Mar 30, 2020	138,825	125,165	125,174
UST-121	Jun 24, 2019	Jan 24, 2020	97,177	97,243	98,460
RI1124	Dec 30, 2019	Mar 30, 2020	83,295	77,446	77,452
RI0124	Dec 27, 2019	Mar 27, 2020	69,413	72,478	72,497

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consist of (continued) :

December 31, 2019						
	Date of Sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net	
<u>Third Party (continued)</u>						
<u>United States Dollar (continued)</u>						
<u>Other Bank (continued)</u>						
Government Bonds (continued)						
	RI0924	Dec 27, 2019	Mar 27, 2020	69,413	68,433	68,451
	RI0422	Dec 27, 2019	Mar 27, 2020	69,413	65,061	65,078
	RI0929	Dec 31, 2019	Mar 30, 2020	69,413	62,576	62,576
	USD-22	Jun 24, 2019	Jan 24, 2020	41,648	42,080	42,606
				3,876,991	3,834,418	3,838,012
Total				48,539,991	49,855,526	49,902,938
December 31, 2018						
	Date of Sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net	
<u>Third party</u>						
<u>Rupiah</u>						
<u>Other banks</u>						
Government Bonds						
	FR0063	Dec 21, 2018	Jan 18, 2019	5,000,000	4,344,620	4,353,056
	FR0077	Dec 26, 2018	Jan 2, 2019	2,000,000	2,932,122	2,934,684
	FR0069	Dec 12, 2018	Jan 9, 2019	1,500,000	2,806,512	2,816,866
	FR0061	Dec 19, 2018	Jan 16, 2019	3,000,000	2,781,465	2,787,946
	FR0077	Dec 19, 2018	Jan 21, 2019	1,000,000	910,197	912,471
	FR0063	Dec 12, 2018	Jan 14, 2019	1,000,000	818,013	821,165
	FR0069	May 18, 2015	Apr 15, 2019	571,000	500,047	500,047
	FR0069	May 21, 2015	Apr 15, 2019	568,000	499,714	499,714
	FR0069	Sep 9, 2016	Apr 15, 2019	540,000	498,000	498,000
	FR0071	Dec 20, 2018	Jan 3, 2019	500,000	473,503	474,552
	FR0077	Dec 18, 2018	Jan 18, 2019	500,000	454,309	455,539
	FR0069	Dec 10, 2018	Jan 10, 2019	500,000	452,289	454,215
	FR0069	Dec 13, 2018	Jan 14, 2019	500,000	452,089	453,739
	FR0063	Nov 7, 2017	May 15, 2023	500,000	446,090	446,090
	FR0053	Sep 6, 2016	Jul 15, 2021	450,000	437,025	437,025
	FR0064	Dec 27, 2018	Jan 3, 2019	500,000	396,369	396,657
	FR0053	Sep 9, 2016	Jul 15, 2021	416,000	390,000	390,000
	FR0053	Feb 28, 2017	Jul 15, 2021	440,000	382,690	382,690
	FR0059	Dec 28, 2018	Jan 11, 2019	450,000	378,555	378,776
	FR0034	Sep 6, 2016	Jun 15, 2021	300,000	344,315	344,315
	FR0070	Dec 20, 2018	Jan 3, 2019	350,000	319,958	320,672
	FR0061	Feb 28, 2017	May 13, 2022	362,000	304,722	304,722
	FR0068	Dec 31, 2018	Jan 14, 2019	300,000	271,541	271,541
	FR0068	Dec 31, 2018	Jan 15, 2019	300,000	271,541	271,541
	FR0077	Dec 19, 2018	Jan 2, 2019	250,000	227,549	228,095
	FR0047	Dec 19, 2018	Jan 2, 2019	200,000	199,756	200,242
	FR0064	Dec 27, 2018	Jan 3, 2019	250,000	198,185	198,329
	FR0061	Dec 27, 2018	May 12, 2022	150,000	147,093	147,093
	FR0053	Dec 21, 2018	Jan 21, 2019	100,000	91,288	91,473
				22,497,000	22,729,557	22,771,255

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

24. SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE (continued)

Securities sold under agreement to repurchase consist of (continued):

	December 31, 2018				
	Date of Sale	Date of Repurchase	Nominal Amount	Sale Amount	Repurchase Amount-Net
<u>Third party (continued)</u>					
<u>Rupiah (continued)</u>					
Other banks (continued)					
Treasury Bills					
SPN12190314	Dec 7, 2018	Jan 4, 2019	2,000,000	2,800,439	2,813,491
SPN12190314	Dec 17, 2018	Jan 17, 2019	500,000	443,287	444,580
SPN12190606	Dec 10, 2018	Jan 10, 2019	500,000	436,200	438,058
SPN12190704	Dec 10, 2018	Jan 10, 2019	1,000,000	869,404	873,106
SPN12190801	Dec 18, 2018	Jan 18, 2019	500,000	432,450	433,636
SPN12191010	Dec 17, 2018	Jan 16, 2019	350,000	298,420	299,278
SPN12190606	Dec 5, 2018	Jan 4, 2019	300,000	261,801	263,181
SPN12190606	Dec 5, 2018	Jan 7, 2019	300,000	261,801	263,181
SPN12190913	Dec 17, 2018	Jan 17, 2019	200,000	171,428	171,928
SPN12190411	Dec 17, 2018	Jan 17, 2019	170,000	149,980	150,411
SPN12190606	Dec 14, 2018	Jan 14, 2019	150,000	130,959	131,417
SPN12191010	Dec 13, 2018	Jan 14, 2019	150,000	127,798	128,264
SPN12190314	Nov 29, 2018	Feb 28, 2019	100,000	88,468	89,050
SPN12191010	Dec 12, 2018	Jan 11, 2019	100,000	85,186	85,515
			6,320,000	6,557,621	6,585,096
Bank Indonesia Certificate IDSD220319364S	Nov 30, 2018	Mar 1, 2019	300,000	265,605	267,297
<u>United States Dollar</u>					
Other banks					
Government Bonds					
SNI19	Jun 6, 2018	Mar 6, 2019	2,282,106	1,941,300	1,974,389
RI0521	Nov 9, 2018	May 9, 2019	872,147	719,000	722,116
RI0422	Nov 9, 2018	May 9, 2019	904,502	719,000	722,116
RI0521	May 16, 2018	Feb 14, 2019	656,030	575,200	585,994
RI0521	Dec 20, 2018	Mar 20, 2019	575,200	480,683	480,138
RI0521	May 17, 2018	Feb 11, 2019	522,181	431,405	439,465
RI0521	May 17, 2018	Feb 19, 2019	522,713	431,400	439,460
SNI19	Jun 6, 2018	Mar 6, 2019	221,452	215,700	219,314
RI0428	Dec 20, 2018	Jan 22, 2019	158,180	123,874	123,767
RI0320	Dec 20, 2018	Mar 20, 2019	139,342	114,517	114,387
			6,853,853	5,752,079	5,821,146
			35,970,853	35,304,862	35,444,794
<u>Related party (Note 44)</u>					
<u>Rupiah</u>					
Non Bank					
Government Bonds					
FR0069	Mar 20, 2015	Apr 15, 2019	1,000,000	972,093	997,688
FR0069	Jun 29, 2015	Apr 15, 2019	480,000	466,545	478,816
FR0070	Dec 20, 2018	Jan 3, 2019	500,000	457,083	458,096
			1,980,000	1,895,721	1,934,600
Total			37,950,853	37,200,583	37,379,394

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED

BRI and Subsidiaries issued marketable securities with details as follows:

	December 31,	
	2019	2018
<u>Rupiah</u>		
BRI Shelf Registration Bonds I		
Phase I Year 2015		
net of unamortized bond issuance cost amounting to Rp380 and Rp1,078 as of December 31, 2019 and 2018, respectively	1,395,705	1,398,564
Phase II Year 2016		
net of unamortized bond issuance cost amounting to Rp569 and Rp1,435 as of December 31, 2019 and 2018, respectively	2,642,129	3,662,611
Phase III Year 2016		
net of unamortized bond issuance cost amounting to Rp181 and Rp585 as of December 31, 2018 and 2017, Respectively	681,409	3,068,194
BRI Shelf Registration Bonds II		
Phase I Year 2016		
net of unamortized bond issuance cost amounting to Rp2,661 and Rp3,411 as of December 31, 2019 and 2018, respectively	2,945,123	3,932,181
Phase II Year 2017		
net of unamortized bond issuance cost amount to Rp1,774 and Rp1,786 as of December 31, 2019 and 2018, respectively	3,947,686	3,947,236
Phase III Year 2017		
net of unamortized bond issuance cost amounting to Rp2,045 and Rp2,695 as of December 31, 2019 and 2018, respectively	5,127,498	5,128,304
Phase IV Year 2018		
net of unamortized bond issuance cost amounting to Rp1,687 and Rp2,099 as of December 31, 2019 and 2018, respectively	2,430,633	2,430,992
BRI Shelf Registration Bonds III		
Phase I Year 2019		
net of unamortized bond issuance cost amounting to Rp7,778 as of December 31, 2019, respectively	4,956,017	-
BRI Agro Bonds I Year 2017		
net of unamortized bond issuance cost amounting to Rp789 and Rp1,397 as of December 31, 2019 and 2018, respectively	478,833	479,194
MTN I BRI Finance		
net of unamortized bond issuance cost amounting to Rp1,040 as of December 31, 2019, respectively	208,511	-
	24,813,544	24,047,276

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

BRI and Subsidiaries issued marketable securities with details as follows (continued):

	December 31,	
	2019	2018
<u>United States Dollar</u>		
Senior Unsecured Notes Due 2023 (Global Bond BRI) net of discount and unamortized bond issuance cost amounting to Rp36,290 and Rp47,060 as of December 31, 2019 and 2018, respectively	6,904,960	7,142,940
Senior Unsecured Notes Due 2024 (Sustainability Bond BRI Year 2019) net of discount and unamortized bond issuance cost amounting to Rp38,917 as of December 31, 2019, respectively	6,902,233	-
	13,807,293	7,142,940
Total	38,620,837	31,190,216

The amortization of the issuance cost of marketable securities issued for the period ended December 31, 2019 and 2018 amounted to Rp31,212 and Rp14,041, respectively.

The following are other key information related to marketable securities issued:

a) BRI Shelf Registration Bonds I

On June 25, 2015, BRI issued BRI Shelf Registration Bonds I Phase I Year 2015 with a principal value of 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 and matured 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 and matured 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 and will mature on July 3, 2020.

The interest of BRI Shelf Registration Bonds I Phase I Year 2015 is paid every 3 (three) months, starting from October 3, 2015. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On January 19, 2016, BRI issued BRI Shelf Registration Bonds I Phase II Year 2016 with a principal value of 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 and matured 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 and 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 and will mature on February 4, 2021.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

The following are other key information related to marketable securities issued (continued):

a) BRI Shelf Registration Bonds I (continued)

The interest of BRI Shelf Registration Bonds I Phase II Year 2016 is paid every 3 (three) months, starting from May 4, 2016. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On May 4, 2016, BRI issued BRI Shelf Registration Bonds I Phase III Year 2016 with a principal value of 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 and matured 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 and matured 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 and 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. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

As of December 31, 2019 and 2018, BRI Shelf Registration Bonds I obtained an idAAA rating from Pefindo.

The net proceeds from the issuance of these Shelf Registration Bonds are used for loan granting.

The important covenant stated in the agreement of Shelf Registration Bonds is that BRI shall not, without the written approval from the trustee, reduce the authorized, issued and paid-up capital, as well as perform merger, separation, consolidation and takeover of company.

Management believes all covenants/restrictions stipulated in the trustee agreement have been complied with.

BRI has settled its Shelf Registration Bonds I Phase I Series A, Shelf Registration Bonds I Phase I Series B, Shelf Registration Bonds I Phase II Series A, Shelf Registration Bonds I Phase II Series B, Shelf Registration Bonds I Phase III Series A and Shelf Registration Bonds I Phase III Series B with nominal values of Rp655,000, Rp925,000, Rp808,000, Rp1,018,500, Rp1,212,000 and Rp2,437,000, respectively on the maturity dates.

b) BRI Shelf Registration Bonds II

On December 2, 2016, BRI issued Shelf Registration Bonds II Phase I Year 2016 with a principal value of 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 and matured 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 and matured on December 1, 2019.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

The following are other key information related to marketable securities issued (continued):

b) BRI Shelf Registration Bonds II (continued)

On December 2, 2016, BRI issued Shelf Registration Bonds II Phase I Year 2016 with a principal value of Rp4,600,000 in 5 (five) series, as follows (continued):

- 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 and 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 and 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 and 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. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On April 12, 2017, BRI issued Shelf Registration Bonds II Phase II Year 2017 with a principal value of Rp5,100,000 in 4 (four) series, as follows:

- Series A: Principal value amounting to Rp1,131,000 with a fixed interest rate of 7.20% per annum, for a period of 370 (three hundreds and seventy) days and matured on April 16, 2018.
- Series B: Principal value amounting to Rp1,743,500 with a fixed interest rate of 8.10% per annum, for a period of 3 (three) years and will mature on April 11, 2020.
- Series C: Principal value amounting to Rp925,000 with a fixed interest rate of 8.30% per annum, for a period of 5 (five) years and will mature on April 11, 2022.
- Series D: Principal value amounting to Rp1,300,500 with a fixed interest rate of 8.80% per annum, for a period of 10 (ten) years and will mature on April 11, 2027.

The interest of BRI Shelf Registration Bonds II Phase II Year 2017 is paid every 3 (three) months, starting from July 11, 2017. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

On August 25, 2017, BRI issued Shelf Registration Bonds II Phase III Year 2017 with a principal value of Rp5,150,000 in 3 (three) series, as follows:

- Series A: Principal value amounting to Rp980,500 with a fixed interest rate of 7.60% per annum, for a period of 3 (three) years and will mature on August 24, 2020.
- Series B: Principal value amounting to Rp1,652,500 with a fixed interest rate of 8.00% per annum, for a period of 5 (five) years and will mature on August 24, 2022.
- Series C: Principal value amounting to Rp2,517,000 with a fixed interest rate of 8.25% per annum, for a period of 7 (seven) years and will mature on August 24, 2024.

The interest of BRI Shelf Registration Bonds II Phase III Year 2017 is paid every 3 (three) months, starting from November 24, 2017. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

The following are other key information related to marketable securities issued (continued):

b) BRI Shelf Registration Bonds II (continued)

On February 22, 2018, BRI issued Shelf Registration Bonds II Phase IV Year 2018 with a principal value of Rp2,442,000 in 2 (two) series, as follows:

- Series A: Principal value amounting to Rp1,837,000 with a fixed interest rate of 6.65% per annum, for a period of 5 (five) years and will mature on February 21, 2023.
- Series B: Principal value amounting to Rp605,000 with a fixed interest rate of 6.90% per annum, for a period of 7 (seven) years and will mature on February 21, 2025.

The interest of BRI Shelf Registration Bonds II Phase IV Year 2018 is paid every 3 (three) months, starting from May 21, 2018. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

As of December 31, 2019 and 2018, BRI Shelf Registration Bonds II obtained an idAAA rating from Pefindo.

The net proceeds from the issuance of these Shelf Registration Bonds are used for loan granting.

The important covenant stated in the agreement of Shelf Registration Bonds is that BRI shall not, without the written approval from the trustee, reduce the authorized, issued and paid-up capital, as well as perform merger, separation, consolidation and takeover of company.

Management believes all covenants/restrictions stipulated in the trustee agreement have been complied with.

BRI has settled its Shelf Registration Bonds II Phase I Series A, Shelf Registration Bonds II Phase I Series B and Shelf Registration Bonds II Phase II Series A with nominal values of Rp616,000, Rp964,000 and Rp1,131,000, respectively on the maturity dates.

c) BRI Shelf Registration Bonds III

On November 7, 2019, BRI issued Shelf Registration Bonds III Phase I Year 2019 with a principal value of Rp5,000,000 in 3 (three) series, as follows :

- Series A : Principal value amounting to Rp737,850 with a fixed interest rate of 6.50% per annum, for a period of 370 (three hundred sixty five) days and will mature on November 17, 2020.
- Series B: Principal value amounting to Rp2,089,350 with a fixed interest rate of 7.60% per annum, for a period of 3 (three) years and will mature on November 7, 2020.
- Series C: Principal value amounting to Rp2,172,800 with a fixed interest rate of 7.85%% per annum, for a period of 5 (five) years and will mature on November 7, 2020.

The interest of BRI Shelf Registration Bonds III Phase I Year 2019 is paid every 3 (three) months, starting from February 7, 2020. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAAA rating.

Net proceeds from the issuance of BRI's Sustainable Bonds III are used to develop the bank's business by channeling credit by applying the principles of prudential banking and good corporate governance.

The important covenant stated in the agreement of Shelf Registration Bonds is that BRI shall not, without the written approval from the trustee, reduce the authorized, issued and paid-up capital, as well as perform merger, separation, consolidation and takeover of company.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

c) BRI Shelf Registration Bonds III (continued)

The following are other key information related to marketable securities issued (continued):

Management believes all covenants/restrictions stipulated in the trustee agreement have been complied with.

d) BRI Agro Bonds I

On July 7, 2017, after receiving the Notification Letter of Effective Registration Statement from OJK No. S-348/D.04/2017 dated June 22, 2017, BRI Agro issued BRI Agro Bonds I Year 2017 with a principal value of Rp500,000 in 2 (two) series as follows:

- Series A: Principal value amounting to Rp261,000 with a fixed interest rate of 8.25% per annum, for a period of 3 (three) years and will mature on July 7, 2020.
- Series B: Principal value amounting to Rp239,000 with a fixed interest rate of 8.50% per annum, for a period of 5 (five) years and will mature on July 7, 2022.

The interest of these bonds is paid every 3 (three) months, starting from October 7, 2017. At the time of issuance, Pefindo gave these Shelf Registration Bonds an idAA rating.

As of December 31, 2019 and 2018, BRI Agro Bonds I obtained an idAA rating from Pefindo. The net proceeds from the issuance of bonds are used for loan granting.

The important covenant stated in the agreement of BRI Agro Bonds I is that BRI Agro shall not, without the written approval from the trustee, reduce the authorized, issued and paid-up capital, as well as perform merger, separation, consolidation and takeover of company.

e) Senior Unsecured Notes Due 2023 (Global Bond BRI)

On July 16, 2018, BRI issued and listed BRI Global Bonds Year 2018 with a nominal value of USD500,000,000 (full amount) on Singapore Exchange Securities Trading Limited (SGX-ST), for a period of 5 (five) years, and will mature on July 20, 2023, with a fixed interest rate of 4.63% per annum. The bonds were issued at 99.696%, which were equivalent to USD498,400,000 (full amount) and the interest of these bonds is paid every 6 (six) months, starting from January 20, 2019. At the time of issuance, the bonds were rated Baa2 and BBB- by Moody's and Fitch, respectively.

The net proceeds from the issuance of BRI Bonds is used to strengthen BRI's general funding structure.

Management believes all covenants/restrictions stipulated in the agreement have been complied with.

As of December 31, 2019 and 2018, Senior Unsecured Notes Due 2023 (BRI Global Bonds) year 2018 obtained a Baa2 and BBB- rating from Fitch and Moody's, respectively.

f) Senior Unsecured Notes Due 2024 (Sustainability Bond BRI Year 2019)

On March 28, 2019, BRI issued and listed BRI Global Bonds Year 2019 with a nominal value of USD500,000,000 (full amount) on Singapore Exchange Securities Trading Limited (SGX-ST), for a period of 5 (five) years, and will mature on March 28, 2024, with a fixed interest rate of 3.95% per annum. The bonds were issued at 99.713%, which were equivalent to USD498,565,000 (full amount) and the interest of these bonds is paid every 6 (six) months, starting from September 28, 2019. At the time of issuance, the bonds were rated Baa2 and BBB- by Moody's and Fitch, respectively.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

25. MARKETABLE SECURITIES ISSUED (continued)

The following are other key information related to marketable securities issued (continued):

f) Senior Unsecured Notes Due 2024 (Sustainability Bond BRI Year 2019) (continued)

The net proceeds from the issuance of BRI Bonds is used to give funding to Eligible Project in accordance with the Sustainability Framework.

Management believes all covenants or restrictions stipulated in the agreement have been complied with.

As of December 31, 2019, Senior Unsecured Notes Due 2024 (Sustainability Bond BRI Year 2019) obtained a Baa2 and BBB- rating from Moody's and Fitch, respectively.

g) MTN I BRI Finance Year 2019

On December 13, 2019, BRI Finance issued and listed MTN I BRI Finance Year 2019 with a nominal value of Rp300,000 (full amount), for a period of 3 (three) years, and will mature on December 13, 2022, with a fixed interest rate of 9.25% per annum. Interest of MTN Phase I is paid every 3 (three) months, starting from March 13, 2020. At the time of issuance, the MTN were rated idAA- by Pefindo, respectively.

On December 13, 2019, the MTN I BRI Finance Year 2019 obtained an idAA- from Pefindo.

The net proceeds from the issuance of MTN is used to short term liabilities bank payment and strengthen company general funding structure. The important covenant stated in the agreement of MTN is that BRI shall not, without the written approval from the trustee, reduce the authorized, issued and paid-up capital, as well as perform merger, separation, consolidation and takeover of company.

BRI Finance is also required to fulfill financial requirements including gearing ratios of at least zero times and a maximum of 10 times, capital ratios of at least 10%, the ratio of net financing receivable balances to total assets of at least 40%, the ratio of investment and capital financing receivable balances work at least 10% of the total financing receivable balance, the lowest equity to paid-in capital ratio of 50%, the highest non-performing financing ratio of 5%, has an equity greater than Rp 200,000 million, maintains a minimum guarantee value of 50% of MTN principal value and meet the requirements of financial soundness level with a minimum healthy condition.

Management believes all covenants or restrictions stipulated in the agreement have been complied with.

26. FUND BORROWING

Fund borrowing consists of:

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
Bank Indonesia		
Liquidity borrowing	15,598	15,910
Other borrowing	12,304	12,618
Other borrowing	150.000	-
	178.262	28,528

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWING (continued)

Fund borrowing consists of (continued) :

	December 31,	
	2019	2018
<u>Third party (continued)</u>		
<u>Foreign currency</u>		
Borrowing from China Development Bank Corporation net of unamortized transaction cost	10,787,896	13,061,900
Syndicated borrowing - Club Loan net of unamortized transaction cost	7,822,864	12,096,414
Borrowing from BNP Paribas net of unamortized transaction cost	589,260	728,151
Bilateral borrowing	-	1,800,666
Other borrowing	10,465,510	12,287,175
	<u>29,665,530</u>	<u>39,974,306</u>
	29,843,792	40,002,834
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
Borrowing from		
PT Bank Mandiri (Persero) Tbk	777,979	50,000
PT Bank Negara Indonesia (Persero) Tbk	300,000	400,000
PT Bahana Artha Ventura	-	3,902
PT Angkasa Pura II (Persero)	-	693
	<u>1,077,979</u>	<u>454,595</u>
Total	30,921,771	40,457,429

The classification of fund borrowing based on their remaining periods until maturity is as follows:

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
≤ 1 month	85	85
> 3 months - 1 year	156,763	6,381
> 1 year - 5 years	7,802	8,136
> 5 years	13,612	13,926
	<u>178,262</u>	<u>28,528</u>

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWING (continued)

The classification of fund borrowing based on their remaining periods until maturity is as follows (continued) :

	December 31,	
	2019	2018
<u>Third party (continued)</u>		
<u>Foreign currency</u>		
≤ 1 month	-	830,193
> 1 month - 3 month	3,104,493	3,637,058
> 3 months - 1 year	7,829,682	8,542,091
> 1 year - 5 years	7,357,234	13,174,913
> 5 years	11,374,121	13,790,051
	<u>29,665,530</u>	<u>39,974,306</u>
	29.843.792	40,002,834
<u>Related party (Note 44)</u>		
<u>Rupiah</u>		
≤ 1 month	779,979	50,000
> 3 month - 1 year	300,000	400,000
> 1 year - 5 years	-	4,595
	<u>1,077,979</u>	<u>454,595</u>
Total	<u>30,921,771</u>	<u>40,457,429</u>

The following are other key information related to fund borrowings:

a) Borrowing from Bank Indonesia

Liquidity borrowing

This account represents loan facilities obtained from Bank Indonesia that are channeled back to BRI's debtors, for the purposes of Investment Loans, Primary Cooperatives Loans for Sugar Cane Farmer Members, BULOG and Village Cooperative Units Loans, Permanent Working Capital Loans, Fertilizers and others.

The average interest rates are 0.02% for the six month period ended December 31, 2019 and 2018, respectively.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWING (continued)

The following are other key information related to fund borrowings (continued):

b) Syndicated Borrowing - Club Loan

On September 30, 2015, BRI obtained a syndicated loan facility in the form of Club Loan amounting to USD550,000,000 (full amount). This loan is facilitated by The Hongkong and Shanghai Banking Corporation Limited (agent), which is divided into:

- a. Facility A amounted to USD325,000,000 (full amount), with an interest rate of 3-month LIBOR plus a given margin per annum. The loan period is 42 (forty two) months since the date of the agreement (including grace period) and has matured on March 30, 2019 (has been settled by BRI). The participating banks for this loan are:
 - Bank of America N.A. amounted to USD50,000,000,
 - Citibank, N.A., Singapore branch amounted to USD30,000,000,
 - Citibank, N.A., Jakarta branch amounted to USD20,000,000,
 - The Hongkong and Shanghai Banking Corporation Limited amounted to USD50,000,000,
 - Sumitomo Mitsui Banking Corporation amounted to USD50,000,000,
 - Westpac Banking Corporation amounted to USD25,000,000,
 - Australia and New Zealand Banking Group Limited amounted to USD20,000,000,
 - BNP Paribas amounted to USD20,000,000,
 - CTBC Bank Co., Ltd. amounted to USD20,000,000,
 - DBS Bank Ltd., amounted to USD20,000,000,
 - United Overseas Bank Limited amounted to USD20,000,000.
- b. Facility B amounted to USD155,000,000 (full amount), with an interest rate of three-month LIBOR plus a given margin per annum. The loan period is 48 (forty eight) months since the date of the agreement (including grace period) and mature September 30, 2019. The participating banks for this loan are:
 - Oversea-Chinese Banking Corporation Limited amounted to USD50,000,000,
 - BNP Paribas amounted to USD30,000,000,
 - Australia and New Zealand Banking Group Limited amounted to USD20,000,000,
 - DBS Bank Ltd., amounted to USD20,000,000,
 - United Overseas Bank Limited amounted to USD20,000,000,
 - Westpac Banking Corporation amounted to USD15,000,000
- c. Facility C amounted to USD70,000,000 (full amount), with an interest rate of three-month LIBOR plus a given margin per annum. The loan period is 60 (sixty) months since the date of the agreement (including grace period) and will mature on September 30, 2020. The participating banks for this loan are:
 - CTBC Bank Co., Ltd. amounted to USD30,000,000,
 - Australia and New Zealand Banking Group Limited amounted to USD10,000,000,
 - DBS Bank Ltd., amounted to USD10,000,000,
 - United Overseas Bank Limited amounted to USD10,000,000,
 - Westpac Banking Corporation amounted to USD10,000,000.

This syndicated borrowings is used to strengthen the long-term financing structure and maturity profile. The borrowings' principal will be paid on the maturity date, while the loan interest is paid every 3 (three) months. BRI does not provide any collateral for these borrowings.

The financial covenants in this syndicated borrowings agreement, among others, are maintaining the financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%,
- Maximum Non-Performing Loan (NPL) ratio of 5%.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWING (continued)

The following are other key information related to fund borrowings (continued):

b) Syndicated Borrowing - Club Loan (continued)

As of December 31, 2019 and 2018, BRI and subsidiaries have fulfilled the important requirements required in the loan agreement received.

On December 19, 2018, BRI obtained a syndicated loan facility in the form of Club Loan amounting to USD700,000,000 (full amount). This loan is facilitated by MUFG Bank (agent), which is divided into:

- a. Facility A amounted to USD200,000,000 (full amount), with interest rate of 3-month LIBOR plus a given margin per annum. The loan period is 12 (twelve) months since the date of the agreement and will mature on December 13, 2019. The participating banks for this loan are:
 - Citibank, N.A., Jakarta branch amounted to USD20,000,000,
 - Commerzbank AG, amounted to USD20,000,000,
 - DBS Bank, Ltd., amounted to USD10,000,000,
 - PT Bank HSBC Indonesia, amounted to USD10,000,000,
 - Mizuho Bank, Ltd., Singapore branch, amounted to USD55,000,000,
 - MUFG Bank, Ltd., Singapore branch, amounted to USD10,000,000,
 - United Overseas Bank, Ltd., amounted to USD22,500,000,
 - Wells Fargo Bank, N.A., London branch amounted to USD52,500,000.

- b. Facility B amounted to USD235,000,000 (full amount), with an interest rate of three-month LIBOR plus a given margin per annum. The loan period is 36 (thirty six) months since the date of the agreement and will mature on December 19, 2021. The participating banks for this loan are:
 - Cathay United Bank, amounted to USD30,000,000,
 - Citibank, N.A., Jakarta branch amounted to USD10,000,000,
 - Commerzbank AG, amounted to USD30,000,000,
 - CTBC Bank, Co., Ltd., amounted to USD30,000,000,
 - DBS Bank, Ltd., amounted to USD20,000,000,
 - The Hongkong and Shanghai Banking Corporation Ltd., Singapore branch amounted to USD20,000,000,
 - MUFG Bank, Ltd., Singapore branch, amounted to USD30,000,000,
 - Sumitomo Mitsui Banking Corporation, Singapore branch, amounted to USD32,500,000,
 - United Overseas Bank, Ltd., amounted to USD32,500,000.

- c. Facility C amounted to USD265,000,000 (full amount), with an interest rate of 3-month LIBOR plus a given margin per annum. The loan period is 48 (forty eight) months since the date of the agreement and will mature on December 19, 2022. The participating banks for this loan are:
 - Cathay United Bank, amounted to USD20,000,000,
 - Citibank, N.A., Hong Kong branch amounted to USD20,000,000,
 - CTBC Bank, Co., Ltd., amounted to USD36,000,000,
 - DBS Bank Ltd., amounted to USD20,000,000,
 - The Hongkong and Shanghai Banking Corporation Ltd., Singapore branch amounted to USD30,000,000,
 - MUFG Bank, Ltd., Singapore branch, amounted to USD30,000,000,
 - Standard Chartered Bank, Singapore branch USD63,500,000,
 - Sumitomo Mitsui Banking Corporation, Singapore branch, amounted to USD25,000,000,
 - United Overseas Bank, Ltd., amounted to USD20,500,000

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWING (continued)

The following are other key information related to fund borrowings (continued):

b) Syndicated Borrowing - Club Loan (continued)

These syndicated borrowings are used to strengthen the long-term financing structure and maturity profile. The borrowings principal will be paid on maturity date, while the loan interest is paid every 3 (three) months. BRI does not provide any collateral for this borrowings.

c) Borrowing from China Development Bank Corporation

On September 16, 2015, BRI signed a loan facility agreement with China Development Bank Corporation to finance long-term infrastructure and manufacturing projects in Indonesia and cross-border transactions between Indonesia and the People's Republic of China. These borrowings consist of 2 (two) facilities, which are:

- Tranche A facility amounted to USD700,000,000 (full amount), with an interest rate of 6-month LIBOR plus a given margin per annum. BRI made the first drawdown on October 30, 2015 amounting to USD223,953,383 (full amount) and the second drawdown on November 6, 2015 amounting to USD476,046,617 (full amount).
- Tranche B facility amounted to RMB1,906,080,000 (equivalent to USD300,000,000) (full amount), with an interest rate of six-month SHIBOR plus a given margin per annum. NRI made the first drawdown on October 30, 2015 amounting to RMB609,818,661 (full amount) and the second drawdown 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. The principal installments are paid every 6 (six) months along with interest payments. For Tranche A facility, the principal installments amounted to USD46,666,667 (full amount) will be paid starting from September 16, 2018 until maturity. For Tranche B facility, the principal installments amounting to RMB127,072,000 (full amount) are paid starting from September 16, 2018 until maturity. BRI does not provide any collateral for these borrowings.

The financial covenants in these borrowings agreement, among others, are maintaining the financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%,
- Minimum Core Capital (Tier 1) ratio of 6%,
- Minimum Common Equity (Core Tier 1) ratio of 5%,
- Minimum Minimum Legal Reserve Requirements (GWM) of 6.5%,
- Maximum Non-Performing Loan (NPL) ratio of 5%,
- Minimum Return On Assets (ROA) ratio of 0.6%.

As of December 31, 2019 and 2018, BRI and subsidiaries have fulfilled the important requirements required in the loan agreement received.

d) Borrowing from BNP Paribas

On June 7, 2016, BRI signed a loan facility agreement with BNP Paribas under the Export Credit Financing (ECA) scheme to finance the BRI'sat components and launch services carried out by Arianespace France. This borrowing consists of 2 facilities, which are:

- Banque Publique d'Investissement (BPI) Tranche facility amounted to USD49,961,501 (full amount), with a given interest rate per annum. BRI conducted all borrowing drawdowns on August 31, 2017.
- Hermes Tranche facility amounted to USD9,901,309 (full amount), with an interest rate of 6-month LIBOR plus a given margin per annum. BRI conducted all borrowing drawdowns on August 31, 2017.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWING (continued)

The following are other key information related to fund borrowings (continued):

d) Borrowing from BNP Paribas (continued)

This borrowing facility has a tenor of 7 (seven) years and 6 (six) months and will mature on February 3, 2025. The principal installments are paid every 6 (six) months along with interest payments. For the BPI Tranche facility, the principal installments amounting to USD3,330,767 (full amount) are paid starting from February 5, 2018 until maturity. For Hermes Tranche facility, the principal installments amounting to USD660,087 (full amount) are paid starting from February 5, 2018 until maturity. BRI does not provide any collateral for these borrowings.

The financial covenants in this borrowing agreement, among others, are maintaining the financial ratios as follows:

- Minimum Capital Adequacy Ratio (CAR) of 9%,
- Maximum Non-Performing Loan (NPL) ratio of 5%.
-

As of December 31, 2019 and 2018, BRI and subsidiaries have fulfilled the important requirements required in the loan agreement received.

e) Bilateral borrowing

Borrowing from Emirates NBD Bank

On August 28, 2018, BRI (Singapore branch) and Emirates NBD Bank signed a loan facility agreement amounting to USD50,000,000 (full amount) to meet the liquidity needs of BRI Singapore branch. This borrowing bears an interest rate of 3-month LIBOR plus a given margin per annum, paid every 3 (three) months. This borrowing has matured and has been settled on May 24, 2019.

On October 11, 2018, BRI (Singapore branch) and Emirates NBD Bank signed a loan facility agreement amounting to USD25,000,000 (full amount) to meet the liquidity needs of BRI Singapore branch. This borrowing bears interest rate of three-month LIBOR plus a given margin per annum, paid every 3 (three) months. This borrowing matured and has settled on July 8, 2019.

Borrowing from Bank of America

On December 2, 2018, BRI (Singapore branch) and Bank of America signed a loan facility agreement amounting to USD50,000,000 (full amount) to meet the liquidity needs of BRI Singapore branch. This borrowing bears interest rate of three-month LIBOR plus a given margin per annum, paid every 3 (three) months. This borrowing matured on November 23, 2019.

As of December 31, 2019 and 2018, BRI and subsidiaries have fulfilled the important requirements required in the loan agreement received.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWING (continued)

The following are other key information related to fund borrowings (continued):

f) Other borrowings

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third party (continued)</u>				
<u>Rupiah (continued)</u>				
PT. Bank Victoria Internasional		150,000		-
Bank Indonesia		12,304		12,618
		162,304		12,618
<u>Third party</u>				
<u>Foreign currency</u>				
<u>United States</u>				
<u>Dollar</u>				
DBS Bank	135,298,348	1,892,160		-
Bank of Montreal	100,000,000	1,388,250	325,000,000	4,673,500
CoBank USA	100,000,000	1,388,250	50,000,000	719,000
Wells Fargo				
Bank, N.A.	75,000,000	1,041,188	100,000,000	1,438,000
The Bank of				
New York				
Mellon	75,000,000	1,041,188	25,000,000	359,500
BNP Paribas	7,056,5146	979,621	-	-
Bank of America,				
N.A.	50,000,000	694,125	150,000,000	2,157,000
The Bank of				
Tokyo-				
Mitsubishi				
UFJ, Ltd.	50,000,000	694,125	21,147,497	304,101
United Overseas				
Bank Limited	50,000,000	694,125	75,000,000	1,078,500
PT Bank				
Sumitomo				
Mitsui				
Indonesia	9,000,000	124,943	22,658,032	325,823
CTBC Bank				
Co., Ltd.	28,000,000	38,8710		-
Citibank, N.A.	-	-	50,000,000	719,000
Oversea-Chinese				
Banking				
Corporation				
Limited	-	-	32,732,486	470,693
Bank BTPN Tbk	10,000,000	128,825	-	-
		10,465,510		12,245,117

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

26. FUND BORROWING (continued)

The following are other key information related to fund borrowings (continued):

f) Other borrowings (continued)

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>European Euro</u>				
CTBC Bank Co., Ltd,		-	2,558,176	42,058
		-		42,058
		10,465,510		12,287,175
Total		10,627,814		12,299,793

The following are other key information related to fund borrowing:

Other borrowing facilities in foreign currencies are short-term borrowings from several banks with periods ranging from 1 (one) month up to 1 (one) year with interest rates at LIBOR or EURIBOR plus given margins, including refinancing borrowing facilities which are collateralized by letters of credit issued by BRI.

As of December 31, 2019 and 2018, BRI and Subsidiaries have complied to the important covenants as required in these agreements.

27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES

a) The details of Estimated Losses on Commitments and Contingencies which bear credit risk are as follows:

	December 31,	
	2019	2018
<u>Rupiah</u>		
Guarantees issued	316,749	1,222
Irrevocable L/C	135,313	-
<u>Foreign currency</u>		
Guarantees issued	157,431	-
Total	609,493	1,222

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

b) The movements in Estimated Losses on Commitments and Contingencies:

	December 31,	
	2019	2018
Beginning balance	1,222	2,134
Provision for (reversal of) estimated losses during the year	608,271	(912)
Ending balance	609,493	1,222

BRI assessed commitment and contingency transactions which bear credit risk individually based on whether objective evidence of impairment exists.

The minimum estimated losses on commitments and contingencies that must be provided in accordance with Bank Indonesia Regulations amounted to Rp1,963 and Rp1,222 as of December 31, 2019 and 2018, respectively. Management believes that the amount is adequate.

c) The details of commitment and contingency transactions:

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
<u>Third party</u>				
<u>Rupiah</u>				
Guarantees issued Irrevocable L/C		7,613,617		11,344,155
		1,033,124		1,149,214
		<u>8,646,741</u>		<u>12,493,369</u>
<u>Foreign currency</u>				
Guarantees issued				
United States Dollar	913,222,229	12,677,808	871,820,691	12,536,782
European Euro	65,933,199	1,026,620	17,613,512	289,578
Malaysian Ringgit	147,970	1,526		-
Australian Dollar	-	-	50,909	517
		<u>13,705,954</u>		<u>12,826,877</u>
<u>Irrevocable L/C</u>				
United States Dollar	119,324,459	1,656,522	122,061,543	1,755,245
European Euro	16,113,985	250,905	32,483,692	534,053
Renminbi	52,156,933	104,010	60,910,689	127,338
Singaporean Dollar	400,561	4,132	532,684	5,622
Great Britain Pound Sterling	29,249	533	827,200	15,147
Japanese Yen	105,297,059	13,458	138,769,250	18,126

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

c) The details of commitment and contingency transactions (continued):

	December 31, 2019		December 31, 2018	
	Notional amount foreign currency (Full amount)	Rupiah Equivalent	Notional amount foreign currency (Full amount)	Rupiah Equivalent
Australian Dollar	278,000	2,704	198,000	2,012
Swiss Franc	611,800	8,771	55,140	805
		2,041,035		2,458,348
		15,746,989		15,285,225
		24,393,730		27,778,594
<u>Related party (Note 44)</u>				
<u>Rupiah</u>				
Guarantees issued		11,801,291		8,266,656
Irrevocable L/C		805,645		1,204,545
		12,606,936		9,471,201
<u>Foreign currency</u>				
Guarantees issued				
United States Dollar	806,266,176	11,192,900	800,687,150	11,513,881
Japanese Yen	2,678,962,922	342,398	3,160,126,352	412,776
Thailand Baht	124,360,000	57,847	348,208,000	154,472
European Euro	1,752,890	27,294	3,036,383	49,920
Malaysian Ringgit	87,500,000	296,780	87,500,000	304,219
Canadian Dollar	1,240,000	13,194	1,240,000	13,095
		11,930,503		12,448,363
<u>Irrevocable L/C</u>				
United States Dollar	156,824,774	2,177,120	162,569,130	2,337,744
European Euro	17,383,431	270,671	77,746,394	1,278,202
Japanese Yen	905,416,752	115,721	943,002,510	123,175
Great Britain Pound Sterling	886,342	16,165	7,603,524	139,232
Singapore Dollar			155,840	1,645
Australian Dollar				-
Renminbi			400,000	836
Swiss Franc			51,374	750
		2,579,677		3,881,584
		14,510,180		16,329,947
		21,117,116		25,801,148
Total		51,510,846		53,579,742
Less				
Allowance for impairment losses		(609,493)		(1,222)
Net		50,901,353		53,578,520

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

27. ESTIMATED LOSSES ON COMMITMENTS AND CONTINGENCIES (continued)

d) The details of commitment and contingency transactions by collectibility:

	December 31,	
	2019	2018
Current	50,556,114	53,392,406
Special mention	851,066	42,069
Substandard	-	140,604
Doubtful	-	3,053
Loss	103,666	1,610
Total	51,510,846	53,579,742
Less		
Allowance for impairment losses	(609,493)	(1,222)
Net	50,591,353	53,578,520

28. LIABILITY FOR EMPLOYEE BENEFITS

Liabilities for employee benefits consist of:

	December 31,	
	2019	2018
Bonuses and incentives	5,130,090	7,405,332
Provision for grand leaves (Note 42e)	2,134,348	1,849,533
Provision for gratuity for services (Note 42e)	1,328,634	1,130,266
Defined Benefit Pension Program (Note 42a,e)	1,280,003	-
Provision for work separation scheme (Note 42d)	766,739	1,404,235
Provision for post employment BPJS health program (Note 42e)	22,737	-
Total	10,662,581	11,789,366

29. OTHER LIABILITIES

Other liabilities consist of:

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
Future policy benefit liabilities	5,865,551	5,233,977
Investment contract liabilities	1,691,392	1,122,086
Interest payable	1,471,486	1,540,041
Unearned premium	1,469,235	151,125
Allowance for litigation liability (Note 45b)	1,145,664	1,060,301
Unearned income	290,981	334,630
Estimated claim liability	217,763	87,315
Allowance for timely interest payment (Note 2z)	149,992	291,935
Temporary <i>syirkah</i> fund	97,125	78,673

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

29. OTHER LIABILITIES (continued)

Other liabilities consist of (continued):

	December 31,	
	2019	2018
<u>Third party</u>		
<u>Rupiah</u>		
Reinsurance payable	89,573	31,687
Accrued profit sharing	36,878	57,896
Credit card Liabilities	57,942	335,634
Provision for simpedes gift tax	24,549	25,052
Guarantee deposits	17,215	17,628
Others	5,804,159	5,142,308
	18,429,505	14,388,202
<u>Foreign currency</u>		
Interest payable	549,507	473,606
Unearned income	66,829	202,451
Others	303,765	275,528
	920,101	951,585
Total	19,349,606	15,339,787

30. SUBORDINATED LOANS AND MARKETABLE SECURITIES

BRI obtained subordinated loans and marketable securities with details as follows:

	December 31,	
	2019	2018
<u>Rupiah</u>		
Subordinated Sukuk Mudharabah I	965,116	973,717
Two-step loan	3,334	3,609
Subordinated Bonds III	496,916	496,189
Total	1,465,366	1,473,515

a. Subordinated Sukuk Mudharabah I

On November 17, 2016, BRIS issued Subordinated Sukuk Mudharabah I Year 2016 amounting to Rp1,000,000 with profit-sharing income and was issued at 100.00% of its nominal value. The amount of Sukuk holder's nisbah is 80.2013%, calculated from cash gross revenue, which is indicated at 11.8452%. Profit sharing is paid every 3 (three) months and will mature on November 16, 2023. At the time of issuance, this Subordinated Sukuk Mudharabah I was rated A+(idn) by Fitch.

The proceeds from the issuance of the Subordinated Sukuk Mudharabah I is used to strengthen the capital structure in order to support business development activities through financing distributions.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

30. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)

BRI obtained subordinated loans and marketable securities with details as follows (continued):

a. Subordinated Sukuk Mudharabah I (continued)

This Subordinated Sukuk Mudharabah I is not guaranteed by special collateral nor guaranteed by the Republic of Indonesia or other third parties and not included in the bank guarantee program implemented by the Deposit Insurance Institute (Lembaga Penjamin Simpanan/LPS) or other insurance institutes.

As of December 31, 2019 and 2018, the Subordinated Sukuk Mudharabah I obtained an A+(idn) rating from Fitch. Acting as trustee for the Subordinated Sukuk Mudharabah I is PT Bank Negara Indonesia (Persero) Tbk.

BRIS's restrictions and obligations are, without written approval from the trustee, to not conduct the following:

- Issuing another Sukuk or MTN with higher ranking and priority in payment over Subordinated Sukuk Mudharabah.
- Changing its main business.
- Reducing the authorized, issued and paid-up capital.
- Conducting merger, consolidation, acquisition with other companies that caused dissolution of BRISyariah, or would have negative impact on business continuity.
- Selling or transferring premises and equipment of BRISyariah to other parties, either all or most (over 50%) of BRIS's premises and equipment based on the latest audited financial statement.
- Conducting transactions with affiliated parties, unless the transaction is performed under favorable terms for BRIS or at least equal to the requirements obtained by BRIS from non-affiliated third parties in customary transactions.
- Providing financing or investment in shares to other parties.

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 according to the respective agreements with periods ranging from 15 (fifteen) to 40 (forty) years.

The average interest rates for this subordinated loan are 2.03% and 2.47%, for the period years ended December 31, 2019 and 2018, respectively. These loans will mature on various dates up to 2027.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

30. SUBORDINATED LOANS AND MARKETABLE SECURITIES (continued)

BRI obtained subordinated loans and marketable securities with details as follows (continued):

c. Subordinated Bond III Year 2018

On June 27, 2018, BRI issued Subordinated Bonds III Year 2018 with a nominal value of Rp500,000 with an interest of 7.70% per annum, for a period of 5 (five) years and will mature on June 26, 2023. The interest of Subordinated Bonds III Year 2018 is paid every 3 (three) months, starting from June 26, 2018. At the time of issuance, the Subordinated Bonds III Year 2018 were rated AA by Pefindo.

As of December 31, 2019 and 2018, Subordinated Bonds III year 2018 obtained an AA rating from Pefindo.

Management believes that all covenants or restrictions stipulated in the trustee agreements have been complied with.

The classification of subordinated loans and marketable securities based on their remaining period until maturity are is follows:

	December 31,	
	2019	2018
<u>Rupiah</u>		
> 3 month – 1 year	-	-
> 1 year - 5 years	1,462,032	1,469,906
> 5 years	3,334	3,609
Total	1,465,366	1,473,515

31. EQUITY

a. Capital Stock

The details of authorized, issued and fully paid capital stock of BRI as of December 31, 2019 and 2018, are as follows:

	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	50	50	0.00%
Series B Common Shares	299,999,999,999	50	14,999,999,999,950	100.00%
Total	300,000,000,000		15,000,000,000,000	100.00%

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

31. EQUITY (continued)

a. Capital Stock (continued)

The details of authorized, issued and fully paid capital stock of BRI as of December 31, 2019 and 2018, are as follows (continued):

December 31, 2019				
	Number of Shares	Nominal Value per Share (Full Rupiah)	Total Share Value (Full Rupiah)	Percentage of Ownership
Issued and fully paid capital stock				
Series A Dwiwarna Share Republic of Indonesia	1	50	50	0.00%
Series B Common Shares Republic of Indonesia	69,999,999,999	50	3,499,999,999,950	56.75
Directors:				
- Haru Koesmahargyo	944,400	50	47,220,000	0.00
- Priyastomo	944,400	50	47,220,000	0.00
- Ahmad Solichin Lutfiyanto	928,200	50	46,410,000	0.00
- Indra Utoyo	835,200	50	41,760,000	0.00
- Handayani	522,300	50	26,115,000	0.00
- Supari	351,100	50	17,555,000	0.00
- Agus Noorsanto	46,800	50	2,340,000	0.00
- Azizatun Azhimah	25,100	50	1,255,000	0.00
Public	52,376,038,000	50	2,618,801,900,000	42.46
	122,380,635,500		6,119,031,775,000	
Treasury stock (Note 1d)	965,174,500		48,258,725,000	0.78
Total	123,345,810,000		6,167,290,500,000	100.00%
December 31, 2018				
	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	50	50	0.00%
Series B Common Shares	299,999,999,999	50	14,999,999,999,950	100.00
Total	300,000,000,000		15,000,000,000,000	100.00%
Issued and fully paid capital stock				
Series A Dwiwarna Share Republic of Indonesia	1	50	50	0.00%
Series B Common Shares Republic of Indonesia	69,999,999,999	50	3,499,999,999,950	56.75
Directors:				
- Sis Apik Wijayanto	1,328,700	50	66,435,000	0.00
- Mohammad Irfan	698,700	50	34,935,000	0.00
- Ahmad Solichin Lutfiyanto	585,000	50	29,250,000	0.00
- Kuswiyoto	528,700	50	26,435,000	0.00
- Haru Koesmahargyo	528,700	50	26,435,000	0.00
- Priyastomo	528,700	50	26,435,000	0.00
- Suprajarto	466,100	50	23,305,000	0.00
- Indra Utoyo	419,500	50	20,975,000	0.00
- Osbal Saragi Rumahorbo	410,500	50	20,525,000	0.00
- R. Sophia Alizsa	142,100	50	7,105,000	0.00
- Handayani	106,600	50	5,330,000	0.00
Public	52,231,476,700	50	2,611,573,835,000	42.35
	122,237,220,000		6,111,861,000,000	
Treasury stock (Note 1d)	1,108,590,000		55,429,500,000	0.90
Total	123,345,810,000		6,167,290,500,000	100.00%

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

31. EQUITY (continued)

a. Capital Stock (continued)

Series A Dwiwarna share is the share that gives the shareholder preferential rights to approve the appointment and dismissal of Board of Commissioners and Directors, amendments in the articles of association, approval on BRI's merger, dissolution, acquisition and separation, as well as submission of BRI's bankruptcy and liquidation declaration request.

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 are as follows:

Additional capital by the Government related to the recapitalization program	1,092,144
Remaining 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 is already expired	504
Stock Option MSOP Stage-II which is already expired	1,845
Stock Option MSOP Stage-III which is already expired	8,447
Acquisition of merging entities in 2018	(81,195)
Bonus Shares compensation in 2019	208,331
Total	2,900,994

In line with the realization of the Recapitalization Program for Commercial Banks in accordance with Government Regulation No. 52 Year 1999 regarding 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 in "Additional Paid-in Capital account together with the previous balance of paid-up capital of Rp5 from the Government.

Based on the Decision Letter of the Minister 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. Furthermore, 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.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

31. EQUITY (continued)

b. Additional Paid-in Capital (continued)

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 Rupiah) per share at the offering price of Rp875 (full Rupiah) 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
Additional paid-in capital per share (full Rupiah)	375
Total additional paid-in capital - 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 Extraordinary General Meeting of Shareholders on October 3, 2003, as disclosed in the Deed No. 6 of Notary Imas Fatimah, S.H., the shareholders approved the issuance of stock options to be implemented in 3 (three) phases. The stock options are granted to Directors and employees in certain positions and appointments who have fulfilled the stipulated requirements (Management Stock Option Plan (MSOP)).

The compensation cost of the MSOP is recognized as stock options which is part of equity.

BRI employees have exercised their stock options for MSOP I starting from November 10, 2004, MSOP II starting from November 10, 2005 and MSOP III starting from November 15, 2006. MSOP I, II and III stock options that have been exercised from 2004 to 2010 amounted to 569,876,000 shares is 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.

Entities under common control transaction.

Based on the Deed Sale and Purchase of Shares No. 70 dated December 20, 2018, of Ashoya Ratam, S.H., M.Kn, PT Bahana Artha Ventura transferred 15,874 shares of BRI Ventura to BRI (Note 1f). Based on the Deed of Shares Takeover No. 53 dated December 21, 2018, of Notary M. Nova Faisal, S.H., M.Kn, PT Danareksa (Persero) sold 335,000,000 shares of Danareksa Sekuritas to BRI (Note 1f).

These sale and purchase transactions constitute a business combination of entities under common control where the ultimate shareholder of BRI, PT Danareksa (Persero) and PT Bahana Artha Ventura is the Government of the Republic of Indonesia. Therefore, the transactions are treated based on the pooling of interests method in accordance with the SFAS No. 38 (Revised 2012), "Business Combination of Entities Under Common Control".

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

31. EQUITY (continued)

b. Additional Paid-in Capital (continued)

The difference between the amount of the considerations transferred and the carrying amount of the investment obtained from this transaction is recorded in the "additional paid-in capital" account in equity, with details as follows:

	Considerations transferred	Investment carrying amount	Additional paid-in-capital
Danareksa Sekuritas	446,888	366,359	80,529
BRI Ventures	3,090	2,424	666
Total	449,978	368,783	81,195

c. Differences Arising from Translation of Foreign Currency Financial Statements

This account represents the exchange rate differences arising from the translation of the financial statements of BRI overseas branches/representative offices (Cayman Islands, New York, Hong Kong, Singapore and Timor Leste) and subsidiaries with functional currencies of United States Dollar, Hong Kong Dollar and Singaporean Dollar into Rupiah (Note 2aj). Assets and liabilities as well as commitments and contingencies denominated in other foreign currencies were translated into Rupiah using the Reuters spot rates at 4.00 p.m. WIB (Western Indonesian time) on the statements of financial position date. The consolidated statements of profit or loss and other comprehensive income for the year ended as of December 31, 2019 and 2018 is the sum of monthly consolidated statements of profit or loss and other comprehensive income which are translated into Rupiah using the average mid-rate of currency exchange for the respective month.

d. Distribution of Net Income

In the Annual General Meetings of BRI's Shareholders held on May 15, 2019 and March 22 the Shareholders agreed to distribute dividend from net income for the years ended December 31, 2018 and 2017 as follows:

	Income for the year	
	2018	2017
Dividend	16,175,565	13,048,441

e. Reclassification of Appropriated Retained Earnings

In order to maintain its capital structure, BRI has reclassified its appropriated retained earnings into unappropriated retained earnings amounting to Rp15,093,056. This is in accordance with the implementation of the Financial Services Authority Regulation (POJK) No. 34/POJK.03/2016 dated September 26, 2016 regarding "Amendment to POJK No. 11/POJK.03/2016 regarding Minimum Capital Adequacy Requirement for Commercial Banks".

f. Bonus Shares Program

BRI and Subsidiary Bonus Shares Program

Taking into account the development of BRI's business performance and in order to increase the employee's sense of belongingness to the company and provide long-term incentives for employees to achieve the determined targets, the BRI's Board of Directors decided to provide a share ownership bonus program for management and employees (Management and Employee

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

31. EQUITY (continued)

f. Bonus Shares Program (continued)

BRI and Subsidiary Bonus Shares Program (continued)

Stock Ownership Program or MESOP). The allocation of shares is given to each worker based on the individual and company performance.

The MESOP will be completed no later than March 31, 2020 and will be paid with shares.

The fair value of the MESOP at the time of granting amounted to Rp541,925. The fair value of MESOP is amortized over the vesting period and is recognized in profit and loss and other comprehensive income, while the accumulated cost allocation over the vesting period is recognized in equity.

The payment of the BRI Phase 1 MESOP Program has been done in accordance to Direction Letter No. 751-DIR/KHC/05/2019 on May 22, 2019 concerning the Implementation of Management and Employee Stock Ownership Program to 50,775 employees for as many as 143,415,500 per share or amounting to Rp520,599.

The fair value of the MESOP at the time of granting amounted to Rp17,267. The fair value of MESOP is amortized over the vesting period and is recognized in profit and loss and other comprehensive income.

Subsidiary stock options

The subsidiary decided to carry out a program of management and employee stock ownership of 650,498,300 shares in the form of Management and Employee Stock Ownership Program (MESOP), by distributing the option to take part of the shares.

The purpose of the MESOP program is to maintain management and employees whose contribution is crucial to the long-term growth and profitability of the company and to provide awards and incentives that can lead the performance of program participants.

After the vesting period ends, the employee can execute his/her rights from the stock options.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

32. INTEREST AND SHARIA INCOME

Interest income are derived from:

	December 31,	
	2019	2018
<u>Rupiah</u>		
Loans		
Micro	57,606,380	47,356,385
Retail	34,429,849	38,440,746
Corporate	7,356,986	7,669,723
Securities		
Fair value through profit or loss		
Government Bonds	113,895	65,336
Bonds	10,737	1,675
Available-for-sale		
Government Bonds	5,115,748	3,466,583
Bonds	99,798	676,706
Bank Indonesia Certificate	632,795	364,142
Negotiable Certificate of Deposit	80,647	63,055
Bank Indonesia		
Deposit Certificate	41,073	907,717
Mutual Fund	23,051	2,393
Medium-Term Note	47,508	13,111
Held-to-maturity		
Government Bonds	1,949,414	1,665,214
Bonds	66,001	250,938
Negotiable Certificate of Deposit	-	9,645
Bank Indonesia Certificate	19,446	-
Medium-Term Note	-	4,255
Bank Indonesia		
Deposit Certificate	54	3,294
Government Recapitalization Bonds		
Held-to-maturity	75,694	84,520
Available-for-sale	-	15,844
Placement with Bank Indonesia and other banks		
Inter-bank call money	322,000	231,157
Deposit Facility/Term Deposit	345,737	320,230
Others	383,553	235,160
Current accounts with Bank Indonesia	249	100,677
Others	1,641,919	1,607,031
	110,362,534	103,555,537
Foreign currency		
Loans		
Corporate	687,480	2,111,936
Retail	4,685,632	646,151
Securities		
Fair value through profit or loss		
Government Bonds	8,155	3,368
Bank Indonesia Certificate	56	-
Available-for-sale		
Government Bonds	890,670	817,529
Bonds	36,167	20,836
Bank Indonesia Certificate	25,616	58,068

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

32. INTEREST AND SHARIA INCOME (continued)

Interest income are derived from (continued):

	December 31,	
	2019	2018
<u>Foreign currency (continued)</u>		
<u>Securities (continued)</u>		
Held-to-maturity		
Government Bonds	437,275	652,009
Bonds	1,917	37,038
Placement with Bank Indonesia and other banks		
Deposit Facility/Term Deposit	8,017	74,445
Inter-bank call money	171,026	132,779
Others	1,065,130	348,662
	<u>8,017,195</u>	<u>4,902,821</u>
	<u>118,379,729</u>	<u>108,458,358</u>
Sharia income are derived from:		
Murabahah	1,468,365	1,480,934
Musyarakah	901,987	640,468
Others	1,006,195	1,003,044
Total Sharia income	<u>3,376,547</u>	<u>3,124,446</u>
Total	<u>121,756,276</u>	<u>111,582,804</u>

33. INTEREST AND SHARIA EXPENSES

This account represents interest expense on:

	December 31,	
	2019	2018
<u>Rupiah</u>		
Time deposits	19,840,268	16,558,159
Saving deposits	3,166,511	3,010,436
Demand deposits	3,261,339	2,528,625
Marketable securities issued	1,927,915	2,167,787
Securities sold under agreement to repurchase	900,351	887,657
Deposits from other banks and financial institutions	739,577	482,089
Fund borrowing	219,196	354,594
Others	3,610,791	2,772,149
	<u>33,665,948</u>	<u>28,761,496</u>
<u>Foreign currencies</u>		
Time deposits	2,197,462	1,399,085
Fund borrowings	1,220,259	1,215,528
Marketable securities issued	552,676	210,547
Deposits from other banks and financial institutions	448,180	332,275
Securities sold under agreement to repurchase	42,632	169,382
Demand deposits	185,485	108,120

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

33. INTEREST AND SHARIA EXPENSES (continued)

This account represents interest expense on (continued):

	December 31,	
	2019	2018
<u>Foreign currencies (continued)</u>		
Saving deposits	6,742	3,801
Others	352,454	341,161
	5,005,890	3,779,899
	38,671,838	32,541,395
Sharia expense consist of:		
<i>Mudharabah</i> deposits	1,197,310	1,202,503
Others	179,823	173,134
Total Sharia expense	1,377,133	1,375,637
Total	40,048,971	33,917,032

34. PROVISION FOR ALLOWANCE FOR IMPAIRMENT LOSSES ON FINANCIAL ASSETS - NET

This account represents provision for (reversal of) allowance for impairment losses on financial assets as follows:

	December 31,	
	2019	2018
Loans (Note 12)	20,810,248	17.592.892
Sharian receivables and financing (Note 13)	682,820	186.998
Finance leases receivable (note 14)	63,251	12.803
Total	21,556,319	17.792.693

35. SALARIES AND EMPLOYEE BENEFITS

The details of this account are as follows:

	December 31,	
	2019	2018
Salaries, wages and allowances	13,447,778	11,787,842
Bonuses, incentives and tantiem	6,200,458	5,881,638
Medical allowances	869,557	425,894
Training and development	724,583	633,758
Grand leaves (Note 42e)	548,647	463,478
Defined contribution pension (Note 42a)	432,692	848,359
Jamsostek contribution	361,379	695,893
Work separation scheme (Note 42d)	354,374	348,502
Defined contribution pension (Note 42c)	326,235	292,444
Allowance for gratuity for services (Note 42e)	272,389	131,063
Post employment BPJS health program (Note 42e)	30,966	141,390
Others	674,218	773,010
Total	24,243,276	22,423,271

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

35. SALARIES AND EMPLOYEE BENEFITS (continued)

Total salaries and allowances of the Board of Directors amounted to Rp130,565 and Rp105,060 for the period ended December 31, 2019 and 2018, respectively, and total salaries and allowances of the Board of Commissioners amounted to Rp41,313 and Rp33,627 for the period ended December 31, 2019 and 2018, respectively (Note 44).

Bonuses, incentives and tantiem of BRI's Boards of Directors, Commissioners and key employees amounted to Rp536,543 and Rp407,604 for the periodes ended December 31, 2019 and 2018, respectively (Note 44).

36. GENERAL AND ADMINISTRATIVE EXPENSES

The details of this account are as follows:

	December 31,	
	2019	2018
Outsourcing service	3,274,117	3,128,971
Rent	1,928,242	1,712,520
Depreciation of premises and equipment (Note 17)	1,733,629	1,865,317
E-Channel	1,442,004	1,618,983
Repairs and maintenance	1,311,163	1,189,443
Third party goods and services	1,055,932	721,368
Transportation	969,408	869,560
Electricity and water	620,185	612,098
Office supplies	319,923	316,782
Printing and postage	306,842	330,999
Professional fees	291,150	267,230
Communications	148,600	155,343
Computer installations	41,042	54,453
Research and product development	29,715	24,105
Others	1,894,800	1,497,106
Total	15,366,752	14,364,278

37. NON OPERATING INCOME (EXPENSE) - NET

The details of this account are as follows:

	December 31,	
	2019	2018
Rent income	14,109	7,118
Gain on sale of premises and equipments	141	5,741
Cash distribution	(11,500)	(6,483)
Corporate Social Responsibility	(23,937)	(33,237)
Impairment losses of equipment- net	-	-
Others - net	(46,693)	54,678
Total	(67,880)	27,817

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION

a) Taxes Payable

As of December 31, 2019 and 2018, the details of taxes payable are as follows:

	December 31,	
	2019	2018
<u>BRI (parent entity)</u>		
Income tax		
Article 25	2,329	-
Article 29	2,098	3,499
	4,427	3,499
<u>Subsidiaries</u>		
Income tax		
Article 21	18,408	17,579
Article 22	107	53
Article 23	5,150	3,276
Article 29	112,873	88,530
Article 4 (2)	38,524	37,213
Value-added tax	5,176	3,683
	180,238	150,334
Total	185,443	153,833

b) Tax Expense

	Year ended December 31,	
	2019	2018
<u>BRI (parent entity)</u>		
Current tax expense of:		
Current year	8,751,799	9,120,880
Prior year tax assessment	-	724,829
Deferred income tax (benefit) expense	169,408	(749,620)
	8,921,207	9,096,089
<u>Subsidiaries^{*)}</u>		
Current tax expense of::		
Current year *)	226,551	218,841
Prior year tax assessment	4,909	12,180
Deferred income tax expense (benefit)	(202,439)	8,098
	29,021	239,119
Total	8,950,228	9,335,208

*) The acquisition of BRINS will be effectively carried out on September 26, 2019 (Note 1f), so that the recognition of profit or loss and other comprehensive income is calculated after the acquisition.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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 is as follows:

	Year ended December 31,	
	2019	2018
Income before tax expense as presented in the consolidated statement of profit or loss and other comprehensive income	43,364,053	41,753,694
Income of subsidiaries	(414,161)	(955,630)
Income before tax expense of BRI (parent entity)	42,949,892	40,798,064
Temporary differences:		
Allowance for impairment losses on loans	(440,781)	1,660,792
Provision for estimated losses on commitments and contingencies	607,557	-
Provision for employee expense	(183,301)	731,940
Bonus shares	(403,538)	425,332
Depreciation of premises and equipments	(213,454)	178,752
Unrealized gain (losses) of securities and Government Recapitalization Bonds measured at fair value through profit or loss	(44,115)	1,664
	(677,632)	2,998,480
Permanent differences:		
Public relations	322,037	301,784
Representations and donation	182,052	180,567
Physical and spiritual development	54,112	52,800
Income subjected to final tax	(6,528)	(1,905)
Income of associated entities	(12,593)	(1,482)
Others	947,657	1,276,095
	1,486,737	1,807,859
Estimated taxable income	43,758,997	45,604,403

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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 is as follows (continued):

	Year ended December 31,	
	2019	2018
<u>Parent entity</u>		
Income tax expense – current	(8,751,799)	(9,120,880)
Income tax installment payments during the year	8,724,637	9,094,487
Foreign tax credit	25,064	22,894
Estimated income tax payable - Article 29	(2,098)	(3,499)
Payment of tax installments		
Article 25 of income in 2019 for the period of January, February, and March 2020 and 2018 for January and February 2019 (Note 18)	1,678,510	1,371,867
<u>Subsidiaries</u>		
Income tax expense - current	(276,518)	(218,841)
Income tax installment payments during the year	187,998	257,211
Income tax refund (payable) - Article 29^{*)}	(88,520)	38,370

^{*)} As of December 31, 2019 included tax payable amounting to Rp24,353 and as of December 31, included tax payable amounting to Rp88,530.

According to Head of Tax Office Letter No. PBK-00004/I/WPJ.19/KP.0403/2020 PBK-00005/I/WPJ.19/KP.0403/2020 and PBK-00006/I/WPJ.19/KP.0403/2020 dated January 6, 2020, as requested by BRI, the overbooking of Income Tax Article 25 installments for fiscal period December 31, 2019 amounting to Rp692,057, Rp706,870 and Rp279,583 to fiscal period January 2020, February 2020, and March 2020 have been approved.

According to Head of Tax Office Letter No. PBK-00002/I/WPJ.19/KP.0403/2019 and No. PBK-00003/I/WPJ.19/KP.0403/2019 dated January 8, 2019, as requested by BRI, the overbooking of Income Tax Article 25 installments for fiscal period December 2018 amounting to Rp614,804 and Rp757,062 to fiscal period January 2019 and February 2019 have been approved.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

b) Tax Expense (continued)

The reconciliation of income tax expense by multiplying the income before tax expense and the applicable tax rate are as follows:

	Year ended December 31,	
	2019	2018
Income before tax expense as presented in the consolidated statement of profit or loss and other comprehensive income	43,364,053	41,753,694
Income of Subsidiaries	(414,161)	(955,630)
Income before tax expense of BRI (parent entity)	42,949,892	40,798,064
Tax expense with 20% tax rate	8,589,978	8,159,613
Tax effect on permanent differences	297,347	361,571
Impact of difference in tax rate usage in deferred tax calculation	33,882	(149,924)
Correction of previous year income tax assessment	-	724,829
Tax expense - parent entity	8,921,207	9,096,089
Tax expense - subsidiaries	29,021	239,119
	8,950,228	9,335,208

Estimated taxable income for 2018 is in accordance with the Annual Tax Return (SPT) reported by BRI to the Tax Service Office (KPP). As of January 24, 2020, BRI has not yet reported the 2019 tax return to the Tax Office. However, the basis for 2019 Corporate Income Tax Return reporting will be in accordance with the above taxable income estimates.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

b) Tax Expense (continued)

Assessment for fiscal year 2015

The Directorate General of Taxes based on Tax Underpayment Assessment Letter for Income Tax No. 00006/206/15/093/18 dated December 17, 2018, stipulated the underpayment amounting to Rp489,749 and administrative sanction amounting to Rp235,080 and this has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00003/201/15/093/18 and 00003/243/15/093/18 dated December 17, 2018, stipulated the underpayment of Income Tax Article 21 amounting to Rp26,353 and Rp1,167 and administrative sanction amounting to Rp12,650 and Rp560 and this has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00013/203/15/093/18 dated December 17, 2018, stipulated the underpayment of Income Tax Article 23 amounting to Rp7,783 and administrative sanction amounting to Rp3,736 and this has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00002/204/15/093/18 dated December 17, 2018, stipulated the underpayment of Income Tax Article 26 amounting to Rp534 and administrative sanction amounting to Rp256 and this has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00066/207/15/093/18, 00067/207/15/093/18, 00068/207/15/093/18, 00069/207/15/093/18, 00070/207/15/093/18, 00071/207/15/093/18, 00072/207/15/093/18, 00073/207/15/093/18, 00074/207/15/093/18, 00075/207/15/093/18, 00076/207/15/093/18 and 00077/207/15/093/18 dated December 17, 2018, stipulated the underpayment of Value-Added Tax for Goods and Services amounting to Rp160 and administrative sanction amounting to Rp77 each and this has been approved by BRI.

The Directorate General of Taxes based on Tax Collection Letter No. 00041/107/15/093/18, 00042/107/15/093/18, 00043/107/15/093/18, 00044/107/15/093/18, 00045/107/15/093/18, 00046/107/15/093/18, 00047/107/15/093/18, 00048/107/15/093/18, 00049/107/15/093/18, 00050/107/15/093/18, 00051/107/15/093/18 and 00052/107/15/093/18 dated December 17, 2018, stipulated the underpayment of Value-Added Tax amounting to Rp66, Rp46, Rp86, Rp55, Rp73, Rp70, Rp51, Rp67, Rp55, Rp54, Rp43 and Rp108, respectively, and this has been approved by BRI.

The Directorate General of Taxes based on Tax Assessment Letter No. 00003/277/15/093/18 dated December 17, 2018, stipulated the underpayment of Value-Added Tax for Goods and Services for the Utilization of Taxable Services from Outside Customs Area amounting to Rp1,121 and administrative sanction amounting to Rp538 and this has been approved by BRI.

The Bank's management believes that there is no need to establish tax reserves for the years 2016 - 2019 that have not been reviewed by the Directorate General of Taxes.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

c) Deferred Tax Assets

The calculations of deferred income tax (expense) benefit for BRI are as follow:

	Year ended December 31,	
	2019	2018
<u>Parent entity</u>		
Allowance for impairment losses on loans	(110,195)	415,198
Provision for allowance for impairment losses on commitment and contingencies	151,889	-
Provision for employee expense	(45,825)	182,985
Unrealized gain (losses) on securities and Government Recapitalization Bonds measured at fair value through profit or loss	(11,029)	416
Bonus shares	(100,885)	106,333
Depreciation on premises and equipment	(53,363)	44,688
	<u>(169,408)</u>	<u>749,620</u>
Subsidiaries	202,439	(8,098)
Total	<u>33,031</u>	<u>741,522</u>

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

c) Deferred Tax Assets (continued)

The tax effects of significant temporary differences between commercial and tax reporting (recorded in the "Deferred Tax Assets" account) are as follows:

	December 31,	
	2019	2018
<u>Parent entity</u>		
Allowance for possible losses on earning assets	2,987,445	3,097,640
Allowance for impairment losses on commitment and contingencies	151,889	-
Provision for employee expenses	1,380,958	1,426,783
Depreciation on premises and equipment	(169,584)	(116,220)
Remeasurement of defined benefit programs	(66,195)	(381,118)
Unrealized losses on securities		
Government Recapitalization Bonds measured at fair value		
Through profit or loss	(11,417)	(388)
Bonus shares	5,448	106,333
Unrealized gain (losses) on available-for-sale securities and Government Recapitalization Bonds	(255,526)	639,829
	4,023,018	4,772,859
Entitas anak	518,280	341,794
Total	4,541,298	5,114,653

Based on Article 17 Paragraph 2 of Law No. 7 year 1983 regarding "Income Tax" which has been amended for the fourth time by Law No. 36 year 2008, the Corporate Income Tax rate is 25%.

However, based on Law No. 36 year 2008 dated September 23, 2008, Government Regulation No. 81 year 2007 dated December 28, 2007 regarding "Reduction of the Income Tax Rate for Resident Corporate Tax Payers in the Form of Public Companies" and the Minister of Finance Regulation No. 238/PMK.03/2008 dated December 30, 2008 regarding "The Guidelines on the Implementation and Supervision on the Rate Reduction for Resident Corporate Tax Payers in the Form of Public Companies" stipulates that the resident Public Companies in Indonesia can obtain the reduced Income Tax rate facility by 5% lower than the highest existing Income Tax rate, by fulfilling the prescribed criteria, specifically the public companies with at least 40% of their paid-up shares traded on Indonesia Stock Exchange and these shares are owned by at least 300 (three hundred) parties with each party owning less than 5% of the total paid-up shares. This criteria should be fulfilled by the Public Companies for a minimum period of 6 (six) months in 1 (one) fiscal year.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

38. TAXATION (continued)

c) Deferred Tax Assets (continued)

Based on Notification Letter No. DE//2020-0147 dated January 6, 2020 and the monthly share ownership report (Form No. X.H.I-2 dated January 3, 2020 from the Securities Administration Bureau, Datindo Entrycom, on the ownership of BRI's shares during 2019), all of the above mentioned criteria to obtain the tax rate reduction facility for BRI's consolidated financial statements for the year ended December 31, 2019 have been fulfilled.

Based on Notification Letter No. DE//2019-0140 dated January 4, 2019 and the monthly share ownership report (Form No. X.H.I-2 dated January 3, 2019 from the Securities Administration Bureau, Datindo Entrycom, on the ownership of BRI's shares during 2018), all of the above mentioned criteria to obtain the tax rate reduction facility for BRI's consolidated financial statements for the year ended December 31, 2018 have been fulfilled.

39. RISK MANAGEMENT

BRI's business activities are always faced with risks related to its function as a financial intermediary institution. Rapid developments in the Bank's external and internal environments also leads to increasingly complex bank's business activity risks. Therefore, in order to be able to adapt in the business environment, BRI is required to manage risks in an integrated and systematic manner, specifically management of credit risk, liquidity risk, operational risk, market risk, strategic risk, compliance risk, reputation risk, and legal risk.

The principles of integrated and systematic risk management by BRI are outlined in several policies and procedures, among others, the Risk Management General Policy (KUMR). KUMR is the highest guiding policy for the implementation of risk management in all BRI business activities, starting from general policies, strategies, organizations, information systems for risk management, process and implementation of risk management, to internal control systems. The implementation of risk management is governed by the derivative policies according to the type of risks.

Board of Commissioners ("BOC") and Board of Directors ("BOD") are responsible for the effectiveness of risk management implementation in BRI and have an important role in supporting and overseeing the implementation of risk management in all business units.

BOC evaluates the risk management policies and implementation carried out by the BOD. Evaluation is carried out in order to ensure that BOD manages BRI's activities and risk effectively. In carrying out its active supervision, BOC was assisted by the Risk Management Oversight Committee (KPMR).

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

BOD determines the direction and strategy of risk management policies in a comprehensive manner and their implementation. Moreover, BOD ensures 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 BRI's business activities. BOD appoints Special Director, in this case, Director of Risk Management, to implement the process of monitoring and controlling the bank-wide risks.

BOD is assisted by individual Risk Management Committee (RMC) and integrated RMC (consolidated with the subsidiaries) as the committee in BRI's risk management system which are assigned to provide recommendations to the President Director in formulating policies, enhancing policy implementation and evaluating the development and conditions of risk profiles as well as providing advises corrective actions.

Credit Risk Management

Credit risk is a risk due to failure of debtors and/or other party to fulfill their obligations to BRI including settlement failure. BRI identifies and measures the risk level of each prospective debtor using Internal Risk Rating. BRI monitors loan quality as part of the early identification of loan deterioration. Credit risk management is carried out through a comprehensive and integrated risk management policies. BRI prepares credit risk management policies including governance, managing limit on acceptable level for risk exposure, managing limit on geographical boundaries and managing concentration limit of each industry. The credit risk rating is updated periodically to estimate potential loss as a risk due to loan expansion and determination of corrective actions.

Credit risk management is implemented not only to comply with the current prevailing regulation but also a necessity in order to implement a credit risk management system at the optimum level of risk and return, and in accordance with banking industry practices. The implementation of credit risk management is expected to be able to drive BRI's business activities but still pay attention to its prudent principle.

Loan granting, carried out by the business units has considered and paid attention to credit risk, from the time of loan disbursement to repayment. The loan ratings are monitored periodically to prevent the occurrence of Non-Performing Loan (NPL).

Through the implementation of Early Warning System (EWS) to the debtor's developments of the debtor's business condition, the effective credit risk management can minimize the risk of losses and optimize the use of capital to earn maximum income.

BRI's credit risk management is intended to minimize the possible losses due to loans default and/or default on other financial contracts, either at the individual level or overall level as credit portfolios. The credit risk management is also carried out by BRI as an effort to fulfill the regulatory requirements.

BRI continues to improve its credit risk assessment methodology in order to improve the accuracy of credit risk management, especially in the process of identifying, measuring, monitoring and controlling risks.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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 credit risks mitigations.

The carrying value of BRI's financial assets, other than loans and securities purchased under agreement to resell describes the maximum 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, 2019 and 2018:

	December 31, 2019		
	Maximum Exposure	Collateral	Net Exposure
Securities purchased under agreement to resell	22,582,244	22,520,495	61,749
	December 31, 2018		
	Maximum Exposure	Collateral	Net Exposure
Securities purchased under agreement to resell	9,396,553	10,725,256	-

For loans, BRI uses collaterals to minimize the credit risks. Based on the classification, BRI's loans can be classified into 2 (two) major categories, which are:

1. Secured loans
2. Unsecured loans

For secured loans, BRI determines the type and value of collaterals according to the loan scheme. The types of collateral consist of:

- a. Physical collateral, in the form of land and buildings, Certificate of Vehicles Ownership (BPKB) and properties.
- b. Financial collateral, in the form of deposits (time deposits, saving deposits and demand deposits), securities and gold.
- c. Others, in the form of guarantees, government guarantees and guarantor institutions.

In the event of default, BRI will use the collaterals as the last resort to fulfill the counterparty's obligations.

Unsecured loans consist 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 carried out through automatic payroll deduction.

Thus, although partially secured loans are included in the unsecured loans category, the risk level of partially secured loans is lower than their carrying value. Whereas for fully unsecured loans, the risk level is equal to the loan's carrying value.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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 credit risks mitigations. (continued)

Credit risk mitigation for partially secured loans consist of employee appointment decision letter and certificate of retirement.

2. Risk concentration analysis

- a. Geographical sectors

The following tables describe the details of the risk concentration of consolidated financial assets with credit exposures at carrying value, categorized according to their geographical regions as of December 31, 2019 and 2018. Geographical sectors are based on BRI's business operational locations which also illustrate the business potentials of each region:

	December 31, 2019							
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	Total
Assets								
Current accounts with Bank Indonesia	71,416,449	-	-	-	-	-	-	71,416,449
Current accounts with other banks	9,599,836	6,996	297	1,527	174	1,071	627,835	10,237,736
Placements with Bank Indonesia and other banks	105,121,462	227,000	200,000	647,000	1,273,000	912,825	8,473,440	116,854,727
Securities								
Fair value through profit or loss	17,712,056	-	-	-	-	-	-	17,712,056
Available-for-sale	115,533,272	-	-	-	-	-	8,620,460	124,153,732
Held-to-maturity	52,727,611	-	-	-	-	-	1,247,532	53,975,143
Export bills and notes receivable	24,091,239	4,012,200	227,532	1,081,660	385,082	2,440,318	1,638,732	33,876,763
Government Recapitalization Bonds								
Available-for-sale	30,306	-	-	-	-	-	-	30,306
Held-to-maturity	1,100,000	-	-	-	-	-	-	1,100,000
Securities purchased under agreement to resell	22,582,244	-	-	-	-	-	-	22,582,244
Derivatives receivable	210,396	-	-	-	-	-	-	210,396
Loan								
Micro	27,102,319	31,736,498	54,508,279	44,500,298	68,245,559	103,442,858	-	329,535,811
Retail	101,323,286	25,943,929	38,025,012	42,022,840	59,542,775	90,453,115	988,204	358,299,161
Corporate	137,097,423	10,562,753	2,917,011	5,896,052	16,600,597	5,864,731	10,657,654	189,596,221
Sharia receivables and financing	2,390,865	2,102,395	13,290,954	1,657,946	2,985,369	3,338,668	-	25,766,197
Finance lease receivables	1,778,508	891,028	217,640	445,752	374,400	484,268	-	4,191,596
Acceptances receivable	8,994,159	88,637	77,342	105,501	57,296	23,128	-	9,346,063
Investment in associated entities*)	293,378	-	-	-	-	-	-	293,378
Other assets**)	3,415,887	452,824	285,943	208,645	255,429	801,333	481,006	5,901,067
Total	702,520,696	76,024,260	109,750,010	96,567,221	149,719,681	207,762,315	32,734,863	1,375,079,046
Less: Allowance for impairment losses								(39,329,418)
Net								1,335,749,628
Rekening Administratif								
Irrevocable L/C	3,594,748	947,103	6,058	595,620	1,127,754	188,199	-	6,459,482
Guarantees issued	36,261,120	3,711,319	530,841	642,611	1,1674,848	2,230,625	-	45,051,364
Total	39,855,868	4,658,422	536,899	1,238,231	2,802,602	2,418,823	-	51,510,846
Less: Allowance for impairment losses								(609,493)
Net								50,901,353

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

a. Geographical sectors (continued)

The following tables describe the details of the risk concentration of consolidated financial assets with credit exposures at carrying value, categorized according to their geographical regions as of December 31, 2019 and 2018. Geographical sectors are based on BRI's business operational locations which also illustrate the business potentials of each region (Continued):

	December 31, 2018							
	Jakarta	West Java	Central Java and Yogyakarta	East Java	Sumatera	Central and East Indonesia	Others	Total
Assets								
Current accounts with Bank Indonesia	71,159,442	-	-	-	-	-	-	71,159,442
Current accounts with other banks	10,781,543	1,650	65,200	52,116	320,188	576,506	880,152	12,677,355
Placements with Bank Indonesia and other banks	84,963,140	-	-	-	-	-	2,054,911	87,018,051
Securities								
Fair value through profit or loss	3,762,256	-	-	-	-	-	-	3,762,256
Available-for-sale	127,854,025	-	-	-	-	-	2,096,783	129,950,808
Held-to-maturity	50,141,326	-	-	-	-	-	430,420	50,571,746
Export bills and notes receivable	25,706,571	2,678,875	547,645	585,744	544,278	1,855,247	981,720	32,900,080
Government Recapitalization Bonds								
Available-for-sale	30,273	-	-	-	-	-	-	30,273
Held-to-maturity	1,475,000	-	-	-	-	-	-	1,475,000
Securities purchased under agreement to resell	9,396,553	-	-	-	-	-	-	9,396,553
Derivatives receivable	485,810	-	-	-	-	-	-	485,810
Loan								
Micro	23,894,433	27,951,167	47,404,873	38,505,902	60,949,420	92,910,113	-	291,615,908
Retail	90,733,462	24,112,655	34,851,642	39,769,259	56,360,320	84,182,426	565,961	330,575,725
Corporate	141,188,339	8,978,283	2,219,943	5,772,684	16,525,026	9,232,656	8,444,203	192,361,134
Sharia receivables and financing	6,722,287	3,232,084	2,109,215	1,982,097	3,025,149	3,107,569	-	20,178,401
Finance lease receivables	1,611,880	779,147	79,890	349,894	273,015	316,020	-	3,409,846
Acceptances receivable	10,527,697	800,627	74,814	137,690	87,234	14,941	-	11,643,003
Investment in associated entities*)	15,268	-	-	-	-	-	-	15,268
Other assets**)	4,580,779	1,219,163	338,060	285,825	383,039	1,364,417	603,230	8,774,513
Total	665,030,084	69,753,651	87,691,282	87,441,211	138,467,669	193,559,895	16,057,380	1,258,001,172
Less: Allowance for impairment losses								(35,109,914)
Net								1,222,891,258
Rekening Administratif								
Irrevocable L/C	3,797,245	3,166,172	17,088	865,149	450,131	397,906	-	8,693,691
Guarantees issued	37,305,912	3,597,330	417,968	516,451	1,767,018	1,281,372	-	44,886,051
Total	41,103,157	6,763,502	435,056	1,381,600	2,217,149	1,679,278	-	53,579,742
Less: Allowance for impairment losses								(1,222)
Net								53,578,520

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

a. Industrial sectors

The following tables describe the detail of credit exposure at carrying value, categorized according to industrial sectors as of December 31, 2019 and 2018:

	December 31, 2019							
	Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Business Services	Others	Total
Assets								
Current accounts with								
Bank Indonesia	71,416,449	-	-	-	-	-	-	71,416,449
Current accounts with other banks	-	10,237,736	-	-	-	-	-	10,237,736
Placements with Bank Indonesia and other banks	100,469,268	16,385,459	-	-	-	-	-	116,854,727
Securities								
Fair value through profit or loss	13,911,684	3,145,937	-	70,638	-	219,003	364,794	17,712,056
Available-for-sale	104,730,621	13,026,171	-	206,562	72,984	3,109,495	3,007,899	124,153,732
Held-to-maturity	46,426,715	4,876,549	11,000	1,043,687	-	1,060,730	556,462	53,975,143
Export bills and notes receivable	13,936,552	12,982	7,116	11,484,827	936,393	2,523,685	4,975,208	33,876,763
Government Recapitalization Bonds								
Available-for-sale	30,306	-	-	-	-	-	-	30,306
Held-to-maturity	1,100,000	-	-	-	-	-	-	1,100,000
Securities purchased under agreement to resell	22,582,244	-	-	-	-	-	-	22,582,244
Derivatives receivable	-	210,396	-	-	-	-	-	210,396
Loans								
Micro	-	-	52,606,039	16,897,481	143,921,277	24,178,405	91,932,609	329,535,811
Retail	-	3,918,015	21,734,305	17,630,749	128,283,472	22,832,549	163,900,071	358,299,161
Corporate	124,195	2,751,793	36,965,472	37,665,580	22,308,023	260,579	89,520,579	189,596,221
Sharia receivables and financing	-	1,251,829	-	2,813,631	-	300,431	21,400,306	25,766,197
Finance lease receivables	-	215,837	78,441	630,446	783,127	403,580	2,080,165	4,191,596
Acceptances receivables	944,354	1,381	70,036	4,102,018	50,343	3,963,385	214,546	9,346,063
Investment in associated entities*)	-	14,723	-	-	-	-	278,655	293,378
Other Assets **)	1,650,516	523,303	-	847,483	-	320,778	2,558,987	5,901,067
Total	377,322,904	56,572,111	111,472,409	93,393,102	296,355,619	59,172,620	380,790,281	1,375,079,046
Less: Allowance for impairment losses								(39,329,418)
Net								1,335,749,628
Administrative Accounts								
Irrevocable L/C	2,562,246	4,715	-	273,003	3,037	1,346	3,615,135	6,456,482
Guarantees issued	20,788,230	866	556,515	1,051,390	248,387	93,842	22,312,134	45,051,364
Total	23,350,476	5,581	556,515	1,324,393	251,424	95,188	25,927,269	51,510,846
Less: Allowance for impairment losses								(609,493)
Net								50,901,353

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

2. Risk concentration analysis (continued)

b. Industrial sector (continued)

The following tables describe the detail of credit exposure at carrying value, categorized according to industrial sectors as of December 31, 2019 and 2018 (continued):

		December 31, 2018							
		Government (Including BI)	Banks and other financial institutions	Agriculture	Industry	Trading, hotels and restaurant	Business Services	Others	Total
Assets									
	Current accounts with								
	Bank Indonesia	71,159,442	-	-	-	-	-	-	71,159,442
	Current accounts with other banks	-	12,677,355	-	-	-	-	-	12,677,355
	Placements with Bank Indonesia and other banks	68,341,900	18,676,151	-	-	-	-	-	87,018,051
	Securities								
	Fair value through profit or loss	2,122,778	1,404,983	-	9,176	-	21,667	203,652	3,762,256
	Available-for-sale	113,872,521	12,496,819	-	1,991,375	-	1,437,131	152,962	129,950,808
	Held-to-maturity	45,874,143	2,802,016	-	1,152,895	-	740,805	1,887	50,571,746
	Export bills and notes receivable	990,406	-	-	5,326,727	2,049,564	10,549,548	13,983,813	32,900,080
	Government Recapitalization Bonds								
	Available-for-sale	30,273	-	-	-	-	-	-	30,273
	Held-to-maturity	1,475,000	-	-	-	-	-	-	1,475,000
	Securities purchased under agreement to resell	6,723,269	2,673,284	-	-	-	-	-	9,396,553
	Derivatives receivable	-	485,810	-	-	-	-	-	485,810
	Loans								
	Micro	-	-	43,637,386	9,557,768	133,762,059	18,812,359	85,846,334	291,615,906
	Retail	-	3,723,543	20,708,920	20,240,376	121,146,436	11,083,004	153,673,476	330,575,755
	Corporate	260,206	794,892	38,704,505	32,627,406	35,599,579	6,298,657	78,075,891	192,361,136
	Sharia receivables and financing	1,255	947,488	-	2,567,746	-	118,899	16,543,013	20,178,401
	Finance lease receivables	-	39,299	96,353	646,133	688,317	811,393	1,128,351	3,409,846
	Acceptances receivables	1,045,015	-	-	176,210	2,968	16,515	10,402,295	11,643,003
	Investment in associated entities*)	-	815	-	-	-	14,453	-	15,268
	Other Assets **)	1,855,818	554,185	-	-	-	219,291	6,145,219	8,774,513
	Total	313,752,026	57,276,640	103,147,164	74,295,812	293,248,943	50,123,722	366,156,895	1,258,001,202
	Less: Allowance for impairment losses								(35,109,914)
	Net								1,222,891,288
Administrative Accounts									
	Irrevocable L/C	4,493,172	-	-	265,371	5,009	30,421	3,899,718	8,693,691
	Guarantees issued	21,071,088	1,281	562,020	1,609,874	1,355,784	77,354	20,208,650	44,886,051
	Total	25,564,260	1,281	562,020	1,875,245	1,360,793	107,775	24,108,368	53,579,742
	Less: Allowance for impairment losses								(1,222)
	Net								53,578,520

*) 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, 2019 and 2018

a. Current accounts with other banks

As of December 31, 2019 and 2018, this financial asset is neither individually nor collectively impaired.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2019 and 2018 (continued)

b. Placement with Bank Indonesia and other banks

As of December 31, 2019 and 2018, this financial asset is neither individually nor collectively impaired.

c. Securities

As of December 31, 2019 and 2018, all securities are classified as "Current", except Bonds I Year 2003 issued by PT Great River International which is classified as "Loss", and which is held by BRI Life (subsidiary), that has already matured on October 13, 2008, amounting to Rp758.

d. Finance leases receivable

As of December 31, 2019 and 2018, this financial asset is impaired as follow:

	December 31,	
	2019	2018
Impaired	144,320	96,854
Past due but not impaired	78,169	49,938
Neither past due nor impaired	3,969,107	3,263,054
	4,191,596	3,409,846
Less allowance for impairment losses	(87,500)	(88,000)
Impairment losses	4,104,096	3,321,846

e. Loans, sharia receivables and financing

As of December 31, 2019 and 2018, these financial assets are individually and collectively impaired, with the following details:

	December 31, 2019				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Rupiah</u>					
Trading, hotels and restaurant	253,627,281	13,284,048	13,377,630	11,289,368	291,578,327
Agriculture	79,022,898	2,010,593	2,473,827	14,386,808	97,894,126
Manufacturing	40,346,285	1,057,405	1,506,251	2,317,413	45,227,084
Business services	37,530,077	635,989	906,958	6,171,352	45,244,406
Electricity, gas and water	31,054,422	78,375	44,924	101,324	31,279,045
Construction	36,602,061	657,397	703,392	2,289,458	40,252,308
Transportation, warehousing and communications	18,869,213	366,335	542,294	1,844,228	21,622,070
Social services	13,295,862	366,167	252,199	507,656	14,421,884
Mining	3,303,642	317,806	144,739	805,012	4,571,199
Others	218,119,344	3,068,306	4,4847,745	2,314,446	228,349,841
	731,771,085	21,842,421	24,799,989	42,026,795	820,440,290

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2019 and 2018 (continued)

e. Loans, sharia receivables and financing (continued)

As of December 31, 2019 and 2018, these financial assets are individually and collectively impaired, with the following details (continued):

	December 31, 2019				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Foreign currencies</u>					
Manufacturing	21,325,744	-	-	5,710,619	27,036,363
Agriculture	14,610,149	-	50,165	1,582,234	16,242,548
Trading, hotels and restaurant	9,697,158	-	-	647,005	10,344,163
Electricity, gas and water	4,528,755	-	8,884	115,169	4,652,808
Social services	1,350,059	-	-	-	1,350,059
Transportation, warehousing and communications	10,294,338	-	1,405,000	739,026	12,438,364
Mining	1,951,999	-	-	-	1,951,999
Business services	4,130,000	-	-	11,874	4,414,874
Construction	3,667,036	-	2,037	28,781	3,697,854
Others	892,314	-	6,884	1,870	901,068
	<u>72,447,552</u>	<u>-</u>	<u>1,472,970</u>	<u>8,836,578</u>	<u>82,757,100</u>
Total	804,218,637	21,842,421	26,272,959	50,863,373	903,197,390
Less: Allowance for Impairment losses					(39,108,869)
Net					864,088,521

	December 31, 2018				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Rupiah</u>					
Trading, hotels and restaurant	243,698,940	12,333,709	11,652,571	9,640,398	277,325,618
Agriculture	76,946,221	1,155,680	2,162,279	6,069,755	86,333,935
Manufacturing	33,900,112	940,481	1,210,062	2,116,775	38,167,430
Business services	31,212,507	612,823	795,653	4,689,141	37,310,124
Electricity, gas and water	27,917,041	27,468	55,044	86,307	28,085,860
Construction	30,280,757	354,463	544,635	2,431,610	33,611,465
Transportation, warehousing and communications	20,294,647	339,506	444,159	1,651,908	22,730,220
Social services	8,679,905	341,862	251,239	507,449	9,780,455
Mining	3,448,521	194,851	84,995	1,054,770	4,783,137
Others	201,845,650	3,568,705	4,422,858	2,109,823	211,947,036
	<u>678,224,301</u>	<u>19,869,548</u>	<u>21,623,495</u>	<u>30,357,936</u>	<u>750,075,280</u>

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2019 and 2018 (continued)

e. Loans, sharia receivables and financing (continued)

As of December 31, 2019 and 2018, these financial assets are individually and collectively impaired, with the following details (continued):

	December 31, 2018				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
<u>Foreign currencies</u>					
Manufacturing	23,271,991	11,874	-	4,655,436	27,939,301
Agriculture	17,667,723	-	-	-	17,667,723
Trading, hotels and restaurant	8,372,659	-	-	722,878	9,095,537
Electricity, gas and water	14,588,147	7,615	42,331	108,518	14,746,611
Social services	3,011,637	-	-	-	3,011,637
Transportation, warehousing and communications	3,161,915	-	-	224,048	3,385,963
Mining	2,491,811	-	-	738,630	3,230,441
Business services	2,108,698	-	-	17,255	2,125,953
Construction	1,429,101	66,974	1,726	1,325,094	2,822,895
Others	629,826	-	-	-	629,826
	<u>76,733,508</u>	<u>86,463</u>	<u>44,057</u>	<u>7,791,859</u>	<u>84,655,887</u>
Total	<u>754,957,809</u>	<u>19,956,011</u>	<u>21,667,552</u>	<u>38,149,795</u>	<u>834,731,167</u>
Less: Allowance for Impairment losses					(35,423,191)
Net					<u>799,307,976</u>

f. Export bills and notes receivables

As of December 31, 2019 and 2018, this financial asset is neither individually nor collectively impaired.

g. Acceptances receivable

As of December 31, 2019 and 2018, this financial asset is neither individually nor collectively impaired.

h. Securities Purchased Under Agreement to Resell

As of December 31 2019 and 2018, these financial assets didn't decrease wether it is individually or collectively, except transaction with PT Asuransi Jiwasraya (Persero) as of dec 31 2019 was decreasing RP 879,053

i. Other Assets

As of December 31, 2019 and 2018, this financial asset is neither individually nor collectively impaired.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

3. Impairment of financial assets as of December 31, 2019 and 2018 (continued)

j. Administrative accounts

As of December 31, 2019 and 2018, these financial assets are individually and collectively impaired, with the following details:

	December 31,	
	2019	2018
Rupiah		
Guarantees issued	19,414,908	19,610,811
Irrevocable L/C	1,834,389	2,353,759
	21,249,297	21,964,570
Foreign Currencies		
Guarantees issued	25,636,456	25,275,240
Irrevocable L/C	4,625,093	6,339,932
	30,261,549	31,615,172
	51,510,846	53,579,742
Less: allowance for impairment losses	(609,493)	(1,222)
Total	50,901,353	53,578,520

4. Quality of financial assets

The following tables show the quality of financial assets based on asset classes for all financial assets with credit risk, amounts presented at gross.

	December 31, 2019				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets					
Current accounts with Bank Indonesia	71,416,449	-	-	-	71,416,449
Current accounts with other banks	9,491,685	746,051	-	-	10,237,736
Placements with Bank Indonesia and other banks	116,854,727	-	-	-	116,854,727
Securities					
Fair value through profit or loss	17,645,639	66,417	-	-	17,712,056
Available-for-sale	122,590,185	1,563,547	-	-	124,153,732
Held-to-maturity	53,476,494	497,891	-	758	53,975,143
Export bills and notes receivable	33,876,763	-	-	-	33,876,763
Government Recapitalization Bonds					
Available-for-sale	30,306	-	-	-	30,306
Held-to-maturity	1,100,000	-	-	-	1,100,000
Securities purchased under agreement to resell	21,703,191	-	-	879,053	22,582,244
Derivatives Receivable	210,396	-	-	-	210,396

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

4. Quality of financial assets (continued)

The following tables show the quality of financial assets based on asset classes for all financial assets with credit risk, amounts presented at gross (continued).

	December 31, 2019				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Loans					
Micro	307,233,793	7,058,432	11,438,216	3,805,370	329,535,811
Retail	316,436,726	13,749,966	12,238,825	15,873,644	358,299,161
Corporate	157,923,532	-	1,833,491	29,839,198	189,596,221
Sharia receivables and financing	22,624,586	1,034,023	762,426	1,345,162	25,766,197
Finance lease receivables	4,004,787	-	78,168	108,641	4,191,596
Acceptances receivable	9,346,063	-	-	-	9,346,063
Investment in associated entities*)	293,378	-	-	-	293,378
Other Assets**)	5,740,819	160,248	-	-	5,901,067
Total	1,271,999,519	24,876,575	26,351,126	51,851,826	1,357,079,046

*) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

	December 31, 2018				
	Neither Past Due Nor Impaired		Past Due But Not Impaired	Impaired	Total
	High Grade	Standard Grade			
Assets					
Current accounts with Bank Indonesia	71,159,442	-	-	-	71,159,442
Current accounts with other banks	12,575,906	101,449	-	-	12,677,355
Placements with Bank					
Indonesia and other banks	87,018,051	-	-	-	87,018,051
Securities					
Fair value through profit or loss	3,762,256	-	-	-	3,762,256
Available-for-sale	128,909,408	1,041,400	-	-	129,950,808
Held-to-maturity	50,201,831	369,157	-	758	50,571,746
Export bills and notes receivable	32,900,080	-	-	-	32,900,080
Government Recapitalization Bonds					
Available-for-sale	30,273	-	-	-	30,273
Held-to-maturity	1,475,000	-	-	-	1,475,000
Securities purchased					
under agreement to resell	9,396,553	-	-	-	9,396,553
Derivatives Receivable	485,810	-	-	-	485,810
Loans					
Micro	271,488,534	7,038,815	10,137,656	2,950,903	291,615,908
Retail	295,050,584	12,413,639	10,438,190	12,671,312	330,575,725
Corporate	170,928,014	66,973	211,221	21,154,926	197,361,134
Sharia receivables and financing	17,488,677	436,584	880,485	1,372,655	20,178,401
Finance lease receivables	3,263,054	-	49,938	96,854	3,409,846
Acceptances receivable	11,583,506	59,497	-	-	11,643,003
Investment in associated entities*)	15,218	-	-	50	15,268
Other Assets**)	8,710,014	64,499	-	-	8,774,513
Total	1,176,444,211	21,592,013	21,717,490	38,247,458	1,258,001,172

*) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and accrued income based on sharia principles.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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 on the Exchange.
- b) Loans and sharia receivables and financing, are loans to third parties that are neither past due nor impaired, and have never been restructured.
- c) Export bills and notes receivable as well as acceptances receivable, are third party receivables that are not past due and have strong financial capacity in terms of repaying all obligations in a timely manner.
- d) Securities and Government Bonds are securities issued by Governments, investment grade securities and bonds with a minimum rating of idA- (Pefindo), A- (Fitch), A- (Standard & Poor's), or A3 (Moody's).
- e) Investment in associated entities, are investments in entities which are listed on the Exchange and have an overall good performance level.

2. Standard Grade

- a) Current accounts with other banks, placement with Bank Indonesia and other banks, are current accounts or placements in Government institutions and transactions with banks listed on the Exchange.
- b) Loans and sharia receivables and financing, are loans to third parties that are neither past due nor impaired, but have been restructured.
- c) Export bills and notes receivable as well as acceptances receivable, are third party receivables that are not past due and have adequate financial capacity in terms of repaying all obligations in a timely manner.
- d) Securities and Government Bonds are 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 which are not listed on the Exchange and have an overall good performance level.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Credit Risk Management (continued)

5. According to SFAS No. 60, past due financial assets are determined 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, 2019			
	≤ 30 days	> 30 - 60 days	> 60 - 90 days	Total
Loans				
Micro	4,722,477	2,863,391	3,852,348	11,438,216
Retail	5,901,474	2,847,528	3,489,823	12,238,825
Corporate	1,420,008	413,483	-	1,833,491
Sharia receivables and financing	378,123	178,141	206,162	762,426
Finance lease receivables	22,830	36,335	19,002	78,167
Total	12,444,912	6,338,878	7,567,335	26,351,125

	December 31, 2018			
	≤ 30 days	> 30 - 60 days	> 60 - 90 days	Total
Loans				
Micro	4,330,615	2,525,918	3,281,123	10,137,656
Retail	5,022,322	2,418,228	2,997,640	10,438,190
Corporate	211,221	-	-	211,221
Sharia receivables and financing	407,770	177,920	294,795	880,485
Finance lease receivables	40,092	3,184	6,662	49,938
Total	10,012,020	5,125,250	6,580,220	21,717,490

Liquidity Risk Management

Liquidity Risk is a risk due to BRI's inability to meet the maturity obligations of cash flow funding sources and/or of high quality liquid assets that can be pledged so as not to disrupt BRI's activities and financial conditions.

BRI manages liquidity risks in order to meet every financial obligations that has been agreed upon in a timely manner and to maintain adequate and optimal liquidity level. In order to support liquidity management, BRI has established Guidelines for Implementation of Liquidity Risk Management (PPPMRL) which includes liquidity management, projected cash flows, maturity gap, net stable funding ratio and liquidity coverage ratio, the adequacy policies and guidelines for determination of liquidity risk limit, liquidity risk stress test, contingency funding plan, and information system of liquidity risk.

The purpose of these guidelines is to ensure the adequacy of daily liquidity risk management in meeting its obligations in normal or crisis conditions in a timely manner from various available sources of funds, including ensuring the availability of high quality liquid assets and having a healthy and sustainable structure of deposits collected from customer.

BRI also stimulates stress testing on a quarterly basis which is submitted to the BRI's 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 needs during crisis (stress). Moreover, stress test is also used as reference for developing or improving contingency funding plan and liquidity risk limits.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Remaining Contractual Maturity

Potential liquidity risks which BRI will encounter in the future are measured through Liquidity Gap Analysis, which is a projection of liquidity mismatch 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 the business expansion needs. By implementing the effective liquidity management, it is expected that liquidity risks can be minimized while simultaneously increasing the overall banking system stability.

The tables below present information on the mapping contractual of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2019 and 2018:

Description	December 31, 2019					
	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	30,219,214	-	-	-	-	30,219,214
Current accounts with Bank Indonesia	71,416,449	71,416,449	-	-	-	-
Current accounts with other banks	10,237,736	10,237,736	-	-	-	-
Placements with Bank Indonesia and other banks	116,854,727	74,896,410	41,958,317	-	-	-
Securities	195,840,931	143,308,062	4,495,822	7,202,085	40,834,962	-
Allowance for impairment losses	(758)	-	-	-	-	(758)
Exports bills and notes receivable	33,744,522	14,288,810	9,457,158	9,469,749	528,805	-
Government Recapitalization Bonds	1,130,306	-	-	1,130,306	-	-
Securities purchased under agreement to resell	22,582,244	16,838,178	5,437,329	306,737	-	-
Derivatives receivable	210,396	114,208	51,155	25,770	19,263	-
Loan						
Micro	329,535,811	4,220,012	7,896,459	37,667,210	279,752,130	-
Retail	358,299,161	21,055,804	25,823,013	45,635,510	265,784,834	-
Corporate	189,596,221	13,928,892	27,569,818	26,460,034	121,547,477	-
Allowance for Impairment losses	(38,363,840)	-	-	-	-	(38,363,840)
Sharia receivables and financing	25,766,197	852,963	1,892,112	2,651,519	20,369,603	-
Allowance for impairments losses	(745,029)	-	-	-	-	(745,029)
Finance lease receivables	4,191,596	218,581	331,389	1,366,947	2,274,679	-
Allowance for impairment losses	(87,500)	-	-	-	-	(87,500)
Acceptances receivable	9,346,063	1,759,397	3,283,407	4,224,430	78,829	-
Investment in associated*)	293,378	-	-	-	-	293,378
Other assets**)	5,901,067	500,232	2,306,920	917,831	146,734	2,029,350
	1,365,968,892	373,635,734	130,592,899	137,058,128	731,337,316	(6,655,185)

*) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Remaining Contractual Maturity (continued)

The tables below present information on the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2019 and 2018 (continued):

Description	Total	December 31, 2019				
		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	7,549,312	7,549,312	-	-	-	-
Deposits from customers						
Demand deposits	168,826,135	168,826,135	-	-	-	-
<i>Wadiah</i> demand deposits	2,020,866	2,020,866	-	-	-	-
<i>Mudharabah</i> demand deposits	4,080,803	4,080,803	-	-	-	-
Saving deposits	405,355,483	405,355,483	-	-	-	-
<i>Wadiah</i> saving deposits	6,951,688	6,951,688	-	-	-	-
<i>Mudharabah</i> saving deposits	2,025,354	2,025,354	-	-	-	-
Time deposits	413,223,653	228,618,343	114,696,005	50,605,163	19,304,142	-
<i>Mudharabah</i> time deposits	18,712,677	59,043	466,940	4,990,707	13,195,987	-
Deposits from other Banks and financial Institutions	17,969,829	15,928,691	2,041,138	-	-	-
Securities sold under agreement to repurchase	49,902,938	35,877,876	8,538,598	1,640,805	3,845,659	-
Derivatives payable	184,605	28,523	48,326	33,641	74,115	-
Acceptances payable	9,346,064	1,759,387	3,283,408	4,224,440	78,829	-
Marketable securities issued	38,620,837	-	-	2,686,847	35,933,990	-
Fund borrowings	30,921,771	85	4,894,434	5,333,099	20,694,153	-
Subordinated loans and marketable securities	1,465,366	-	-	-	1,465,366	-
Other liabilities*)	8,183,212	1,236,065	638,633	747,578	5,358,002	202,934
	1,185,340,593	880,317,654	134,607,482	70,262,280	99,950,243	202,934
Maturity gap	180,628,299	(506,681,920)	(4,014,583)	66,795,848	631,387,072	(6,858,119)

*) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance payable, reinsurance payable and classified as available-for-sale, *tabarru'* fund and temporary *syirkah* funds.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Remaining Contractual Maturity (continued)

The tables below present information on the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2019 and 2018 (continued):

December 31, 2018						
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 (continued)						
Assets						
Cash	27,421,625	-	-	-	-	27,421,625
Current accounts with Bank Indonesia	71,159,442	71,159,442	-	-	-	-
Current accounts with other banks	12,677,355	12,677,355	-	-	-	-
Placements with Bank Indonesia and other banks	87,018,051	85,083,644	1,712,207	222,200	-	-
Securities	184,284,810	133,772,828	7,468,990	8,017,543	35,025,449	-
Allowance for impairment losses	(758)	-	-	-	-	(758)
Exports bills and notes receivable	32,900,080	5,515,512	10,973,847	16,410,721	-	-
Government Recapitalization Bonds	1,505,273	30,273	-	375,000	1,100,000	-
Securities purchased under agreement to resell	9,396,553	2,901,245	3,400,936	3,094,372	-	-
Derivatives receivable	485,810	214,804	71,734	108,126	91,146	-
Loan						
Micro	291,615,908	3,013,113	6,271,320	35,184,332	247,147,145	-
Retail	330,633,963	21,068,739	22,779,770	91,393,809	195,333,407	-
Corporate	197,760,286	11,626,529	5,803,401	31,602,608	143,328,598	-
Allowance for impairment losses	(34,718,125)	-	-	-	-	(34,718,125)
Sharia receivables and financing	20,178,401	1,055,340	1,742,143	1,805,648	15,575,270	-
Allowance for impairments losses	(497,141)	-	-	-	-	(497,141)
Finance lease receivables	3,409,846	-	-	308,746	3,101,100	-
Allowance for impairment losses	(88,000)	-	-	-	-	(88,000)
Acceptances receivable	11,643,003	991,252	2,685,342	7,966,409	-	-
Investment in associated*)	15,268	-	-	-	-	15,268
Other assets**)	8,774,513	611,446	1,619,843	954,377	22,009	5,566,838
	1,250,118,775	349,721,520	64,529,533	197,443,891	640,724,127	(2,300,293)

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Liquidity Risk Management (continued)

Analysis of Financial Asset and Liability According to Remaining Contractual Maturity (continued)

The tables below present information on the mapping of financial assets and liabilities within a certain time scale (maturity buckets) based on their remaining maturity as of December 31, 2019 and 2018 (continued):

		December 31, 2018				
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						
Liabilities due immediately	8,462,958	8,462,958	-	-	-	-
Deposits from customers						
Demand deposits	178,097,981	178,097,981	-	-	-	-
<i>Wadiah</i> demand deposits	2,277,850	2,277,850	-	-	-	-
<i>Mudharabah</i> demand deposits	293,264	293,264	-	-	-	-
Saving deposits	379,918,705	379,918,705	-	-	-	-
<i>Wadiah</i> saving deposits	5,601,811	5,601,811	-	-	-	-
<i>Mudharabah</i> saving deposits	1,659,109	1,659,109	-	-	-	-
Time deposits	357,413,513	29,146,459	287,763,205	33,454,955	7,048,894	-
<i>Mudharabah</i> time deposits	19,006,504	16,585,766	2,264,111	156,627	-	-
Deposits from other Banks and financial Institutions	9,131,158	9,080,497	50,661	-	-	-
Securities sold under agreement to repurchase	37,379,394	25,899,468	4,609,494	4,418,497	2,451,935	-
Derivatives payable	332,343	52,612	49,879	114,327	115,525	-
Acceptances payable	11,643,003	991,252	2,685,342	7,966,409	-	-
Marketable securities issued	31,190,216	-	-	2,436,706	28,753,510	-
Fund borrowings	40,457,429	880,278	3,637,058	8,948,472	26,991,621	-
Subordinated loans and marketable securities	1,473,515	-	-	-	1,473,515	-
Other liabilities*)	3,324,974	1,123,697	562,360	519,200	1,111,962	7,755
	1,087,663,727	660,071,707	301,622,110	58,015,193	67,946,962	7,755
Maturity gap	162,455,048	(310,350,187)	(237,092,577)	139,428,698	572,777,162	(2,308,048)

*) Other liabilities consist of interest payables, guarantee deposits, investment contract liabilities, co-insurance payable, reinsurance payable and classified as available-for-sale, *tabarru'* fund and temporary *syirkah* funds.

Market Risk Management

Market risk arises because of the movement of market factors which include interest rates and exchange rates that are against the BRI's positions, both positions in the statements of financial position or in the 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. The Middle Office can measure market risks using an internal model (Value-at-Risk (VaR)) that is integrated with the daily transaction process. Other than monitoring the instruments' risk exposures, the Middle Office also monitors market risk limits and transaction limits including dealer transaction nominal limits, cut loss limits, stop loss limits and VaR limits. Monitoring is carried out daily so as to accelerate the provision of updated information, supporting timely decision-making by officials and managements, especially for instruments which are classified as trading.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

1. Value-at-Risk (VaR): Purpose and Limitation of the Method

BRI uses an internal model approach to measure VaR potential loss due to changes in market price of trading portfolio based on historical data. The VaR potential loss that arise from market risks is measured using the assumptions that the change in risk factors follow normal distribution pattern. BRI uses VaR to calculate exchange rate risk for trading and banking book positions and interest rate risks for trading book positions.

2. Value-at-Risk (VaR) Assumptions

VaR potential loss is calculated based on an estimated value with a 99% confidence level and market risk position that is unchanged within 1 (one) day (holding period). This shows that the potential loss which might exceed VaR value under normal market conditions, in average, may occur once every one hundred days. The method used in VaR measurement is Delta Gamma.

The following tables present information on VaR value starting from January 1, 2019, 2018 and 2017 until December 31, 2019 and 2018 (unaudited).

	2019	
	Exchange Rate ^{*)}	Interest Rate
Daily Average	46,903.71	39,642.57
Highest	92,187.93	72,630.74
Lowest	211.91	6,374.02
	2018	
	Exchange Rate ^{*)}	Interest Rate
Daily Average	51,671.99	5,893.22
Highest	79,747.46	24,908.51
Lowest	13,449.78	90.95

^{*)} Including trading and banking book.

3. Back Testing

The purpose of implementing back testing is to ensure that the result of the internal model calculation for interest rate risk and exchange rate risk is appropriate. When performing back testing, BRI compares estimated daily VaR with realization price changes.

Based on the back testing procedures for exchange rate risk and interest rate risk, the actual loss results throughout the year is significantly consistent with the VaR forecast model.

4. Market Risk Outside of Trading Book

a. Interest Rate Risk

Interest rate based financial instruments have risks because of potential changes in interest rates that will have an impact on future cash flows.

BRI has developed methodology of measurement impact for interest rate movement in banking book through Interest Rate Risk in the banking book based on SEOJK No.12/SEOJK.03/2018 dated August 21, 2018. As of December 31, 2019, individually BRI has Δ value EVE (*Economic Value of Equity*) amounting 6.05% (comparing with Tier 1 of equity). Board of Directors and Management are responsible for determining, managing and controlling interest rate by weighing the Bank's risk appetite and financial performance target. The review of interest rate determination is conducted at least once in a month in the Asset and Liability Committee (ALCO) forum.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The following tables present information regarding the average interest rates for financial assets and liabilities position for December 31, 2019 and 2018:

	December 31, 2019		December 31, 2018	
	Rupiah (%)	Foreign Currency (%)	Rupiah (%)	Foreign Currency (%)
Assets				
Placement with Bank Indonesia and other banks	4.76	1.82	6.67	2.61
Securities	7.46	2.97	7.57	3.24
Loans	11.64	4.27	11.19	4.20
Government Recapitalization Bonds	6.74	-	6.71	-
Finance leases receivable	13.42	6.13	14.61	6.73
Liabilities				
Deposits from customers				
Demand deposits	3.24	0.45	2.44	0.20
Saving deposits	0.87	0.38	0.84	0.17
Time deposits	6.83	2.54	6.17	2.14
Deposits from other banks and financial institutions	4.38	0.36	4.44	0.14
Fund borrowing	0.02	3.34	3.70	3.34
Subordinated loans and marketable Securities	4.87	-	5.56	-
Marketable securities issued	8.20	4.29	8.51	4.63

The following table presents the sensitivity of BRI's statement of profit or loss and other comprehensive income towards possible changes in the interest rate of banking book (unaudited), with all other variables held constant.

2019	
Changes in Percentage	Impact on Profit or Loss and Other Comprehensive Income
+/- 1 %	+/- 1,627,306
2018	
Changes in Percentage	Impact on Profit or Loss and Other Comprehensive Income
+/- 1 %	+/- 1,561,839

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited):

December 31, 2019						
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	-	-	-	-	30,219,214	30,219,214
Current accounts with Bank Indonesia	71,416,449	-	-	-	-	71,416,449
Current accounts with other banks	8,163,340	-	-	66,631	2,007,765	10,237,736
Placements with Bank Indonesia and other banks	74,896,410	41,958,317	-	-	-	116,854,727
Securities						
Fair value through profit or loss	-	-	-	17,712,056	-	17,712,056
Available-for-sale	-	-	-	124,153,732	-	124,153,732
Held-to-maturity	-	-	-	53,975,143	-	53,975,143
Export bills and notes receivable	33,876,763	-	-	-	-	33,876,763
Government						
Recapitalization Bonds						
Available-for-sale	30,306	-	-	-	-	30,306
Held-to-maturity	1,100,000	-	-	-	-	1,100,000
Securities purchased under agreement to resell	22,275,508	306,736	-	-	-	22,582,244
Derivatives receivable	-	-	-	-	210,396	210,396
Loans						
Micro	11,832,932	36,294,498	-	281,408,381	-	329,535,811
Retail	91,603,270	121,009,964	46,417,803	99,268,124	-	358,299,161
Corporate	41,588,711	148,007,510	-	-	-	189,596,221
Sharia receivables and financing	-	-	-	-	25,766,197	25,766,197
Finance leases receivable	549,969	1,366,947	2,274,680	-	-	4,191,596
Acceptances receivable	-	-	-	-	9,346,063	9,346,063
Investment in associated entities*)	-	-	-	-	293,378	293,378
Other assets**)	3,438	-	-	-	5,897,629	5,901,067
	357,337,096	348,943,972	48,692,483	576,584,067	73,740,642	1,405,298,260

*) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited):

December 31, 2019						
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	-	-	-	-	7,549,312	7,549,312
Deposits from customers						
Demand deposits	106,920,462	-	-	61,905,673	-	168,826,135
<i>Wadiah</i> demand deposits	-	-	-	-	2,020,866	2,020,866
<i>Mudharabah</i> demand deposits	-	-	-	-	4,080,803	4,080,803
Saving deposits	188,896,000	-	-	216,459,483	-	405,355,483
<i>Mudharabah</i> saving deposits	-	-	-	-	2,025,354	2,025,354
<i>Wadiah</i> saving deposits	-	-	-	-	6,951,688	6,951,688
Time deposits	329,124,847	64,794,664	19,304,142	-	-	413,223,653
<i>Mudharabah</i> time deposits	-	-	-	-	18,712,677	18,712,677
Deposits from other banks and financial institution	15,928,692	2,041,137	-	-	-	17,969,829
Securities sold under agreement to repurchase	44,416,474	1,640,805	3,845,659	-	-	49,902,938
Derivatives payable	-	-	-	-	184,605	184,605
Acceptances payable	-	-	-	-	9,346,063	9,346,063
Marketable securities issued	-	-	-	38,620,837	-	38,620,837
Fund borrowings	4,894,519	5,333,099	20,694,153	-	-	30,921,771
Subordinated loans and marketable securities	-	-	-	500,250	956,116	1,465,366
Other liabilities ^{*)}	-	-	-	-	8,183,212	8,183,212
	690,180,994	73,809,705	43,843,954	317,486,243	60,019,696	1,185,340,592
Interest rate repricing gap between financial assets and liabilities	(332,843,898)	275,134,267	4,848,529	259,097,824	13,720,945	219,957,667

^{*)} 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.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the exposure of financial assets and liabilities to interest rate risks (gross) (unaudited):

December 31, 2018						
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	-	-	-	-	27,421,625	27,421,625
Current accounts with Bank Indonesia	71,159,442	-	-	-	-	71,159,442
Current accounts with other banks	12,575,906	-	-	-	101,449	12,677,355
Placements with Bank Indonesia and other banks	85,122,844	1,895,207	-	-	-	87,018,051
Securities						
Fair value through profit or loss	-	-	-	3,762,256	-	3,762,256
Available-for-sale	-	-	-	129,950,808	-	129,950,808
Held-to-maturity	-	-	-	50,571,746	-	50,571,746
Export bills and notes receivable	32,900,080	-	-	-	-	32,900,080
Government						
Recapitalization Bonds						
Available-for-sale	30,273	-	-	-	-	30,273
Held-to-maturity	1,475,000	-	-	-	-	1,475,000
Securities purchased under agreement to resell	-	-	-	9,396,553	-	9,396,553
Derivatives receivable	-	-	-	-	485,810	485,810
Loans						
Micro	9,284,431	51,315,957	-	231,015,518	-	291,615,906
Retail	43,848,509	153,080,511	37,768,887	95,877,819	-	330,573,726
Corporate	17,429,932	174,931,203	-	-	-	192,361,135
Sharia receivables and financing	-	-	-	-	20,178,401	20,178,401
Finance leases receivable	9,393	51,011	1,184,662	2,164,780	-	3,409,846
Acceptances receivable	-	-	-	-	11,643,003	11,643,003
Investment in associated entities*)	-	-	-	-	15,268	15,268
Other assets**)	-	-	-	-	8,774,513	8,774,513
	273,835,810	381,273,889	38,953,549	522,739,480	68,620,069	1,285,422,797

*) Investment in associated entities with no significant influence.

***) Other assets consist of interest receivables, other receivables, and unearned income based on sharia principle.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

a. Interest Rate Risk (continued)

The tables below summarize the exposure of financial assets and liabilities to interest rate risks (gross) (continued):

December 31, 2018						
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	-	-	-	-	8,462,958	8,462,958
Deposits from customers						
Demand deposits	125,213,788	-	-	52,884,193	-	178,097,981
<i>Wadiah</i> demand deposits	-	-	-	-	2,277,850	2,277,850
<i>Mudharabah</i> demand deposits	-	-	-	-	293,264	293,264
Saving deposits	180,877,412	-	-	199,041,293	-	379,918,705
<i>Mudharabah</i> saving deposits	-	-	-	-	1,659,109	1,659,109
<i>Wadiah</i> saving deposits	-	-	-	-	5,601,811	5,601,811
Time deposits	316,909,665	33,454,955	7,048,893	-	-	357,413,513
<i>Mudharabah</i> time deposits	-	-	-	-	19,006,504	19,006,504
Deposits from other banks and financial institution	9,131,158	-	-	-	-	9,131,158
Securities sold under agreement to repurchase	4,513,036	1,308,110	-	31,558,248	-	37,379,394
Derivatives payable	-	-	-	-	332,343	332,343
Acceptances payable	-	-	-	-	11,643,003	11,643,003
Marketable securities issued	-	2,436,706	28,753,510	-	-	31,190,216
Fund borrowings	4,517,336	8,948,472	26,991,621	-	-	40,457,429
Subordinated loans and marketable securities	-	-	-	499,798	973,717	1,473,515
Other liabilities ^{*)}	-	-	-	-	3,324,974	3,324,974
	641,162,395	46,148,243	62,794,024	283,983,532	53,575,533	1,087,663,727
Interest rate repricing gap between financial assets and liabilities	(367,326,585)	335,125,646	(23,840,475)	238,755,948	15,044,536	197,759,070

^{*)} 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.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

b. Exchange Rate Risk

Exchange rate risk is a risk arising from foreign exchange rate fluctuations against Rupiah of foreign exchange positions held by BRI. Included in the foreign exchange positions are trading book positions held to generate profit both from foreign exchange transactions in the short term and banking book positions held to control the Net Open Position (NOP).

According to Bank Indonesia Regulation (PBI) No. 17/5/PBI/2015 dated May 29, 2015, regarding the fourth amendment 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 commitment and contingent receivables and liabilities in the administrative accounts for each foreign currency, which are all stated in Rupiah.

The following tables are NOP (BRI only) as of December 31, 2019 and 2018, by currency, respectively, as follows:

Currencies	December 31, 2019		NOP
	Assets	Liabilities	
<u>Statement of Financial Position and Administrative Accounts</u>			
United States Dollar	219,266,206	221,562,192	2,295,986
Singapore Dollar	10,602,860	10,686,133	83,273
Japanese Yen	1,057,995	843,438	214,557
Great Britain Pound Sterling	202,091	230,539	28,448
Australian Dollar	222,729	301,232	78,503
European Euro	4,388,079	4,121,644	266,435
Renminbi	3,240,454	3,274,614	34,160
Canadian Dollar	24,029	1	24,028
Others	972,453	334,862	637,591
			3,662,981
Capital (Note 48a)			195,986,650
NOP Ratio			1.87%

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Market Risk Management (continued)

4. Market Risk Outside of Trading Book (continued)

b. Exchange Rate Risk (continued)

The following tables are NOP (BRI only) as of December 31, 2019 and 2018, by currency, respectively, as follows (continued):

Currencies	December 31, 2018		
	Assets	Liabilities	NOP
<u>Statement of Financial Position and Administrative Accounts</u>			
United States Dollar	202,779,020	198,605,581	4,173,439
Singapore Dollar	6,669,876	5,910,615	759,261
Japanese Yen	471,610	253,175	218,435
Great Britain Pound Sterling	229,202	128,721	100,481
Australian Dollar	359,154	284,098	75,056
European Euro	10,329,347	9,810,831	518,516
Renminbi	3,871,986	3,921,420	49,434
Canadian Dollar	10,435	88	10,347
Others	926,258	333,078	593,180
			6,498,149
Capital (Note 48a)			173,618,421
NOP Ratio			3.74%

Operational Risk Management

Implementation of Operational Risk Management is carried out according to Financial Services Authority Regulation (POJK) No. 18/POJK.03/2016 dated March 22, 2016 regarding Risk Management Implementation for Commercial Banks, which requires the risk management implementation to cover the pillars of monitoring from the Board of Commissioners and Directors, adequacy of policies, limit procedure and determination, adequacy of identification, measurement, monitoring and management of risk process adequacy as well as information system of risk management and internal control system.

The implementation of operational risk management is intended to manage operational risk exposure caused by internal and external factors that can disrupt business and operational activities, such as inadequate human resources, internal processes, information technology system failures, natural disasters and external party's crimes against the Bank that potentially cause financial and non-financial losses. Operational risk exposure management includes management of legal, reputational, compliance and strategic risk exposures that occur every business process and operational activity.

Each of BRI's operational business units is responsible for the implementation of risk management process in the business and operational activities of each business unit through the internal control system. This is done starting from the phase of identification, measurement, monitoring to risk control. BRI's Board of Directors established a risk management function in every business unit starting from the level of Head Office (Division/Desk), Regional Offices, Special Branch Office, Branch Offices which cover operations, marketing and micro businesses as well as Sub-Branch Offices, BRI Priority Service Centers and Overseas Business Units.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

The risk management unit is tasked with and is responsible for preparing guidelines for implementing operational risk management, developing and implementing policies / procedures and methodologies, supervising, reviewing, and monitoring the operational risk management process. Furthermore, it also plays a role in the preparation and monitoring of BRI's risk profile, assessment of the adequacy of risk management of a new product and/or activity, and supports operational work units / risk owners in developing a culture of risk awareness, implementation of anti-fraud strategies, and compliance with related risk management principles. In the context of discussing the management and improvement of control over operational risks, the Operational and Market Risk Management Division coordinates the implementation of the Operational Risk Management Committee (ORMC), which is conducted quarterly together with Divisions/Desks and related work units.

Internal audit as the third line of defense including the Head Office Audit and BRI's Inspectorate Office throughout Indonesia is responsible for monitoring and validating the internal control adequacy of business and operational activities in every operational business unit and the consistency of bankwide operational risk management implementation in BRI.

BRI's operational risk management implementation is facilitated by operational risk management tools in the form of BRI Operational Risk Assessor (BRI OPRA), which includes the Risk and Control Self-Assessment (RCSA) module, Key Risk Indicator (KRI), Incident Management (IM), Risk Management and Maturity Forum. Operational Risk Management Tools Policy has been updated in the Decree of BRI's Board of Directors No. S.17-DIR/DMR/02.2016.

In order to improve understanding on risk management, BRI focused on improving the risk awareness culture and continuing risk management socialization/training to all BRI's employees and also improving the risk control quality in each of BRI's operational activities.

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 been implemented in BRI's Head Office (Desk/Division), Regional Offices, Special Branch Office, Branch Offices which also represents BRI Units, Sub Branch Offices and Priority Service Centres.

RCSA is intended to assist the operational business unit in identifying and measuring operational risk in every business and operational activities independently, including monitoring and determining corrective actions or the future action plans.

The risk issue in RCSA is updated by considering BRI's business development which include the new product and or activity implementation, new market segment and business competition, change in internal/external regulation and other changes that affect BRI's risk exposure. These assessment is carried out by considering Incident Management (IM)/Loss Event Database (LED) data, Key Risk Indicator (KRI) and Audit Result report (LHA). RCSA is performed quarterly and the frequency will be increased if there is a significant change in risk exposure.

The RCSA consolidation report is reported regularly to the Board of Directors in Risk Management Committee (RMC) held quarterly.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

2. Incident Management (IM) and Loss Event Database (LED)

Incident Management (IM) is BRI's Loss Event Database (LED) which includes data documentation process of loss events for all types of loss, financial and non-financial loss, which includes actual loss, potential loss and near misses, since occurrence up to settlement, including corrective actions and incident handling conducted.

Based on loss event data in IM module, loss event analysis can be performed based on causes, functional activities, event types and business lines of BRI. The information system can be used to determine the preventive actions in risk controls, based on the documentation process of incident handling or settlement for the non-financial loss, financial loss, loss recovery and litigation process.

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/categories based on the loss/severity and frequency.

In order to calculate operational capital charge and Risk Weighted Assets (RWA), according to regulator policy, BRI used Basic Indicator Approach (BIA) method since it has been implemented in 2010. However, BRI has prepared the implementation of The Standardised Approach (TSA) and Advanced Measurement Approach (AMA). BRI's LED also has been used to calculate the simulation of operational risk capital charge with the Advanced Measurement Approach (AMA) method, based on Extreme Value Theory (EVT) and Loss Distribution Approach (LDA). In order to do more advanced calculation of operational risk capital charge, BRI has prepared a gap analysis related to the implementation of TSA and AMA.

3. Key Risk Indicator (KRI)

KRI is a tool to detect risks/favorable risk trends increase and/or decrease, both leading/futuristic or historical. Risk trend prediction is used to determine action plans in order to mitigate operational risk before it causes the financial or non-financial loss.

BRI has identified key risk indicators for all risks type and determined the risks threshold or limit which portrays the acceptable condition and risk appetite of BRI. Identification of main risk indicator and KRI threshold determination is established using the best judgement, considering BRI risk exposures and risk appetite. Threshold determination involved internal auditor, risk owner and other related 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 hold a meeting or forum among the head of BRI's operational business units with the lower level employees and staff to discuss inherent risks in the daily business or operational activities that might be the constraint in achieving the business target or standard business performance. Risk management forum, which are held in each business unit, are expected to support the growth of BRI's risk awareness culture.

5. Maturity

Maturity is a self-assessment process on the establishment level of risk management implementation in each of BRI business unit. Maturity assessment is performed at every end of year by each business unit head using certain parameters. By performing maturity assessment, it is expected that each business unit will be able to evaluate the risk management implementation, in order to compose future improvement plan.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

39. RISK MANAGEMENT (continued)

Operational Risk Management (continued)

6. Business Continuity Management (BCM)

The possibility of disruption/disaster caused by nature, human or technology pose a threat to BRI's business continuity, as BRI has business units spread across Indonesia. Therefore, the Board of Directors are developing and implementing Business Continuity Management (BCM) Policies in order to ensure the employees, customers and stakeholders in the vicinity of BRI business unit environment's safety and security (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 policies are stipulated through BRI Circular Letter No. S.26-DIR/DMR/12/2016.

BRI BCM implementation covers all BRI work units, among others through the formation of a Crisis Management Team, the preparation of Call Trees and the establishment of alternate sites. BRI work units have also carried out a Threat and Disaster Risk Assessment which aims to identify the resources needed in preparation for facing threats/disasters in each work unit. As one of the implementation of BCM BRI has Emergency Response Plan (ER Plan) and Business Continuity Plan (BC Plan) policies for Critical Work Units. To ensure that the policy can be used during disruptions/disasters, the ER Plan and BC Plan trials are carried out annually and prioritized in disaster-prone work units.

The readiness of BRI organization to ensure the implementation of business continuity procedures has been tested during disaster conditions in several business units.

7. New Product and/or Activity Launching

In order to launch each BRI's new product and/or activity, it involves risk management process that covers risk assessment done by product owner on every possible risk types from the launch of new product and/or activity, including control determination to mitigate the risks that might appear.

Operational and Market Risk Management Division is responsible to assess the risk mitigation adequacy and recommend the assessment result for the approval of the Risk Management Director. New Product and/or Activity Launching is stipulated through BRI Circular Letter No. S.89-DIR/MOP/11/2017.

8. Anti-Fraud Strategy Implementation

The implementation of the fraud control system has been carried out in accordance with the provisions and procedures of BRI's internal control, where special attention is paid to prevention so that the incidence of fraud can be minimized. In this connection BRI has developed a tool as an early warning system. BRI management has committed not to tolerate fraud (zero tolerance). As a form of increasing employee awareness and fraud prevention, Directors and Commissioners, management and all BRI employees regularly sign Anti Fraud Commitments as stated in the Anti Fraud Strategy Policy set forth through BRI Decree No. S.05-DIR/MOP/13/2018.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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, 2019 and 2018 and are not updated to reflect changes in market conditions which have occurred subsequently.

	December 31, 2019		December 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
Cash	30,219,214	30,219,214	27,421,625	27,421,625
Current account with Bank Indonesia	71,416,499	71,416,499	71,159,442	71,159,442
Current account with other banks	10,237,736	10,237,736	12,677,355	12,677,355
Placements with Bank Indonesia and other banks	116,854,727	116,854,727	87,018,051	87,018,051
Securities				
Fair value through profit or loss	17,712,056	17,712,056	3,762,256	3,762,256
Available-for-sale	124,153,732	124,153,732	129,950,808	129,950,808
Held-to-maturity	53,974,385	55,962,246	50,570,988	50,608,601
Export bills and notes receivables	33,744,522	33,744,522	27,442,690	27,442,690
Government Bonds				
Recapitalization				
Available-for-sale	30,306	30,306	30,273	30,273
Held-to-maturity	1,100,000	1,099,670	1,475,000	1,468,395
Securities purchased under agreement to resell	22,582,244	22,582,244	9,396,553	9,396,553
Derivatives receivable	210,396	210,396	485,810	485,810
Loans, sharia receivables and financing	864,088,521	844,750,736	804,673,435	744,066,835
Finance lease receivables	4,102,276	3,682,306	3,321,846	3,223,990
Acceptances receivable	9,346,063	9,346,063	11,643,003	11,643,003
Investment in associated entities ^{*)}	215,268	215,268	15,218	15,218
Other assets ^{**)}	5,901,067	5,901,067	8,774,513	8,774,513
Total	1.365.889.012	1.348.118.788	1.249.818.866	1.189.145.418
Liabilities				
Immediate liabilities	7,549,312	7,549,312	8,462,958	8,462,958
Deposits from customers ^{***)}				
Demand deposits	174,927,804	174,927,804	180,669,095	180,669,095
Saving deposits	414,332,525	414,332,525	387,179,625	387,179,625
Time deposits	431,936,330	431,936,330	376,420,017	376,420,017
Deposits from other banks and financial institutions				
Demand deposits	540,598	540,598	344,320	344,320
Saving deposits	9,148	9,148	3,407	3,407
Time deposits and Deposits on call	9,981,531	9,981,531	5,997,341	5,997,341
Inter-bank call money	7,438,552	7,438,552	2,786,090	2,786,090
Securities sold under agreement to repurchase	49,902,938	49,902,938	37,379,394	37,379,394
Derivatives payable	184,605	184,605	332,343	332,343
Acceptances payable	9,346,064	9,346,064	11,643,003	11,643,003
Marketable securities				
Issued	38,620,837	39,467,559	31,190,216	30,749,094
Fund borrowings	30,921,771	30,921,771	40,457,429	40,457,429
Subordinated loans and Marketable securities	1,465,366	1,465,400	1,473,515	1,437,575
Other liabilities ^{****)}	3,324,974	3,324,974	3,324,974	3,324,974
Total	1.180.482.355	1.181.329.111	1.087.663.727	1.087.186.665

*) Investment in associated entities with no significant influence.

**) Other assets consist of interest receivable, other receivable 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'* funds and temporary *syirkah* funds.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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, sharia receivables and financing, finance lease receivables, derivatives receivable and payable, fund borrowings, marketable securities issued and subordinated loans and marketable securities 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 debts with similar credit risk and remaining maturities.

The estimated fair values of certain financial liabilities which are not quoted in an active market are determined based on discounted cash flows using interest rates of a new debt 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 quoted price of intermediary (broker)/securities traders (dealers). If this information is not available, the fair values are estimated by using quoted market price of securities with similar credit characteristics, maturities and yields.

- c) Loans and sharia receivables and financing

BRI's loan portfolio generally consists of loans with floating and fixed interest rates. Loans are stated at the carrying amount. The fair value of loans represents the discounted value of estimated future cash flows expected to be received by BRI. The estimated future cash flow is discounted using market interest rate to determine the fair value.

Sharia receivables and financing portfolio generally has a floating margin and short-term sharia receivables and financing has a fixed margin.

- d) Finance lease receivables

The fair values are calculated based on the discounted cash flow models using market interest rates.

- e) Derivatives receivable and payable

The fair values of derivatives instrument are assessed using valuation techniques that use components which can be observed in the market, which include primarily interest rate swaps, currency swaps and currency exchange contracts. The most widely used valuation techniques include forward and swap valuation models using 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 and marketable securities

The fair values are calculated based on the discounted cash flow models using market rates for the remaining maturity period.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments recognized at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c):

	December 31, 2019			
	Fair Value	Level 1	Level 2	Level 3
Financial Assets				
Fair value through profit or loss				
Bank Indonesia Sukuk	1,819,017	1,819,017	-	-
Mutual funds	1,795,156	1,795,156	-	-
Government bonds	10,106,229	10,106,229	-	-
Derivatives receivable	210,396	-	210,396	-
Subordinated bonds	49,174	49,174	-	-
Bonds	933,369	933,369	-	-
Bank Indonesia Certificates	1,986,438	1,986,438	-	-
Negotiable Certificates of Deposit	803,319	803,319	-	-
Commercial Securities	28,321	28,321	-	-
Others	196,536	191,033	-	-
	17,927,955	17,712,056	210,396	-
Available-for-Sale				
Government bonds	96,223,816	96,223,816	-	-
Bonds	15,385,294	15,385,294	-	-
Bank Indonesia Certificates	7,507,411	7,507,411	-	-
Mutual funds	1,928,256	1,928,256	-	-
Subordinated bonds	343,801	343,801	-	-
Negotiable Certificates of Deposit	961,448	961,448	-	-
MAS Bills	808,138	808,138	-	-
Medium-Term Note	438,648	438,648	-	-
Singapore Government Securities	191,256	191,256	-	-
Commercial Securities	18,881	18,881	-	-
Others	334,895	346,783	-	-
	124,141,844	124,153,732	-	-
Held-to-maturity				
Government bonds	46,305,753	46,305,753	-	-
Bonds	3,833,941	3,833,941	-	-
Government Recapitalization Bonds	1,099,670	1,099,670	-	-
Sharia Bank Indonesia Certificates	1,250,000	1,250,000	-	-
Negotiable Certificates of Deposit	151,280	151,280	-	-
Medium-Term Note	61,601	61,601	-	-
Subordinated bonds	35,696	35,696	-	-
Bank Indonesia Certificates	490,840	490,840	-	-
Others	3,833,135	3,833,135	-	-
	57,061,916	57,061,916	-	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments recognized at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c) (continued):

31 Desember 2019				
	Fair Value	Level 1	Level 2	Level 3
Financial Assets (continued)				
Loans and receivables				
Loans, sharia receivables and financing	844,750,736	-	823,178,354	21,572,382
Finance lease receivables	3,682,306	-	-	3,682,306
	848,433,042	-	823,178,354	25,254,688
Total Financial Assets	1,047,564,757	198.927.704	823,388,750	25,254,688
Financial Liabilities				
Fair value through profit or loss				
Derivatives payable	184,604	-	184,604	-
Other liabilities				
Marketable securities issued	39,467,559	39,467,559	-	-
Subordinated loans and marketable securities	1,456,400	1,456,400	-	-
	40.923.959	40.923.959	-	-
Total Financial Liabilities	41.108.563	40.923.959	184,604	-
31 Desember 2018				
	Fair Value	Level 1	Level 2	Level 3
Financial Assets				
Fair value through profit or loss				
Government bonds	1,454,489	1,454,489	-	-
Mutual funds	1,251,100	1,251,100	-	-
Bank Indonesia Certificates	569,017	569,017	-	-
Derivatives receivable	485,810	-	485,810	-
Bonds	128,769	128,769	-	-
Bank Indonesia Deposit Certificates	99,272	99,272	-	-
Subordinated bonds	55,957	55,957	-	-
Others	203,652	203,652	-	-
	4,248,066	3,762,256	485,810	-
Available-for-Sale				
Government bonds	95,661,891	95,661,891	-	-
Bank Indonesia Certificates	13,454,716	13,454,716	-	-
Bonds	11,239,956	11,239,956	-	-
Bank Indonesia Deposit Certificates	3,557,671	3,557,671	-	-
Mutual funds	1,820,571	1,820,571	-	-
Negotiable Certificates of Deposit	1,503,457	1,503,457	-	-
MAS Bills	737,315	737,315	-	-
Subordinated bonds	723,860	723,860	-	-
Medium-Term Note	416,277	416,277	-	-
U.S. Treasury Bonds	269,313	269,313	-	-
Singapore Government Securities	191,615	191,615	-	-
Government Recapitalization Bonds	30,273	30,273	-	-
Others	374,166	374,166	-	-
	129,981,081	129,981,081	-	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables present financial instruments recognized at fair value based on the hierarchy used by BRI to determine and disclose the fair value of financial instruments (Note 2c) (continued):

	31 Desember 2018			
	Fair Value	Level 1	Level 2	Level 3
Financial Assets (continued)				
Held-to-maturity				
Government bonds	44,652,472	44,652,472	-	-
Bonds	3,846,529	3,846,529	-	-
Government Recapitalization Bonds	1,468,395	1,468,395	-	-
Sharia Bank Indonesia Certificates	1,200,000	1,200,000	-	-
Negotiable Certificates of Deposit	200,653	200,653	-	-
Bank Indonesia Sukuk	100,000	100,000	-	-
Medium-Term Note	100,000	100,000	-	-
Subordinated bonds	56,847	56,847	-	-
Bank Indonesia Deposit Certificates	21,679	21,679	-	-
Others	430,421	430,421	-	-
	52,076,996	52,076,996	-	-
Loans and receivables				
Loans, sharia receivables and financing	744,066,835	-	733,498,500	10,568,335
Finance lease receivables	3,223,990	-	-	3,223,990
	747,290,825	-	733,498,500	13,792,325
Total Financial Assets	933,596,968	185,820,333	733,984,310	13,792,325
Financial Liabilities				
Fair value through profit or loss				
Derivatives payable	332,343	-	332,343	-
Other liabilities				
Marketable securities issued	30,749,094	30,749,094	-	-
Subordinated loans and marketable securities	1,437,575	1,437,575	-	-
	32,186,669	32,186,669	-	-
Total Financial Liabilities	32,519,012	32,186,669	332,343	-

41. OPERATING SEGMENT

The following are certain information of BRI and Subsidiaries:

a. Company Name	Business Field
PT Bank Rakyat Indonesia (Persero) Tbk	Conventional Banking
PT Bank BRI Syariah Tbk	Sharia Banking
PT Bank Rakyat Indonesia Agroniaga Tbk	Conventional Banking
BRI Remittance Co. Limited Hong Kong	Financial Service
PT Asuransi BRI Life	Life Insurance
PT BRI Multifinance Indonesia	Financing Company
PT Danareksa Sekuritas	Securities Company
PT BRI Ventura Investama	Venture Capital Company
PT Asuransi Bringin Sejahtera Artamakmur	General Insurance

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

41. OPERATING SEGMENT (continued)

The following are certain information of BRI and Subsidiaries (continued):

b. Operating Segment

For management purposes, BRI is organized into 5 (five) operating segments based on products, as follows:

- Micro Segment
- Retail Segment
- Corporate Segment
- Other Segments
- Subsidiaries

The following are information on the operating segment of BRI and Subsidiaries (unaudited):

As of December 31, 2019 and for the Year Then Ended						
Description	Micro	Retail	Corporate	Others	Subsidiaries	Total
Interest and premium income - net	41,796,678	27,839,259	4,710,388	4,213,978	4,157,730	82,718,033
Other operating income	9,524,891	10,619,792	3,356,078	4,050,875	969,541	28,521,177
Total income	51,321,569	38,459,051	8,066,466	8,264,853	5,127,271	111,239,210
Other operating expenses	(17,750,715)	(18,142,869)	(2,883,539)	(3,268,667)	(3,264,522)	(45,310,312)
Provision for impairment losses	(10,027,710)	(5,875,145)	(4,533,679)	(607,557)	(1,452,875)	(22,496,966)
Total expense	(27,778,425)	(24,018,014)	(7,417,218)	(3,876,224)	(4,717,397)	(67,807,278)
Non operating income - net	(14,836)	(35,079)	(16,911)	(5,337)	4,283	(67,880)
Income before tax expense	23,528,308	14,405,958	632,337	4,383,289	414,157	43,364,049
Tax expense	(4,887,111)	(2,992,290)	(131,344)	(910,462)	(29,021)	(8,950,228)
Income for the year	18,641,197	11,413,668	500,993	3,472,827	385,136	34,413,824
Segment assets						
Loans	329,535,811	338,932,020	191,090,464	-	47,830,690	907,388,985
Allowance for impairment losses	(15,213,236)	(5,817,423)	(16,507,275)	-	(1,658,435)	(39,196,369)
Non-loans	-	-	-	517,034,479	26,990,445	544,024,924
	314,322,575	333,114,597	174,583,189	517,034,479	73,162,700	1,412,217,540
Segment liabilities						
Funding	296,563,187	374,453,208	298,733,611	-	51,105,122	1,020,855,128
Non-funding	-	-	-	169,662,392	17,549,355	187,211,747
	296,563,187	374,453,208	298,733,611	169,662,392	68,654,477	1,208,066,875

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

41. OPERATING SEGMENT (continued)

The following are certain information of BRI and Subsidiaries (continued):

b. Operating Segment (continued)

The following are information on the operating segment of BRI and Subsidiaries (unaudited) (continued):

As of December 31, 2018 and for the Year Then Ended						
Description	Micro	Retail	Corporate	Others	Subsidiaries	Total
Interest and premium income - net	39,104,644	26,914,595	5,899,668	2,989,453	3,703,134	78,611,494
Other operating income	8,090,685	10,098,711	1,631,316	2,956,094	648,624	23,425,430
Total income	47,195,329	37,013,306	7,530,984	5,945,547	4,351,758	102,036,924
Other operating expenses	(17,223,314)	(17,338,436)	(3,443,732)	(1,460,548)	(2,528,062)	(41,994,092)
Provision for impairment losses	(7,920,968)	(6,011,336)	(3,509,445)	-	(879,014)	(18,320,763)
Total expense	(25,144,282)	(23,349,772)	(6,953,177)	(1,460,548)	(3,407,076)	(60,311,855)
Non operating income - net	50,956	9,316	5,055	(44,650)	7,140	27,817
Income before tax expense	22,102,003	13,672,850	582,826	4,440,349	955,630	41,753,694
Tax expense	(4,927,729)	(3,048,416)	(129,951)	(989,993)	(239,119)	(9,335,208)
Income for the year	17,174,274	10,624,434	452,911	3,450,356	716,511	32,418,486
Segment assets						
Loans	291,615,907	319,987,646	187,277,489	-	39,259,972	838,141,014
Allowance for impairment losses	(13,835,533)	(4,894,052)	(15,840,295)	-	(1,033,243)	(35,603,123)
Non-loans	-	-	-	465,116,020	24,129,728	489,245,748
	277,780,374	315,093,594	171,437,194	465,116,020	62,356,457	1,291,783,639
Segment liabilities						
Funding	271,646,940	341,329,004	285,056,620	-	46,236,173	944,268,737
Non-funding	-	-	-	155,148,895	12,205,329	167,354,224
	271,646,940	341,329,004	285,056,620	155,148,895	58,441,502	1,111,622,961

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

41. OPERATING SEGMENT (continued)

The following are certain information of BRI and Subsidiaries (continued):

c. Geographical Segment

The following are information on the geographical segment of BRI and Subsidiaries :

Description	Total income	
	Year ended December 31,	
	2019	2018
Indonesia	110,492,839	101,552,362
United States of America	459,455	416,697
Singapore	187,122	12,222
Timor Leste	91,853	48,606
Hong Kong	7,792	7,037
Total	111,239,061	102,036,924

Description	Income before tax expense	
	Year ended December 31,	
	2019	2018
Indonesia	41,887,290	41,592,245
United States of America	1,278,949	315,385
Singapore	137,178	(174,233)
Timor Leste	60,258	19,999
Hong Kong	378	298
Total	43,364,053	41,753,694

Description	Total Assets	
	December 31,	
	2019	2018
Indonesia	1,383,810,743	1,269,539,970
United States of America	17,707,316	15,912,076
Singapore	9,611,498	5,526,456
Timor Leste	1,080,914	798,272
Hong Kong	7,069	6,865
Total	1,412,217,540	1,291,783,639

Description	Total Liabilities	
	December 31,	
	2019	2018
Indonesia	1,180,225,162	1,089,462,564
United States of America	17,219,729	15,690,108
Singapore	9,604,413	5,682,716
Timor Leste	924,766	787,151
Hong Kong	436	422
Total	1,207,974,506	1,111,622,961

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM

a. Defined Benefit Pension Plan

Effective on January 1, 2007, all newly appointed permanent employees are not included in this program and the right for pension benefits is given based on the established requirements stated in the regulations by considering the annual 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 provisions stipulated in BRI Board of Directors' Decree, BRI employee's contribution for pension contribution amounted to 7% of the employee's pension-based salary and for the remaining amount required to be funded by DPBRI represents the contribution by BRI, amounting to 26.65% (previously 25.02%) since October 1, 2017.

The actuarial calculation of BRI's pension costs as of December 31, 2019 and 2018 was prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 3, 2020 and January 3, 2019 which were prepared in accordance with SFAS No. 24 using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	8.20%	8.40%
Basic pension salary growth rate	7.50	7.50
Pension benefit growth rate	4.00	4.00
Mortality rate	TMI 2019	TMI 2011
Disability rate	10.00% from TMI 2019	10.00% from TMI 2011
Normal retirement age	56 years	56 years

The assets of DPBRI mainly consist of saving deposits, time deposits, securities, mutual fund units, securities with collateral assets and long-term investments in the form of shares of stocks and property.

Movements in present value of defined benefit pension liabilities as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Present value of defined benefit pension - beginning balance	15,544,197	16,749,997
Interest expense	1,276,564	1,252,182
Current service cost	288,758	310,856
Past service cost	-	505,778
Benefit paid	(982,764)	(858,680)
Actuarial (gain) loss	2,667,494	(876,882)
Curtailment	-	(1,539,054)
Present value of defined benefit pension liabilities - ending balance	18,794,249	15,544,197

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

a. Defined Benefit Pension Plan (continued)

Movements in fair value of defined benefit pension liabilities as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Fair value of program assets - beginning balance	15,583,904	17,665,697
Real development results	1,643,196	75,221
Contributions paid - employer	1,266,112	273,725
Contributions paid - participants	69,852	70,845
Benefit paid	(982,764)	(858,680)
Settlement	-	(1,642,904)
Total program assets	17,580,301	15,583,904

Movements in defined benefit pension liabilities as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance	-	-
Defined benefit pension expense - net (Note 35)	212,218	848,359
Contributions paid - current period	(1,266,112)	(273,725)
Remeasurement of liabilities (assets) for defined pension benefit - net	2,267,843	(574,634)
Ending balance (Note 28)	1,213,949	-

Remeasurement of liabilities (assets) for defined benefit pension as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance	(1,617,445)	(1,042,811)
Actuarial (gain) loss	2,667,494	(876,882)
Yields on program assets	(356,608)	1,247,835
Changes in impact of assets other than net interest liabilities (assets)	(43,043)	(945,587)
Total remeasurement of assets for defined pension benefit - net	650,398	(1,617,445)

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

a. Defined Benefit Pension Plan (continued)

Pension benefit expense calculation for the periods ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	288,758	310,856
Contributions paid - participants	(69,852)	(70,845)
Interest expense - net	(6,688)	(1,280)
Past service cost	-	505,778
Actuarial loss	-	103,850
Defined benefit pension expense (Note 35)	212,218	848,359

As of December 31, 2019 and 2018, BRI does not recognize the existence of prepaid of defined benefit pension and benefits of defined benefit pension, because management of BRI does not have the benefit over the assets and BRI has no plans to reduce its contribution in the future.

b. Old-Age Benefits Plan

BRI's employees are also given old-age benefits (THT) in accordance with the provisions stipulated in the Decree of the Board of Directors of BRI. BRI's old-age benefits plan is managed by BRI Employee Welfare Foundation.

Old-age benefit contributions consist of contributions from the employees and BRI in accordance with the provisions stipulated in the Decree of BRI's Board of Directors.

Based on the actuarial calculation of BRI's old-age benefits as of December 31, 2019 and 2018, which was prepared by PT Bestama Aktuarial, an independent actuary, in its reports dated January 3, 2020 and January 3, 2019, respectively, in accordance with SFAS No. 24 using the Projected Unit Credit method, and it considers the following assumptions:

	December 31,	
	2019	2018
Discount rate	8.10%	8.80%
Salary growth rate	7.50	7.50
Mortality rate	TMI 2019	TMI 2019
Disability rate	10.00% from TMI 2011	10.00% from TMI 2011
Normal pension age	56 years old	56 years old

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

b. Old-Age Benefits Plan (continued)

The status of the Old-Age Benefits as of December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	December 31,	
	2019	2018
Fair value of assets	4,234,797	4,024,261
Present value of old-age benefits liabilities	(2,182,112)	(1,977,557)
Surplus	(2,052,685)	2,046,704

Movements of the Old-Age Benefits liabilities as of December 31, 2019 and 2018, respectively, are as follows:

	December 31,	
	2019	2018
Beginning balance	-	-
Old-age benefits expense	104,570	108,534
Remeasurement of old-age benefits liabilities - net	6,276	53,959
Contributions paid in current period	(110,846)	(162,493)
Liabilities - ending balance	-	-

Remeasurement of the Old-Age Benefits liabilities as of December 31, 2019 and 2018, respectively, are as follows:

	December 31,	
	2019	2018
Beginning balance	293,533	239,574
Actuarial loss (gain)	74,201	(76,313)
Yields on program liabilities (assets)	106,203	(12,253)
Changes on impact of assets other than interest - net	(174,128)	142,525
Remeasurement of old-age benefits liabilities - net	299,809	293,533

Old-age benefit expense calculation for period ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	157,704	154,721
Contributions paid - participants	(52,870)	(49,838)
Interest expense (income) - net	(264)	3,651
Old-age benefits expense	104,570	108,534

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

b. Old-Age Benefits Plan (continued)

As of December 31, 2019 and 2018, BRI does not recognize the existence of prepaid of old-age benefits plan and benefits of old-age benefits plan, because management of BRI does not have the benefit over the assets and BRI has no plans to reduce its contribution 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 Board of Directors' decree which was effective since October 2000. BRI's contributions to this plan which are reported in the consolidated statement of profit or loss and other comprehensive income amounted to Rp325,460 and Rp291,569 for the year ended December 31, 2019 and 2018, respectively (Note 35). This defined contribution pension plan is managed by DPBRI.

(ii) BRI Agro (subsidiary)

BRI Agro conducted defined contribution pension plans for all of its permanent employees which is managed by Dana Pensiun Lembaga Keuangan (Financial Institutions Pension Fund) PT Bank Negara Indonesia (Persero) Tbk. BRI Agro's total contribution for the pension funds amounted to 87.8% of the contributions that have been determined based on the level of each employee which are reported in the consolidated statement of profit or loss and other comprehensive income amounting to Rp775 and Rp875 for the years ended December 31, 2019 and 2018, respectively (Note 35).

d. Work Separation Scheme

(i) BRI (parent entity)

The calculation of Work Pension Scheme uses actuarial valuation assumption for BRI's liabilities related to allowance for severance, gratuity for services and compensation benefits which were prepared based on Labor Law No. 13/2003 dated March 25, 2003, as of December 31, 2019 and 2018, performed by PT Bestama Aktuarial, an independent actuary, in its reports dated January 3, 2020 and January 3, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	8.20%	8.70%
Salary growth rate	7.50	7.50
Mortality rate	TMI 2019	TMI 2011
Disability rate	10.00% from TMI 2019	10.00% from TMI 2011

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(i) BRI (parent entity) (continued)

Movements in the work separation scheme liabilities (assets) as of December 31, 2019 and 2018, respectively, are as follows:

	December 31,	
	2019	2018
Beginning balance	1,278,438	1,212,209
Work separation scheme expense (Note 35)	310,478	309,403
Actual benefits paid by BRI	(90,388)	(87,447)
Remeasurement of work separation scheme assets - net	(930,918)	(155,727)
Ending balance (Note 28)	567,610	1,278,438

Remeasurement of liabilities (assets) for defined Work Separation Scheme as of December 31, 2019 and 2018, respectively, is as follows:

	December 31,	
	2019	2018
Beginning balance	(292,645)	(136,918)
Actuarial gain	(930,918)	(155,727)
Remeasurement of work separation scheme assets - net	(1,223,563)	(292,645)

Work Separation Scheme expense calculation for period ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	194,716	210,632
Interest expense	115,762	98,771
Work separation scheme expense (Note 35)	310,478	309,403

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(ii) BRIS (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003.

The actuarial calculation for Work Pension Scheme as of December 31, 2019 and 2018 is in accordance with the calculation of PT Bestama Aktuaria, an independent actuary, in its reports dated January 2, 2020 and January 2, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	8.20%	8.80%
Salary growth rate	5.00	5.00
Mortality rate	TMI III 2011	TMI III 2011

Movements in the work separation scheme program assets as of December 31, 2019 and 2018, respectively, are as follows:

	December 31,	
	2019	2018
Beginning balance of program assets	93,436	68,166
Development result of real interest in accordance with discount rate	8,760	6,317
Surplus (deficit) development of discount rate	(1,995)	(1,854)
Contributions paid - employer	18,000	24,000
Remeasurement	(5,775)	(3,193)
Total asset program	112,426	93,436

Movements in the work separation scheme liabilities (assets) as of December 31, 2019 and 2018, respectively, are as follows:

	December 31,	
	2019	2018
Beginning balance	-	12,829
Work separation scheme expense (Note 35)	10,009	12,190
Actual benefits paid by BRIS	(18,204)	(24,333)
Remeasurement of liabilities (assets) for work separation scheme - net	8,195	(686)
Ending balance (Note 28)	-	-

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(ii) BRIS (Subsidiary) (continued)

Remeasurement of program assets for Work Separation Scheme as of December 31, 2019 and 2018, respectively, is as follows:

	December 31,	
	2019	2018
Beginning balance	(5,288)	(4,602)
Actuarial loss (gain)	8,195	(686)
Remeasurement on assets for work separation scheme - net	2,907	(5,288)

Work Separation Scheme expense calculation as of December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	10,354	12,440
Interest expense	(345)	(250)
Work separation scheme expense (Note 35)	10,009	12,190

As of December 31, 2019 and 2018, BRISyariah does not recognize the existence of prepaid of work separation scheme and benefits of work separation scheme, because management of BRISyariah does not have the benefit over the assets and BRIS has no plans to reduce its contribution in the future.

(iii) BRI Agro (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003.

The actuarial calculation for Work Pension Scheme as of December 31, 2019 and 2018 is in accordance with the calculation of PT Bestama Aktuaria, an independent actuary, in its reports dated January 2, 2020 and January 3, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	8.90%	8.20%
Salary growth rate	7.00	7.00
Mortality rate	TMI 2019	TMI 2011
Disability rate	10.00% from TMI 2019	10.00% from TMI 2011

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iii) BRI Agro (Subsidiary) (continued)

Movements in the Work Separation Scheme liability (assets) as of December 31, 2019 and 2018, respectively, are as follows:

	December 31,	
	2019	2018
Beginning balance	40,966	39,057
Work separation scheme expense (Note 35)	2,574	7,401
Actual benefit paid by BRI Agro	(5,846)	(881)
Remeasurement on assets for work separation scheme - net	1,113	(4,611)
Ending balance (Note 28)	38,807	40,966

Remeasurement of assets for defined Work Separation Scheme as of December 31, 2019 and 2018, respectively, are as follows:

	December 31,	
	2019	2018
Beginning balance	(6,438)	(1,827)
Actuarial gain	1,113	(4,611)
Remeasurement on assets for work separation scheme - net	(5,325)	(6,438)

Work Separation Scheme expense calculation for period ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	4,159	5,991
Interest expense	3,290	3,072
Past service cost	(4,875)	(1,662)
Work separation scheme (income) expense (Note 35)	2,574	7,401

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(iv) BRI Life (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003.

The actuarial calculation for Work Separation Scheme as of December 31, 2019 and 2018 is in accordance with the calculation of PT Padma Radya Aktuaria, an independent actuary, in its reports dated January 2, 2020 and January 2, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	7.50%	8.25%
Salary growth rate	7.00	7.00
Mortality rate	TMI III 2011	TMI III 2011
Disability rate	10.00% from TMI III 2011	10.00% from TMI III 2011

Movements in the Work Separation Scheme liability as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance	63,929	60,706
Work separation scheme expense (Note 35)	10,500	9,972
Actual benefits paid by BRI Life	(4,451)	(2,555)
Remeasurement on liabilities (assets) for work separation scheme - net	1,937	(4,194)
Ending balance (Note 28)	71,915	63,929

Remeasurement of liabilities (assets) for defined Work Separation Scheme as of December 31, 2019 and 2018 is as follows:

	December 31,	
	2019	2018
Beginning balance	6,364	10,558
Actuarial loss (gain)	1,937	(4,194)
Remeasurement on liabilities for work separation scheme - net	8,301	6,364

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

Work Separation Scheme expense calculation for period ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	5,226	5,520
Interest expense	5,274	4,452
Work separations scheme expense (Note 35)	10,500	9,972

(v) BRI Finance (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003.

The actuarial calculation for Work Separation Scheme as of December 31, 2019 and 2018 is in accordance with the calculation of PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its reports dated January 20, 2020 and January 4, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	8.10%	8.50%
Salary growth rate	7.00	7.00
Mortality rate	TMI 2011	2011
Disability rate	5.00% from TMI 2011	5.00% from TMI 2011

Movements in the Work Separation Scheme liability (asset) as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance	10,310	10,676
Work separation scheme expense (Note 35)	3,077	3,096
Actual benefits paid by BRI Finance	(396)	(2,024)
Remeasurement on liabilities (assets) for work separation scheme - net	1,371	(1,438)
Ending balance (Note 28)	14,362	10,310

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(v) BRI Finance (Subsidiary) (continued)

Remeasurement of liabilities/(assets) for defined Work Separation Scheme as of December 31, 2019 and 2018 is as follows:

	December 31,	
	2019	2018
Beginning balance	(6,572)	(5,134)
Actuarial loss (gain)	1,371	(1,438)
Remeasurement on liabilities/(assets) for work separation scheme - net	(5,201)	(6,572)

Work Separation Scheme expense calculation as of December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	2,138	1,326
Interest expense	851	1,673
Past service cost	88	97
Work separations scheme expense (Note 35)	3,077	3,096

(vi) Danareksa Sekuritas (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003.

The actuarial calculation for Work Separation Scheme as of December 31, 2019 and 2018 is in accordance with the calculation of PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its reports dated January 10, 2020 and January 17, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	7.50%	8.50%
Salary growth rate	10.00	10.00
Mortality rate	TMI II 1999	TMI II 1999
Disability rate	1.00% from TMI II 1999	1.00% from TMI II 1999

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(vi) Danareksa Sekuritas (Subsidiary) (continued)

Movements in the Work Separation Scheme liability as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance	10,592	14,212
Work separation scheme expense (Note 35)	6,433	6,440
Contributions paid	(5,586)	(6,411)
Remeasurement on liabilities/(assets) for work separation scheme - net	4,247	(2,346)
Actual benefits paid by Danareksa Sekuritas	(2,224)	(1,303)
Ending balance (Note 28)	13,462	10,592

Remeasurement of (assets) liabilities for defined Work Separation Scheme as of December 31, 2019 and 2018 is as follows:

	December 31,	
	2019	2018
Beginning balance	5,230	2,884
Actuarial loss	(4,247)	2,346
Remeasurement on assets for work separation scheme - net	983	5,230

Work Separation Scheme expense calculation for the period ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	5,342	5,423
Interest expense	1,023	996
Past service cost	68	21
Work separation scheme expense (Note 35)	6,433	6,440

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(vii) BRI Ventura (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003. The actuarial calculation for Work Separation Scheme as of December 31, 2019 are in accordance with the calculation of PT. Bestama Aktuarial, an independent actuary, in its reports dated January 10, 2020, using the Projected Unit credit method and considering the following assumptions:

	December 31,
	2019
Discount rate	8.20%
Salary growth rate	7.00
Mortality rate	TMI 2019
Disability rate	10.00% from TMI 2019

Movements in the Work Separation Scheme liability as of December 31, 2019 are as follows:

	December 31,
	2019
Beginning balance	56
Work separation scheme expense (Note 35)	25
Ending balance (Note 28)	81

Remeasurement of (assets) liabilities for defined Work Separation Scheme as of December 31, 2019 is as follows:

	December 31,
	2019
Beginning balance	30
Actuarial loss	2
Remeasurement on assets for work separation scheme - net	32

Work Separation Scheme expense calculation for the period ended December 31, 2019, respectively, in accordance with the actuarial calculation is as follows:

	Year ended
	December 31,
	2019
Current service cost	20
Interest expense	5
Work separation scheme expense (Note 35)	25

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

d. Work Separation Scheme (continued)

(viii) BRINS (Subsidiary)

The Subsidiary provides Work Separation Scheme in accordance with Labor Law No. 13/2003 dated March 25, 2003. The actuarial calculation for Work Separation Scheme as of December 31, 2019 is in accordance with the calculation of PT. Dayamandiri Dharmakonsilindo, an independent actuary, in its reports dated January 13, 2020 respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,
	2019
Discount rate	8,15%
Salary growth rate	8.75
Mortality rate	TMI III 2011
Disability rate	10.00% from TMI-III 2011

Movements in the Work Separation Scheme liability as of December 31, 2019 are as follows:

	December 31,
	2019
Beginning balance	47,991
Work separation scheme expense (Note 35)	11,278
Remeasurement on liabilities/(assets) for work separation scheme - net	5,340
Actual benefits paid by BRINS	(3,878)
Termination Cost	(229)
Ending balance (Note 28)	60,502

Remeasurement of (assets) liabilities for defined Work Separation Scheme as of December 31, 2019 is as follows:

	December 31,
	2019
Beginning balance	10,340
Actuarial loss	5,340
Remeasurement on assets for work separation scheme - net	15,680

Work Separation Scheme expense calculation as of December 31, 2019, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,
	2019
Current service cost	5,828
Interest expense	4,050
Past service cost	479
Remeasurement other long term benefit	692
Settlement of Termination Cost	229
Work separation scheme expense (Note 35)	11,278

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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, post employment BPJS health program and other benefit program of additional benefit fund.

(i) Allowance for gratuity for services

i. BRI (Parent Entity)

The actuarial calculation on gratuity for services as of December 31, 2019 and 2018 is prepared by PT Bestama Aktuarial, an independent actuary, in its reports dated January 3, 2020 and January 3, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	8.10%	8.70%
Salary growth rate	7.50	7.50
Gold price growth rate	10.00	10.00
Mortality rate	TMI 2019	TMI 2011
Disability rate	10,00% from TMI 2019	10.00% from TMI 2011

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp1,312,871 and Rp1,115,960 as of December 31, 2019 and 2018, respectively.

Movements in the liability for gratuity for services as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	1,115,960	1,061,952
Gratuity for services expense (Note 35)	267,737	129,290
Benefits paid by BRI	(70,826)	(75,282)
Gratuity for services liability (Note 28)	1,312,871	1,115,960

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

i. BRI (Parent Entity) (continued)

The gratuity for services expense calculation for the periods ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	98,826	96,549
Interest expense	98,306	81,762
Recognized actuarial loss (gain)	70,605	(49,021)
Gratuity for services expense (Note 35)	267,737	129,290

ii. BRI Agro (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation on gratuity for services as of December 31, 2019 and 2018 is prepared by PT Bestama Aktuarial, an independent actuary, in its reports dated January 2, 2020 and January 3, 2019, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	6.20%	8.00%
Salary growth rate	7.00	7.00
Gold price growth rate	5.00	5.00
Mortality rate	TMI III 2011	TMI III 2011
Disability rate	10% from TMI III 2011	10% from TMI III 2011

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp592 and Rp390 as of December 31, 2019 and 2018.

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

ii. BRI Agro (Subsidiary) (continued)

Movements in the liability for gratuity for services as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	390	297
Gratuity for services expense (Note 35)	257	194
Actual benefits paid by BRI Agro	(55)	(101)
Gratuity for services liability (Note 28)	592	390

The gratuity for services expense calculation for the period ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	215	148
Interest expense	38	22
Recognized actuarial loss(gain)	4	24
Gratuity for services expense (Note 35)	257	194

iii. BRI Life (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation on gratuity for services as of December 31, 2019 and 2018 is prepared by PT Padma Radya Aktuaria, an independent actuary, in its reports dated January 2, 2020 and January 2, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	7.50%	8.25%
Salary growth rate	7.00	7.00
Mortality rate	TMI III 2011	TMI III 2011
Disability rate	10% from TMI 2011	10% from TMI III 2011

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, 2019 and for the Year Then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

iii. BRI Life (Subsidiary) (continued)

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp11,840 and Rp10,733 as of December 31, 2019 and 2018, respectively.

Movements in the liability for gratuity for services as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	10,733	10,289
Gratuity for services expense (Note 35)	3,685	1,101
Actual benefits paid by BRI Life	(2,578)	(657)
Gratuity for services liability (Note 28)	11,840	10,733

Work Separation Scheme expense calculation as of December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	1,161	1,210
Interest expense	862	728
Recognized actuarial Loss/(gain)	1,662	(837)
Past service cost	-	-
Gratuity for services expense/(income) (Note 35)	3,685	1,101

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

iv. BRI Finance (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation on gratuity for services as of December 31, 2019 and 2018, is prepared by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its reports dated January 20, 2020 and January 4, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Gold price (full value)	752,000	618,311
Average age below retirement age	36	36
Average age above retirement age	57	58
Average years of service	7.60	7.90

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp802 and Rp711 as of December 31, 2019 and 2018, respectively.

Movements in the liability for gratuity for services as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	711	264
Gratuity for services expense/(income) (Note 35)	227	478
Actual benefits paid by BRI Finance	(136)	(31)
Gratuity for services liability (Note 28)	802	711

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

iv. BRI Finance (Subsidiary) (continued)

The gratuity for services expense calculation for the periods ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	61	55
Interest expense	60	18
Recognized actuarial loss/(gain)	106	405
Gratuity for services expense (Note 35)	227	478

v. Danareksa Sekuritas (Subsidiary)

The Subsidiary also provides gratuity for services program to its employees as one of their benefits.

The actuarial calculation on gratuity for services as of December 31, 2019 and 2018 is prepared by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its reports dated January 10, 2020 and January 17, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	7.50%	8.50%
Salary growth rate	10.00	10.00
Mortality rate	TMI II 1999	TMI II 1999
Disability rate	5.00% from TMI II 1999	1.00% from TMI II 1999

The present value of liability for gratuity for services based on the actuarial calculation amounted to Rp2,529 and Rp2,472 as of December 31, 2019 and 2018, respectively.

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(i) Allowance for gratuity for services (continued)

v. Danareksa Sekuritas (Subsidiary) (continued)

Movements in the liability for gratuity for services as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	2,472	3,216
Gratuity for services (income)/ expense (Note 35)	483	(201)
Actual benefits paid	(426)	(543)
Gratuity for services liability (Note 28)	2,529	2,472

The gratuity for services expense calculation for the periods ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	357	316
Interest expense	210	225
Recognized actuarial (gain)/loss	(84)	(742)
Gratuity for services (income)/expense (Note 35)	483	(201)

(ii) Grand leaves

i. BRI (Parent Entity)

The actuarial calculation on grand leaves as of December 31, 2019 and 2018 is prepared by PT Bestama Aktuaria, an independent actuary, in its reports date January 3, 2020 and January 3, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	7.90%	8.70%
Salary growth rate	7.50	7.50
Mortality rate	TMI 2019	TMI 2011
Disability rate	10.00% from TMI 2019	10.00% from TMI 2011

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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 Rp2,075,801 and Rp1,788,260 as of December 31, 2019 and 2018, respectively.

Movements in the liability for grand leaves December 31, 2019 and 2018, respectively, are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	1,788,260	1,517,614
Grand leaves expense (Note 35)	538,594	442,565
Actual benefits paid by BRI	(251,053)	(171,919)
Grand leaves liability (Note 28)	2,075,801	1,788,260

The grand leaves expense calculation for the periods ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	263,847	195,947
Interest expense	156,135	118,591
Recognized actuarial loss/(gain)	118,612	128,027
Grand leaves expense (Note 35)	538,594	442,565

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

ii. BRISyariah (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation on grand leaves as of December 31, 2019 and 2018, is prepared by PT Bestama Aktuaria, an independent actuary, in its reports dated January 2, 2020 and January 2, 2019 respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	7.60%	8.10%
Salary growth rate	5.00	5.00
Mortality rate	TMI III 2011	TMI III 2011
Disability rate	5.00% from TMI III 2011	5.00% from TMI III 2011

The present value of liability for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp43,232 and Rp44,466 as of December 31, 2019 and 2018, respectively.

Movements in the liability for grand leaves December 31, 2019 and 2018, respectively, are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	44,466	30,304
Grand leaves expense (Note 35)	2,681	15,493
Actual benefits paid by BRISyariah	(3,915)	(1,331)
Grand leaves liability (Note 28)	43,232	44,466

The grand leaves expense calculation for the periods ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	7,149	7,379
Interest expense	3,761	2,366
Recognized actuarial loss/(gain)	(8,229)	5,748
Grand leaves expense (Note 35)	2,681	15,493

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

iii. BRI Agro (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation on grand leaves of the Subsidiary as of December 31, 2019 and 2018, is prepared by PT Bestama Aktuarial, an independent actuary, in its reports dated January 2, 2020 and January 3, 2019 respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	6.20%	7.70%
Salary growth rate	7.00	7.00
Mortality rate	TMI 2011	TMI 2011
Disability rate	10.00% from TMI 2011	10.00% dari TMI 2011

The present value of liability for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp3,747 and Rp3,501 as of December 31, 2019 and 2018, respectively.

Movements in the liability for grand leaves as of December 31, 2019 and 2018, respectively, are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	3,501	3,026
Grand leaves expense (Note 35)	1,219	961
Actual benefits paid by BRI Agro	(973)	(486)
Grand leaves liability (Note 28)	3,747	3,501

The grand leaves expense calculation as of December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	1,253	1,046
Interest expense	280	182
Recognized actuarial (gain)/loss	(314)	(267)
Grand leaves expense (Note 35)	1,219	961

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

iv. BRI Life (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation on grand leaves as of December 31, 2019 and 2018, is prepared by PT Padma Radya Aktuaria, an independent actuary, in its reports dated January 2, 2020 and January 2, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	7.50%	8.25%
Salary growth rate	7.00	7.00
Mortality rate	TMI III 2011	TMI III 2011
Disability rate	10.00% from TMI III 2011	10.00% from TMI III 2011

The present value of liability for grand leaves of the Subsidiary based on the actuarial calculation amounted to Rp7,915 and Rp10,131 as of December 31, 2019 and 2018, respectively.

Movements in the liability for grand leaves as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	10,131	9,050
Grand leaves expense (Note 35)	3,740	3,895
Actual benefits paid	(5,956)	(2,814)
Grand leaves liability (Note 28)	7,915	10,131

The grand leave expense calculation for the years ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	3,189	3,030
Interest expense	638	536
Recognized actuarial (gain)/loss	(87)	329
Grand leaves expense (Note 35)	3,740	3,895

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

v. BRI Finance (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation on grand leaves as of December 31, 2019 and 2018, is prepared by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its report dated January 20, 2020 and January 4, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	7.50%	7.00%
Salary growth rate	7.00	7.00
Mortality rate	TMI 2011	TMI 2011
Disability rate	5.00% from TMI 2011	5.00% from TMI 2011

Movements in the liability for grand leaves as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	657	654
Grand leaves expense (Note 35)	1,042	153
Actual benefits paid by BRI Finance	(957)	(150)
Grand leaves liability (Note 28)	742	657

The grand leave expense calculation for the period ended December 31, 2019 and 2018 respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	110	93
Interest expense	56	46
Recognized actuarial (gain)/loss	876	14
Grand leaves expense (Note 35)	1,042	153

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(ii) Grand leaves (continued)

vi. Danareksa Sekuritas (Subsidiary)

The Subsidiary also provides grand leaves program to its employees as one of their benefits.

The actuarial calculation on grand leaves as of December 31, 2019 and 2018, is prepared by PT Jasa Aktuarial Praptasentosa Gunajasa, an independent actuary, in its report dated January 10, 2020 and January 17, 2019, respectively, using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	7.50%	8.50%
Salary growth rate	10.00	10.00
Mortality rate	TMI II 1999	TMI II 1999
Disability rate	1.00% from TMI II 1999	1.00% from TMI II 1999

Movements in the liability for grand leaves as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	2,518	2,575
Grand leaves expense (Note 35)	1,371	411
Actual benefits paid	(978)	(468)
Grand leaves liability (Note 28)	2,911	2,518

The grand leave expense calculation for the period ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	478	406
Interest expense	214	181
Recognized actuarial (gain)/loss	679	(176)
Grand leaves expense (Note 35)	1,371	411

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iii) Post Employment BPJS Health Program

i. BRI (Parent Entity)

The actuarial calculation on Post Employment BPJS Health Program as of December 31, 2019 and 2018 is prepared by PT Bestama Aktuaria, an independent actuary, in its report dated January 3, 2020 and January 3, 2019 using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	8.10%	8.70%
BPJS contribution growth rate	4.88	4.88
Mortality rate	TMI 2019	TMI 2011
Disability rate	10.00% from TMI 2019	10.00% from TMI 2011

Post Employment BPJS Health Program status in accordance with the actuarial valuation as of December 31, 2019 and 2018 is as follows:

	December 31,	
	2019	2018
Present value of post employment BPJS health program liability	944,018	795,084
Fair value of asset	(921,281)	(917,435)
(Deficit) Surplus	22,737	(122,351)

Movements in the liability for Post Employment BPJS Health Program as of December 31, 2019 and 2018 are as follows:

	December 31,	
	2019	2018
Beginning balance of liability	-	243,259
Post employment BPJS health program expense (Note 35)	30,966	141,390
Contributions paid in the current Period	-	(372,884)
Remeasurement of post employment BPJS health program liabilities/(assets)	(8,229)	(11,765)
Post employment BPJS health program liability (Note 28)	22,737	-

As of December 31, 2019 and 2018, BRI does not recognize the existence of prepaid of Post Employment BPJS Health Program and benefits of Post Employment BPJS Health Program, because management of BRI does not have the benefit over the assets and BRI has no plans to reduce its contribution in the future.

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iii) Post Employment BPJS Health Program

i. BRI (Parent Entity)

Remeasurement of liabilities (assets) for Post Employment BPJS Health Program as of December 31, 2019 and 2018, respectively, is as follows:

	December 31,	
	2019	2018
Beginning balance	(11,765)	-
Actuarial (gain)loss	70,101	(174,249)
Yields on program assets	54,665	40,133
Changes on impact of assets other than net interest liabilities	(132,996)	122,351
Remeasurement on defined benefit liabilities (asset) - net	(19,995)	(11,765)

The post employment BPJS health program expense calculation for the periods ended December 31, 2019 and 2018, respectively, in accordance with the actuarial calculation is as follows:

	Year ended December 31,	
	2019	2018
Current service cost	29,675	29,959
Interest expense - net	1,291	5,456
Past service cost	-	105,975
Post Employment BPJS Health Program expense (Note 35)	30,966	141,390

(iv) Other benefit program of additional benefit fund

i. BRI (Parent Entity)

The actuarial calculation on BRI's pension expense as of December 31, 2019 and 2018 is prepared by PT Bestama Aktuarial, an independent actuary, in its report dated January 3, 2020 and January 3, 2019, which was prepared in accordance with SFAS No. 24 (Revised 2013), using the Projected Unit Credit method and considering the following assumptions:

	December 31,	
	2019	2018
Discount rate	8.40%	8.40%
Salary growth rate	7.50	7.50
Gold price growth rate	4.00	4.00
Mortality rate	TMI 2019	TMI 2011
Disability rate	10.00% from TMI 2019	10.00% from TMI 2011
Normal retirement age	56 years	56 years

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iv) Other benefit program of additional benefit fund (continued)

i. BRI (Parent Entity) (continued)

The assets of DPBRI mainly consist of saving deposits, time deposits, securities, mutual fund units, securities with collateral assets and long-term investments in the form of shares of stocks and property.

Movement in the present value of defined benefit pension liability as of December 31, 2019 and 2018 is as follows:

	December 31,	
	2019	2018
Present value of liability- beginning of the year	1,539,054	-
Interest expense	123,409	-
Current service cost	17,609	-
Past service cost	205,448	1,696,462
Benefit paid	(157,400)	(157,408)
Actuarial (gain)/loss	165,055	-
Present value liability at the end of the year	1,893,175	1,539,054

Movement in the fair value of program assets as of December 31, 2019 and 2018 is as follows:

	December 31,	
	2019	2018
Fair value of program asset- beginning of the year	1,642,904	-
Benefits paid	(157,400)	(157,408)
Settlement	-	1,800,312
Real development results	262,476	-
Contribution	79,112	-
Program assets at the end of the year	1,827,092	1,642,904

Movement in the defined benefit pension liabilities as of December 31, 2019 and 2018 is as follows:

	December 31,	
	2019	2018
Defined benefit pension plan income - net	220,474	(103,850)
Remeasurement of liabilities/(assets) for defined benefit pension - net	(75,278)	103,850
Employee Contributions	(79,112)	-
Ending balance (Note 28)	66,084	-

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

42. EMPLOYEES PROGRAM (continued)

e. Other Long-term Employee Benefits (continued)

(iv) Other benefit program of additional benefit fund (continued)

As December 31, 2019 and 2018, BRI does not recognize the existence of prepaid of defined benefit pension and benefits of defined benefit pension, because management of BRI does not have the benefit over the assets and BRI has no plans to reduce its contribution in the future.

Remeasurement of liabilities/(assets) for defined benefit pension as of December 31, 2019 and 2018 is as follows:

	December 31,	
	2019	2018
Beginning Balance	103,850	-
Actuarial gain	165,055	-
Yields on program assets	(127,761)	-
Changes on impact of assets other than net interest liabilities/(assets)	(112,573)	103,850
Remeasurement of liabilities/(assets) for defined pension benefit – net	28,571	103,850

Defined benefit pension expense as of December 31, 2019, and 2018 based on the actuarial calculation is as follows:

	December 31,	
	2019	2018
Past service cost	205,448	1,696,462
Actuarial gain	-	(1,800,312)
Current service cost	17,609	-
Interest - net	(2,583)	-
Defined benefit pension income /(expense) (Note 35)	220,474	(103,850)

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

43. INFORMATION ON COMMITMENTS AND CONTINGENCIES

	December 31,	
	2019	2018
<u>Commitments</u>		
Commitments receivable		
Purchase of foreign currencies spot and futures	5,455,188	16,316,902
Commitment liabilities		
Unused loan facilities granted to debtors	131,345,624	130,854,091
Irrevocable Letters of Credit (Note 27c)	6,459,481	8,693,691
Purchase of foreign currencies spot and futures	33,296,005	18,476,485
Unused financing facilities granted to debtors	145,544	65,330
	171,246,654	158,089,597
Commitments - net	(165,791,466)	(141,772,695)
<u>Contingencies</u>		
Contingencies receivable		
Interest receivable in progress	126,871	112,273
Contingent liabilities		
Guarantees issued (Note 27c) in the form of:		
Standby Letters of Credit	15,848,438	13,535,519
Bank guarantees	29,202,927	31,350,532
	45,051,365	44,886,051
Contingencies - net	(44,924,494)	(44,773,778)

44. TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms.

Balances and transactions with related parties are as follows:

Related parties	Type of Relationship	Element of related party transactions
Key employees	Control Relationship on company's activities	Sharia receivables and financing
Lembaga Pembiayaan Ekspor Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Securities, Placements with Bank Indonesia and other banks
Government of the Republic of Indonesia (RI)	Ownership of majority shares through the Ministry of Finance of the Republic of Indonesia	Securities, Loan Government Recapitalization Bonds
PT Permodalan Nasional Madani (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
Perum BULOG	Ownership relationship through the Government of the Republic of Indonesia	Loan, Placements with Bank Indonesia and other banks

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms (continued)

Balances and transactions with related parties are as follows (continued):

Related parties	Type of Relationship	Element of related party transactions
PT Adhimix Precast Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Angkasa Pura I (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable
PT Angkasa Pura II (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable
PT Asuransi Bringin Sejahtera Artamakmur *)	Ownership relationship through the Dana Pensiun BRI	Insurance of Fixed Asset
PT Asuransi Jiwasraya	Ownership relationship through the Government of the Republic of Indonesia	Securities purchased under agreement to resell
PT Asuransi Tugu Pratama	Ownership relationship through the Government of the Republic of Indonesia	Insurance of Fixed Asset
PT Bahana Artha Ventura	Ownership relationship through the Government of the Republic of Indonesia	Investment in associated entities
PT Bank BNI Syariah	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks
PT Bank Mandiri (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks, Securities
PT Bank Mandiri Taspen	Ownership relationship through the Government of the Republic of Indonesia	Securities purchased under agreement to resell
PT Bank Negara Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks, Securities
PT Bank Tabungan Negara (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks, Securities

*) Effective date September 26, 2019 (Notes 1f) has been acquired by BRI

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms (continued)

Balances and transactions with related parties are as follows (continued):

Related parties	Type of Relationship	Element of related party transactions
PT Bank Syariah Mandiri	Ownership relationship through the Government of the Republic of Indonesia	Current account with other banks, Placements with Bank Indonesia and other banks
PT Barata Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable, Irrevocable L/C
PT BNI Multifinance	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other banks
PT Citra Wasphtowa	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Danareksa Investment Management	Ownership relationship through the Government of the Republic of Indonesia	Investment in associated entities
PT Dirgantara Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Irrevocable L/C, Export bills and notes receivable
PT Eltran Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
PT Garuda Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Export bills and notes receivable, Acceptances receivable
PT Garuda Maintenance Facility Aero Asia Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivables, Acceptances receivable
PT Gendhis Multi Manis	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C
PT Hakaaston	Ownership relationship through the Government of the Republic of Indonesia	Finance lease receivable
PT Utama Karya (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Finance lease receivable
PT Utama Karya Infrastruktur	Ownership relationship through the Government of the Republic of Indonesia	Finance lease receivable
PT Indonesia Asahan Aluminium	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C, Acceptances receivable
PT Kaltim Industrial Estate	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms (continued)

Balances and transactions with related parties are as follows (continued):

Related parties	Type of Relationship	Element of related party transactions
PT Kereta Api Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C, loan
PT Kimia Farma (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Kimia Farma Apotek (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Krakatau Steel (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Loans, Guarantees issued
PT Kresna Kusuma Dyandra Marga	Ownership relationship through the Government of the Republic of Indonesia	Loans
PT Koperasi Telkom	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Mandiri Usaha Finance	Ownership relationship through the Government of the Republic of Indonesia	Placements with Bank Indonesia and other banks
PT Pegadaian (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Loans, Sharia receivables and financing
PT Pembangunan Perumahan (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Acceptances receivable, Irrevocable L/C
PT Pertamina (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Loans, Guarantees issued, Acceptances receivable, Irrevocable L/C, Export bills and notes receivables
PT Pertamina Patra Niaga	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable, Export bills and notes receivables
PT Pertamina Lubricants	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivables
PT Perusahaan Gas Negara (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued
PT Perusahaan Listrik Negara (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Loans, Guarantees issued, Irrevocable L/C

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms (continued)

Balances and transactions with related parties are as follows (continued):

Related parties	Type of Relationship	Element of related party transactions
PT Petrokimia Gresik	Ownership relationship through the Government of the Republic of Indonesia	Loans, Irrevocable L/C
PT Pindad (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Irrevocable L/C, Acceptances receivable
PT Pupuk Indonesia (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities
PT Rekayasa Industri	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable
PT Sarana Multigriya Finansial (Persero)	Ownership relationship through the Government of the Republic of Indonesia	Securities, Placements with Bank Indonesia and other banks
PT Semen Indonesia	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing
PT Telekomunikasi Indonesia (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Securities
PT Telekomunikasi Selular	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued
PT Trans Jabar Tol	Ownership relationship through the Government of the Republic of Indonesia	Loans
PT Waskita Beton Precast Tbk	Ownership relationship through the Government of the Republic of Indonesia	Sharia receivables and financing, Export bills and notes receivable
PT Waskita Karya (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable, Guarantees issued
PT Wijaya Karya Industri Energi	Ownership relationship through the Government of the Republic of Indonesia	Export bills and notes receivable, Acceptances receivable
PT Wijaya Karya (Persero) Tbk	Ownership relationship through the Government of the Republic of Indonesia	Guarantees issued, Export bills and notes receivable,
PT Wijaya Karya Bangunan Gedung	Ownership relationship through the Government of the Republic of Indonesia	Acceptances receivable Export bills and notes receivable

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms (continued)

Balances and transactions with related parties are as follows (continued):

	December 31,	
	2019	2018
Assets (continued)		
Export bills and notes receivable (Note 8)		
PT Dirgantara Indonesia	4,003,016	2,890,634
PT Pertamina (Persero)	3,684,409	799,827
PT Waskita Karya (Persero) Tbk	1,636,261	2,000,000
PT Garuda Indonesia (Persero)	1,397,528	1,676,565
PT Garuda Maintenance Facility Aero Asia Tbk	1,084,203	423,635
PT Wijaya Karya Beton Tbk	632,850	801,173
PT Pertamina Lubricants	557,815	930
PT Waskita Beton Precast Tbk	153,922	69,447
PT Angkasa Pura II (Persero)	43,301	28,689
PT Pertamina Patra Niaga	32,877	33,860
PT Wijaya Karya Bangunan Gedung	32,852	-
Others	658,230	3.508,832
	13,917,264	12,233,592
Government Recapitalization Bonds (Note 9)		
Government of the Republic of Indonesia	1,130,306	1,505,273
Securities purchased under agreement to resell (Note 10)		
PT Asuransi Jiwasraya	879,053	1,149,156
PT Bank Mandiri Taspen	-	102,213
	879,053	1,251,369
Loans (Note 12)		
PT Perusahaan Listrik Negara (Persero)	25,998,611	23.616.099
Perum BULOG	14,919,169	16.316.937
PT Pertamina (Persero)	7,797,013	11.575.627
PT Kresna Kusuma Dyandra Marga	2,881,119	2.338.069
PT Pegadaian (Persero)	2,751,793	687.042
PT Trans Jabar Tol	2,141,861	2.438.362
PT Krakatau Steel (Persero) Tbk	2,122,094	2.196.923
Pemerintah Indonesia	1,886,099	2,804,944
PT Petrokimia Gresik	1,858,161	2,222,289
PT Kereta Api Indonesia (Persero)	1,795,405	1,687,746
Others	38,598,482	44,868,984
	102,749,807	110,753,022

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms (continued)

Balances and transactions with related parties are as follows (continued):

	December 31,	
	2019	2018
Assets (continued)		
Sharia receivables and financing (Note 13)		
PT Angkasa Pura I (Persero)	1,000,000	229,824
PT Pegadaian (Persero)	700,000	400,000
PT Waskita Beton Precast Tbk	512,000	512,000
PT Semen Indonesia	382,979	-
PT Kimia Farma (Persero)	300,000	110,000
PT Citra Waspphutowa	248,537	213,515
PT Adhimix Precast Indonesia	175,514	314,043
PT Kimia Farma Apotek	95,000	-
PT Koperasi Telkom	82,527	29,982
Permodalan Nasional madani	80,164	-
Key Employee	8,126	9,946
Others	614,008	619,121
	4,198,855	2,438,431
Finance lease receivable (Note 14)		
PT Hakaaston	33,475	-
PT Hutama Karya (Persero)	27,305	-
PT Hutama Karya Infrastruktur	13,644	-
	74,424	-
December 31,		
	2019	2018
Acceptances receivable (Note 15)		
PT Pertamina Patra Niaga	294,920	11,326
PT Garuda Maintenance Facility Aero Asia Tbk	209,586	421,000
PT Pembangunan Perumahan (Persero) Tbk	191,130	51,003
PT Wijaya Karya Bangunan Gedung	114,745	12,031
PT Pindad (Persero)	86,794	3,860
PT Barata Indonesia (Persero)	14,040	-
PT Rekayasa Industri	13,320	-
PT Kaltim Industrial Estate	7,948	-
PT Indonesia Asahan Aluminium	6,953	-
PT Wijaya Karya Industri Energi	3,421	2,197
Others	1,497	976,276
	944,354	1,477,693

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms (continued)

Balances and transactions with related parties are as follows (continued):

	December 31,	
	2019	2018
<u>Assets (continued)</u>		
Investment in associated entities (Note 16)		
PT Danareksa Investment Management	377,770	372,271
PT Bahana Artha Ventura	74,205	72,607
	451,975	444,878
Total assets from related parties	293,592,603	286,587,082
Total consolidated assets	1,416,758,840	1,296,898,292
Percentage of total assets from related parties to total consolidated assets	20.72%	22.098%
<u>Liabilities</u>		
Demand deposits (Note 20)		
Government Entities and Institutions	48,339,192	53,016,669
Key employee management	3,175	26,672
Others	-	1,435
	48,342,367	53,044,776
Savings Deposits (Note 21)		
Government Entities and Institutions	31,894	89,093
Key employee management	169,406	167,112
Others	-	44,581
	201,300	300,786
Time Deposits (Note 22)		
Government Entities and Institutions	87,612,226	85,832,772
Key employee management	138,836	157,555
Others	-	1,878,913
	87,751,062	87,869,240

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms (continued)

Balances and transactions with related parties are as follows (continued):

	December 31,	
	2019	2018
<u>Liabilities</u>		
Deposits from other banks and financial institutions (Note 23)		
Government Entities and Institutions	748,501	551,129
Securities sold under agreement to repurchase (Note 24)		
Government Entities and Institutions	-	1,934,600
Fund borrowings (Note 26)		
Government Entities and Institutions	1,077,979	454,595
Compensation to key employees management (Note 42)		
Present value of defined benefit pension liability	478,745	366,707
Present value of work separation scheme liability	42,141	129,433
Present value of old-age benefits liability	100,676	92,444
Present value of grand leaves liability	61,234	54,069
Present value of gratuity for services liability	47,988	42,492
Present value of other benefit program of defined benefit payment liability	-	11,523
	730,784	696,668
Total liabilities to related parties	138,851,993	144,851,794
Total consolidated liabilities	1,207,974,506	1,111,622,961
Percentage of liabilities to related parties to total consolidated liabilities	11.49%	13.03%
Syirkah Temporer Fund		
Entities, Government Institutions and key employees	5,983,080	382,207
Percentage syirkah temporary fund related parties total	24.11%	1.82%

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms (continued)

Balances and transactions with related parties are as follows (continued):

	December 31,	
	2019	2018
<u>Commitments and contingencies</u>		
<u>in the administrative accounts</u>		
Guarantees issued (Note 27c)		
PT Wijaya Karya (Persero) Tbk	4,520,182	3,479,242
PT Pembangunan Perumahan (Persero) Tbk	2,733,225	2,333,382
PT Garuda Indonesia (Persero) Tbk	2,436,348	1,178,058
PT Pertamina (Persero)	2,075,352	1,922,168
PT Waskita Karya (Persero) Tbk	1,742,053	882,663
PT Perusahaan Gas Negara (Persero) Tbk	943,880	2,361,314
PT Dirgantara Indonesia (Persero)	857,493	1,254,834
PT Krakatau Steel (Persero) Tbk	631,443	-
PT Perusahaan Listrik Negara (Persero)	619,287	1,129,271
PT Telekomunikasi Seluler	551,234	519,702
Others	6,621,297	5,654,385
	<u>23,731,794</u>	<u>20,715,019</u>
Irrevocable L/C (Note 27c)		
PT Indonesia Asahan Aluminium (Persero)	529,539	24,718
PT Pindad (Persero)	481,772	542,655
PT Perusahaan Listrik Negara (Persero)	425,826	441,575
PT Pembangunan Perumahan (Persero) Tbk	342,867	119,737
PT Dirgantara Indonesia (Persero)	336,570	1,263,630
PT Pertamina (Persero)	285,603	196,051
PT Kereta Api Indonesia (Persero)	192,681	748,692
PT Petrokimia Gresik	173,668	168,222
PT Gendhis Multi Manis	157,469	-
PT Barata Indonesia (Persero)	107,791	-
Others	351,536	1,580,849
	<u>3,385,322</u>	<u>5,086,129</u>

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

44. TRANSACTIONS WITH RELATED PARTIES (continued)

In the normal course of business, BRI engages in transactions with related parties due to ownership and/or management relationship. All transactions with related parties have been carried out according to the mutually agreed policies and terms (continued)

Balances and transactions with related parties are as follows (continued):

	Year ended December 31,	
	2019	2018
Salaries and allowance for the Board of Commissioners and Directors (Note 35)		
Salaries and allowances for the Board of Directors	130,565	105,060
Salaries and allowances for the Board of Commissioners	41,313	33,627
Total	171,878	138,687
Tantiem, bonus and insentif Board of Commissioners, Board of Directors and Key Employees (Note 35)		
<i>Tantiem</i> for the Board of Directors	309,717	268,226
<i>Tantiem</i> for the Board of Commissioners	110,152	99,290
Bonuses and incentives for key employees	116,674	40,088
Total	536,543	407,604

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

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,	
		2019	2018
Assets			
	Current accounts with other banks	0,011%	0,007%
	Placements with Bank Indonesia and other banks	0,154	0,181
	Securities	11,781	11,876
	Export bills and notes receivable	0,982	0,943
	Government Recapitalization Bonds	0,080	0,116
	Securities purchased under agreement to resell	0,062	0,096
□	Loans	7,252	8,540
	Sharia receivables and financing	0,296	0,188
	Finance lease receivable	0,005	-
	Acceptances receivable	0,067	0,114
	Investment in associated entities	0,032	0,034
	Total	20,722%	22,098%
Liabilities			
	Demand deposits	4,002%	4.772%
	Saving deposits	0,017	0.027
	Time deposits	7,264	7.905
	Deposits from other banks and financial institution	0,062	0.050
	Securities sold under agreement to repurchase	0,000	0.174
	Fund borrowings	0.089	0.041
	Compensation to key employees management	0.060	0.063
	Total	11.494%	13.032%

45. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES

a. Significant Agreements

On November 27, 2019, BRI entered into an agreement with PT Bringin Inti Teknologi in connection with the procurement of Managed Service CRM for BRI's RBB for the year 2019 and replacement of its supporting device for a period of 60 (sixty) months with a contract value of Rp399,299.

On November 4, 2019, BRI entered into an agreement with PT Surya Sudeco in connection with the procurement of 4-wheeled vehicle rental for a period of 48 (fourty eight) months with a contract value of Rp110,453.

On August 8, 2019, BRI entered into an agreement with PT Industri Telekomunikasi Indonesia (Persero) in connection with the procurement of the Managed Service VSAT Remote Terminal and its supporting device for Integrating Phase 2B (Zone 5) for a period of 60 (sixty) months with a contract value of Rp67,004.

On February 8, 2019, BRI entered into an agreement with PT Satkomindo Mediyasa in connection with the procurement of the Managed Service VSAT Remote Terminal and its supporting device for Integrating Phase 2B (Zone 2, 3 and 4) for a period of 60 (sixty) months with a contract value of Rp211,104.

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

45. SIGNIFICANT AGREEMENTS, COMMITMENTS AND CONTINGENCIES (continued)

a. Significant Agreements (Continued)

On February 7, 2019, BRI entered into an agreement with PT Telekomunikasi Indonesia in connection with the procurement of the Managed Service Offsite Data Center (ODC), Data Center (DC) GTI Rangunan and Tabanan Phase I for a period of 5 (five) years with a contract value of Rp149,500.

On December 29, 2018, BRI entered into an agreement with PT PP (Persero) in connection with the construction of BRI Gatot Subroto Tower Building Package 2 for a period of 720 (seven hundred twenty) calendar days with a contract value of Rp845,950.

On November 8, 2018, BRI entered into an agreement with PT Satkomindo Mediyasa in connection with the procurement of 600 (six hundred) CRM (Cash Recycling Machine) units for BRI's RBB year 2018 for a period of 3 (three) months with a contract value of Rp92,400.

On October 16, 2018, BRI entered into an agreement with PT Telekomunikasi Indonesia (Persero) in connection with the procurement of upgrades for 230 (two hundred thirty) server unit in DC GTI and Tabanan for a period of 19 (nineteen) weeks with contract value of Rp69,027.

On February 14, 2018, BRI entered into an agreement with PT PP (Persero) in connection with the procurement of the contractor services for BRI Gatot Subroto Tower Building Package 1 (one) for a period of 380 (three hundred eighty) calendar days with a contract value of Rp112,900.

On January 24, 2018, BRI entered into an agreement with PT Telekomunikasi Indonesia (Persero) in connection with the procurement of communication channels rental for credit line officer as a supporting facilities for BRISPOT and MYBRI application for a period of 24 (twenty four) months with a contract value of Rp275,895.

b. Contingent Liabilities

In conducting its business, BRI faces various legal cases and lawsuit, in which BRI is the defendant, mainly regarding the compliance with contracts. Although there is no clear certainty, BRI believes that based on existing information and the ultimate resolution of these cases, these legal cases and lawsuits will not likely have a material effect on the operations, financial position or liquidity level of BRI.

As of December 31, 2019 and 2018, BRI has provided an allowance (presented in "Other Liabilities" account) for several pending lawsuits filed against BRI amounting to Rp1,520,854, Rp1,145,664 and Rp1,060,301 respectively (Note 29). Management believes that the allowance formed is adequate to cover possible losses arising from pending lawsuits currently in progress.

46. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS

Based on the Presidential Decree No. 26 Year 1998 as implemented through the Minister of Finance Decree dated January 28, 1998 and the Joint Decrees No. 30/270/KEP/DIR and No. 1/BPPN/1998 dated March 6, 1998, of the Board of Directors of Bank Indonesia and Chairman of Indonesian Bank Restructuring Agency (IBRA), the Government provided a guarantee on certain obligations for all commercial banks incorporated in Indonesia. Based on the latest amendment under the Decree of the Minister of Finance No. 179/KMK.017/2000 dated May 26, 2000, this guarantee is valid from January 26, 1998 up to January 31, 2001 and can be renewed automatically every 6 (six) months continuously, unless if within 6 (six) months before the maturity of the Guarantee Program period or its extension period, the Minister of Finance announces the termination and/or amendment of the Guarantee Program to the public. For this guarantee, the Government charges premium which is calculated based on a certain percentage in accordance with the prevailing regulations.

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

46. GOVERNMENT GUARANTEE ON OBLIGATIONS OF COMMERCIAL BANKS (continued)

In accordance with Minister of Finance Regulation No. 17/PMK.05/2005 dated March 3, 2005, starting from April 18, 2005, the types of commercial bank obligations guaranteed under 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 as stated in the Minister of Finance Regulation No. 68/PMK.05/2005 dated August 10, 2005 regarding the "Calculation and Payment of Premium on Government Guarantee Program on the Payment of Obligations of Commercial Banks" for the period from July 1 to September 21, 2005. As the substitute for UP3, The Government established an independent institution, the Deposit Insurance Corporation (LPS), based on Law No. 24 Year 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, deposit certificates, saving deposits and/or other similar forms.

Based on Government Regulation No. 66 Year 2008, dated October 13, 2008 regarding "The Amount of Deposit Value Guaranteed by the Deposit Insurance Corporation" as further improved by the LPS Regulation No. 2/PLPS/2010 dated November 25, 2010 regarding the Deposit Insurance Program, Article 29 which stated the guaranteed balance for each customer in each bank is at most Rp2,000,000,000 (two billion rupiah).

LPS guarantee interest rate as of December 31, 2019 and 2018 are 6.25% and 6.50%, respectively, for deposits in Rupiah, while for deposits in foreign currencies as of December 31, 2019 and 2018 are 1.75% and 2.00%, 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) and are relevant to BRI and Subsidiaries, but not yet effective for the consolidated financial statements as of December 31, 2019.

Effective on or after January 1, 2020:

- a. SFAS No. 62 (2017 Amendment), "Insurance Contract", this amendment allows insurer which meets certain criteria to apply a temporary exemption from SFAS No. 71 (deferral approach) or choose to apply the overlay approach.
- b. SFAS No. 71, "Financial Instrument", stipulates the classification and measurement of financial instruments based on the characteristics of the contractual cash flow and the entity's business model; expected credit loss method for impairment resulting in more timely, relevant and understandable information for users of financial statements; accounting for hedges that reflects better the entity risk management by introducing a more general requirements based on management considerations.
- c. Amendment to SFAS No. 71, "Financial Instruments", the prepayment feature and negative compensation. This amendment clarifies that financial assets pass the criterion "solely payment of principal and interest on the number of principal owed" regardless of events or circumstances that cause an initial termination of the contract and regardless of which party pays or receives reasonable compensation for the initial termination of the contract.

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

47. ISSUED AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (SFAS) AND INTERPRETATION OF FINANCIAL ACCOUNTING STANDARDS (IFAS) (continued)

The following summarizes the SFAS and IFAS which were issued by the Financial Accounting Standards Board (FASB) and Sharia Accounting Standards Board (SASB) and are relevant to BRI and Subsidiaries, but not yet effective for the consolidated financial statements as of December 31, 2019. (continued)

Effective on or after January 1, 2020 (continued) :

- d. SFAS No. 72, "Revenue from contracts with customers", adopted from IFRS 15, is the single standard for the revenue recognition resulting from a successful joint project between International Accounting Standards Board and Financial Accounting Standards Board, and stipulates revenue recognition model from contracts with customers, therefore entities are expected to conduct an analysis before recognizing revenue.
- e. SFAS No. 73, "Leases", determines the principles of recognizing, measuring, presenting and disclosing leases by introducing a single accounting model that requires the recognition of right-of-use assets and lease liabilities. There are 2 optional exceptions in the recognition of lease assets and liabilities, which are for: (1) short-term leases and (2) leases where the underlying assets have low values.
- f. SFAS No. 15 (2017 Amendment), "Investments in Associated Entities and Joint Ventures", stipulates that the entity also applies SFAS No. 71 on financial instruments of associated entities and joint ventures where the equity method is not applied. This includes long-term interests that substantially form part of the net investments in the associated entities or joint ventures as referred in SFAS No. 15 paragraph 38.
- g. SFAS No. 1 "Presentation of Financial Statements" and SFAS No.25 "Accounting Policies, Changes in Accounting Estimates and Errors": Material definitions. This amendment clarifies the definition of material with the aim of harmonizing the definitions used in the conceptual framework and several related SFAS. In addition, it also provides clear guidance on the definition of material in the context of reducing excessive disclosure because of changes in the threshold for material definition

Effective on or after January 1, 2021:

- a. SFAS No. 22 (2019 Amendment), "Business Combinations: Definition of Business", This amendment adopted from IFRS Amendments 3 Business Combinations: Definition of Business, is the result of a joint project between the International Accounting Standards Board (IASB) and the US Financial Accounting Standards Board (FASB). This amendment clarifies the definition of business with the aim of assisting the entity in determining whether a transaction should be recorded as a business combination or asset acquisition.

Effective on or after January 1, 2022:

- a. SFAS 74: Insurance contracts, adopted from IFRS 17, early application is permitted for entities that have also applied SFAS 71 and SFAS 72.

This is a new comprehensive accounting standard for insurance contracts that includes recognition and measurement, presentation, and disclosure. Once effective, SFAS 74 will replace SFAS 62 Insurance Contract. SFAS 74 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of issuing entity, also regarding guarantees and certain financial instruments with non-binding participation features.

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)**

47. ISSUED AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (SFAS) AND INTERPRETATION OF FINANCIAL ACCOUNTING STANDARDS (IFAS) (continued)

Effective on or after January 1, 2022 (continued):

Some scope exceptions will apply. The overall objective of SFAS 74 is to provide a more useful and consistent accounting model for insurance contracts for insurance companies. In contrast to the requirements in SFAS 62, which are largely based on the grandfather of previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, which covers all relevant accounting aspects. The essence of IFRS 17 is a general model, equipped with:

- Specific adaptations for contracts with the direct participation feature (variable cost approach).
- Simplified approach (premium allocation approach) especially for short-term contracts

Currently, BRI and Subsidiaries are evaluating and have not yet determined the impact of the revised SFAS on the consolidated financial statements.

48. OTHER DISCLOSURES

a. Capital Adequacy Ratio (CAR)

BRI actively manages its capital in accordance with the applicable regulations. The primary objective is to ensure that BRI, at any time, can maintain adequate its capital adequacy to cover inherent risks to its banking activities without reducing the optimization of shareholder's value.

CAR as of December 31, 2019 and 2018 is calculated based on the Financial Services Authority Regulation (POJK) No. 34/POJK.03/2016 regarding the amendment to POJK No. 11/POJK.03/2016 regarding the Minimum Capital Requirement for Commercial Banks.

Based on POJK No. 34/POJK.03/2016, PBI No. 17/22/PBI/2015 regarding the Mandatory Formation of Countercyclical Buffer and POJK No. 46/POJK.03/2015 regarding the Determination of Systemically Important Banks and Capital Surcharges, in addition to the minimum capital requirement in accordance with the risk profile, BRI is required to form additional capital (buffer), in the form of Capital Conservation Buffer, Countercyclical Buffer, and Capital Surcharge, which must be formed gradually since January 1, 2016.

As of December 31, 2019, the formation of buffer capital in the form of Capital Conservation Buffer, Countercyclical Buffer and Capital Surcharge, shall be established based on a certain percentage of RWA of 2.50%, 2.50% and 2.50%.

Based on the BRI's risk profile as of December 31, 2019 and 2018 which are satisfactory, the minimum CAR as of December 31, 2019 and 2018 is set at 9% up to less than 10%.

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

a. Capital Adequacy Ratio (CAR) (continued)

The determination of BRI's compliance with applicable regulations and ratios is based on the practical accounting regulations that differ from the Indonesian Financial Accounting Standards in several respects. As of June 30, 2019, December 31, 2019 and 2018 BRI has fulfilled the ratio as required by Bank Indonesia (BI) and Financial Service Authority for capital adequacy ratio.

CAR of BRI (Parent Entity) as of December 31, 2019 and 2018 are calculated as follows:

	December 31,	
	2019	2018
Core Capital (Tier 1)		
Common Equity (CET 1)	187,012,209	164,924,546
Supplementary Capital (Tier 2)	8,974,441	8,693,875
Total Capital	195,986,650	173,618,421

CAR of BRI (Parent Entity) as of December 31, 2019 and 2018 are calculated as follows:

	December 31,	
	2019	2018
Risk Weighted Asset (RWA)		
RWA for Credit Risk *)	689,093,355	659,319,661
RWA for Market Risk **)	13,712,721	11,078,731
RWA for Operational Risk ***)	166,214,312	148,209,848
Total RWA	869,020,388	818,608,240
CAR		
CET 1 Ratio	21.52%	20.15%
Tier 1 Ratio	21.52	20.15
Tier 2 Ratio	1.03	1.06
Total Ratio	22.55	21.21
Tier 1 Minimum Ratio	6.00%	6.00%
CET 1 Minimum Ratio	4.50	4.50
Minimum CAR Based on Risk Profile	9.00	9.00

*) Credit risk is calculated based on SE OJK No. 42/SEOJK.03/2016 dated September 28, 2016.

**) Market risk is calculated based on SE OJK No. 38/SEOJK.03/2016 dated September 8, 2016.

***) Operational risk is calculated based on SE OJK No. 24/SEOJK.03/2016 dated July 14, 2016.

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

b. Non-Performing Loans (NPL) Ratio

As of December 31, 2019 and 2018, the NPL ratio of BRI is as follows:

(i) Consolidated (BRI, BRI Agro and BRISyariah)

	31 Desember	
	2019	2018
NPL ratio - gross	2.80%	2.27%
NPL ratio - net	1.18	1.04

NPL ratio - net 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 Service Activities

BRI conducted custodian services (custodian bank) since 1996 based on its operating license through Bapepam's Chairman Decree No. 91/PM/1996 dated April 11, 1996 and was appointed as the Sub-Registry in conducting Government bonds transactions and administration of Scriptless Bank Indonesia Certificates by Bank Indonesia.

These custodian services are part of the Investment Services Division Activities, which include the following services:

- 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 and DPLK services;
- Custodian services for asset securitization; and
- Global custodian services for securities issued abroad.

BRI has 347 (three hundred forty seven) and 287 (two hundred and eighty seven) customers (unaudited) as of December 31, 2019 and 2018, respectively, which mainly consist of pension funds, financial institutions, insurance institutions and companies, securities companies, mutual funds and other institutions.

The customers' assets deposited in BRI's Custodian (unaudited) amounted to Rp385,432,544 and Rp363,679,331 as of December 31, 2019 and 2018, respectively.

d. Trustee Activities

BRI conducted trustee service activities since 1996. BRI's operating license as trustee was granted by the Minister of Finance based on its Decree No. 1554/KMK.013/1990 dated December 6, 1990 and registered in OJK in accordance with its Registered Certificate as Trustee 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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

d. Trustee Activities (continued)

This trustee services are part of the Investment Services Division activities, which include the following services:

- Trustee
- Guarantee agent
- Monitoring agent

BRI has 48 (fourty eight), 35 (thirty five) and 31 (thirty one) customers (unaudited) as of December 31, 2019 and 2018, respectively. The total value of bonds in trust by BRI (unaudited) amounted to Rp81,987,158 and Rp78,155,596 as of December 31, 2019 and 2018, respectively.

e. Trust Services

BRI's Trust Service is a deposit services for customers' assets in the form of financial assets for and on behalf of customers. BRI is the first bank in Indonesia to obtain a license 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 BRI's Trust Services includes:

- Paying agent services
- Lending agent services
- Investment agent services
- Other agency services, such as Reception Agent and Guarantees Agent

Currently, BRI has been provided Trust Services for financial transactions involving oil and gas projects, carried out by members of the Cooperation Contract Contractors (K3S) under the auspices of SKK Migas and non K3S projects.

In addition to providing Trust Services, BRI also provides services for Paying Agent and Reception Agent (non-Trust) for other sectors, such as infrastructure, energy, trading and chemical industries. Beside service to direct customers, BRI's Trust Services also participate in supporting BRI's financing business unit in the financing transaction of infrastructure, energy and syndicated financing transactions activities.

The project value under the management of BRI's Trust Services (unaudited) amounted to Rp134,607,276 and Rp89,623,809 as of December 31, 2019 and 2018, respectively.

f. Syndicated Agent

BRI currently provides Syndicated Agent Services for syndicated loan from several sectors/industries including agribusiness sector, infrastructure such as toll roads, ports, airports, power plants, oil and gas, textiles, property and manufacturing involving government projects (BUMN) and private projects.

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

48. OTHER DISCLOSURES (continued)

f. Syndicated Agent (continued)

This syndicated agent services is part of the syndication division and financial service company, which include the following services:

- Arranger
- Facility agent
- Guarantee agent
- Reception agent

BRI's Syndicated Agent Services has managed various syndication projects with total project value amounting to Rp427,813,243 and Rp336,840,845 as of December 31, 2019 and 2018, respectively.

49. EARNINGS PER SHARE

The calculation of diluted earnings per share (EPS) for the years ended December 31, 2019 and 2018, is as follows:

	December 31, 2019		
	Income for the Year	Weighted average outstanding common shares	Earning per share (Full Rupiah)
Basic earnings per share attributable to equity holders of the parent entity	34,372,609	122,334,571,581	281.31
Addition: Issuance of bonus shares	-	6,887,200	-
Diluted earnings per shares	34,372,609	122,341,458,781	280.96
	December 31, 2018		
	Income for the Year	Weighted average outstanding common shares	Earning per share (Full Rupiah)
Basic earnings per share attributable to equity holders of the parent entity	32,351,133	122,237,220,000	264.66
Addition: Issuance of bonus shares	-	149,374,000	-
Diluted earnings per shares	32,351,133	122,386,594,000	264.33

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

50. CHANGES IN FINANCING ACTIVITIES

	December 31, 2018	Cash Flows		Non-cash changes	December 31, 2019
		Receipts	Disbursements		
Fund borrowing	40,457,429	2,939,798	(12,532,787)	57,331	30,921,771
Subordinated loans and marketable securities	1,473,515	-	-	(8,149)	1,465,366
Marketable securities issued	31,190,216	12,102,950	(4,419,500)	(252,829)	38,620,837
Total	73,121,160	15,042,748	(16,952,287)	(202,158)	71,009,463

	December 31, 2017	Cash Flows		Non-cash changes	December 31, 2018
		Receipts	Disbursements		
Fund borrowing	29,408,694	11,251,381	(421,988)	219,342	40,457,429
Subordinated loans and marketable securities	986,450	497,377	(10,312)	-	1,473,515
Marketable securities issued	30,619,658	9,600,185	(8,939,750)	(89,877)	31,190,216
Total	61,014,802	21,348,943	(9,372,050)	129,465	73,121,160

51. RECLASSIFICATION OF PRESENT CONSOLIDATED FINANCIAL STATEMENTS

Several accounts in the consolidated financial statements for the years ended December 31, 2018 and 2017 have been reclassified so that they are in conformity with the presentation of the consolidated financial statements for the year ended December 31, 2019. The reclassifications and adjustments made include :

1. Reclassification of import bills on the basis of LC usance at sight (UPAS) as part of export bills and other bills, previously recorded in the credit granted.
2. Reclassification of customer deposits with Mudharabah contracts as part of temporary syirkah funds, previously recorded in customer deposits.

The effects of account reclassification on the consolidated financial statements for the years ended December 31, 2018 and 2017 are as follows:

	December 31, 2018		
	Before reclassification	Reclassification	After Reclassification
Statement Of Financial Position			
Export Bills and Other Bills	27,442,690	5,457,390	32,900,080
Allowance for impairment losses	-	(91,932)	(91,932)
	27,442,690	5,365,458	32,808,148

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, 2019 and for the year then Ended
(Expressed in millions of Rupiah, unless otherwise stated)

51. RECLASSIFICATION OF PRESENT CONSOLIDATED FINANCIAL STATEMENTS (continued)

The effects of account reclassification on the consolidated financial statements for the years ended December 31, 2018 and 2017 are as follows (continued):

	December 31, 2018		
	Before reclassification	Reclassification	After Reclassification
Statement Of Financial Position			
(continued)			
Loans	820,010,157	(5,457,390)	814,552,767
Allowance for impairment losses	(35,017,982)	91,932	(34,926,050)
	784,992,175	(5,365,458)	779,626,717
Deposits from Customers			
<i>Mudharabah</i> Demand Deposits	293,264	(293,264)	-
<i>Mudharabah</i> Saving Deposits	1,659,109	(1,659,109)	-
<i>Mudharabah</i> Time Deposits	19,006,504	(19,006,504)	-
Syirkah Funds Temporary			
<i>Mudharabah</i> Demand Deposits	-	293,264	293,264
<i>Mudharabah</i> Saving Deposits	-	1,659,109	1,659,109
<i>Mudharabah</i> Time Deposits	-	19,006,504	19,006,504
December 31, 2017			
	Before reclassification	Reclassification	After Reclassification
Statement Of Financial Position			
Export Bills and Other Bills	10,654,352	5,606,502	16,260,854
Allowance for impairment losses	-	(94,130)	(94,130)
	10,654,352	5,512,372	16,166,724
Loans	718,982,669	(5,606,502)	713,376,167
Allowance for impairment losses	(29,423,380)	94,130	(29,329,250)
	689,559,289	(5,512,372)	684,046,917
Deposits from Customers			
<i>Mudharabah</i> Demand Deposits	139,535	(139,535)	-
<i>Mudharabah</i> Saving Deposits	1,270,484	(1,270,484)	-
<i>Mudharabah</i> Time Deposits	18,362,036	(18,362,036)	-
Syirkah Funds Temporary			
<i>Mudharabah</i> Demand Deposits	-	139,535	139,535
<i>Mudharabah</i> Saving Deposits	-	1,270,484	1,270,484
<i>Mudharabah</i> Time Deposits	-	18,362,036	18,362,036

52. COMPLETION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management of BRI is fully responsible for the preparation of the accompanying consolidated financial statements which were completed and approved to be issued on January 24, 2020,

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	31 December		
	2019	2018 *)	2017 *)
ASSETS			
Cash	29,931,216	27,170,584	24,437,571
Current Accounts with Bank Indonesia	68,808,255	68,617,459	55,598,024
Current Accounts with other Banks	9,833,906	11,277,405	5,803,057
Placement with Bank Indonesia and other Banks	114,412,698	82,681,600	53,384,610
Securities	172,098,241	164,490,940	171,079,651
Export Bills and Notes Receivable Allowance for impairment losses	33,876,762 (132,241)	32,900,080 (91,932)	16,260,854 (94,130)
	<u>33,744,521</u>	<u>32,808,148</u>	<u>16,166,724</u>
Government Recapitalization Bonds	1,130,306	1,505,273	3,317,840
Securities Purchased Under Agreement to Resell	20,313,264	9,396,553	16,496,292
Derivatives Receivable	193,091	469,342	145,928
Loans Allowance for impairment losses	859,558,294 (37,537,934)	798,881,042 (34,477,948)	702,394,544 (28,968,132)
	<u>822,020,360</u>	<u>764,403,094</u>	<u>673,426,412</u>
Acceptances Receivable	9,344,682	11,583,506	5,637,833
Investment in Associated Entities	12,369,341	9,721,187	6,727,814
Premises and Equipment Cost Allowance for impairment losses	41,942,453 (11,876,990)	36,448,565 (10,383,777)	32,691,513 (8,674,305)
Book value - net	<u>30,065,463</u>	<u>26,064,788</u>	<u>24,018,208</u>
Deferred Tax Assets - net	4,023,018	4,772,859	2,989,066
Other Assets - net	14,789,498	19,237,301	17,209,036
TOTAL ASSETS	<u>1,343,077,860</u>	<u>1,234,200,039</u>	<u>1,076,438,066</u>

*) After account reclassification (Notes 3)

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	31 December		
	2019	2018 *)	2017 *)
LIABILITIES AND EQUITY			
LIABILITIES			
Liabilities Due Immediately	7,403,164	8,332,783	6,472,759
Deposits from Customers			
Demand Deposits	167,842,557	176,404,505	144,432,274
Savings Deposits	404,360,261	378,908,837	342,759,191
Time Deposits	397,547,188	342,719,222	316,135,105
Total Deposits from Customers	<u>969,750,006</u>	<u>898,032,564</u>	<u>803,326,570</u>
Deposits from other Banks and Financial Institutions	17,871,591	9,104,374	5,752,420
Securities Sold Under Agreement to Repurchase	49,902,938	37,379,394	12,136,684
Derivatives Payable	167,858	327,892	197,633
Acceptances Payable	9,344,684	11,583,506	5,637,833
Taxes Payable	4,427	3,499	470,272
Marketable Securities Issued	38,316,131	31,074,676	30,323,802
Fund Borrowing	29,161,136	39,372,910	29,267,409
Estimated Losses on Commitments and Contingencies	607,557	-	-
Employee Benefits Liability	10,279,487	11,492,362	11,888,794
Other Liabilities	6,103,169	5,977,701	5,902,298
Subordinated Loans and Marketable Securities	500,250	499,798	14,385
TOTAL LIABILITIES	<u>1,139,412,398</u>	<u>1,053,181,459</u>	<u>911,390,859</u>

*) After account reclassification (Notes 3)

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	31 December		
	2019	2018 *)	2017 *)
LIABILITIES AND EQUITY			
EQUITY			
Capital stock - par value Rp50 (full Rupiah) per share Authorized capital - 300,000,000,000 shares (consisting of 1 Series A Dwiwarna shares and 299,999,999,999 Series B shares)			
Issued and fully paid capital - 123,345,810,000 shares (consisting of 1 Series A Dwiwarna shares and 123,345,809,999 Series B shares)	6,167,291	6,167,291	6,167,291
Additional paid-in-capital	2,981,523	2,773,858	2,773,858
Revaluation surplus arising from premises and equipment - net of tax	16,864,083	13,824,692	13,824,692
Differences arising from the translation of foreign currency financial statements	(14,868)	49,220	54,199
Unrealized gain (loss) on available-for- sale securities and Government Recapitalization Bonds - net of deferred tax	726,681	(1,919,488)	1,621,265
Gain on remeasurement of defined benefit plan - net of deferred tax	198,584	1,143,354	705,117
Treasury stock	(2,106,014)	(2,418,948)	(2,418,948)
Provision for bonus shares compensation	21,796	425,334	-
Retained earnings			
Appropriated	3,022,685	3,022,685	3,022,685
Unappropriated	175,803,701	157,950,582	139,297,048
Total retained earnings	178,826,386	160,973,267	142,319,733
TOTAL EQUITY	203,665,462	181,018,580	165,047,207
TOTAL LIABILITIES AND EQUITY	1,343,077,860	1,234,200,039	1,076,438,066

*) After account reclassification (Notes 3)

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Year ended December 31,	
	2019	2018
INCOME AND EXPENSES FROM OPERATIONS		
Interest income	115,638,720	106,336,827
Interest expense	(37,078,417)	(31,428,467)
Total interest and income - net	78,560,303	74,908,360
Other operating income		
Other fees and commissions	14,293,382	11,900,466
Recovery of assets written-off	6,997,193	6,200,141
Gain on foreign exchange - net	153,436	932,449
Gain on sale of securities and Government Recapitalization Bonds - net	1,497,980	575,500
Unrealized gain on changes in fair value of securities	45,669	1,554
Others	4,563,976	3,166,696
Total other operating income	27,551,636	22,776,806
Provision for allowance for impairment losses on financial assets - net	(20,436,534)	(17,441,749)
Reversal of (provision for) allowance for estimated losses on commitments and contingencies - net	(607,557)	-
Provision for allowance for impairment losses on non-financial assets - net	(263,316)	-
Other operating expenses		
Salaries and employee benefits	(22,976,364)	(21,356,381)
General and administrative	(14,403,614)	(13,602,246)
Others	(4,402,497)	(4,507,403)
Total other operating expenses	(41,782,475)	(39,466,030)
OPERATING INCOME	43,022,057	40,777,387
NON OPERATING (EXPENSES) INCOME - NET	(72,165)	20,677
INCOME BEFORE TAX EXPENSES	42,949,892	40,798,064
TAX EXPENSES	(8,921,207)	(9,096,089)
INCOME FOR THE PERIOD/YEAR	34,028,685	31,701,975

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Year ended December 31,	
	2019	2018
Other comprehensive income:		
Items not to be reclassified to profit or loss		
Remeasurement of liabilities for employee benefits	(1,259,693)	584,314
Income taxes related to items not to be reclassified to profit or loss	314,923	(146,078)
Revaluation surplus arising from premises and equipment	3,039,391	-
Items to be reclassified to profit or loss		
Differences arising from the translation of foreign currency financial statements	(64,088)	(4,979)
Unrealized gain (loss) on available-for-sale securities and Government Recapitalization Bonds	3,528,225	(4,721,004)
Income taxes related to items to be reclassified to profit or loss	(882,056)	1,180,251
Other comprehensive income for the period/year - after tax	4,676,702	(3,107,496)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	38,705,387	28,594,479
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ENTITY (full Rupiah)		
Basic	278.16	259.35
Diluted	278.15	259.02

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, 2019
(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 Recapitalization Bonds - net of deferred tax	Gain on remeasurement of defined benefit plan - net of deferred tax	Treasury stock	Provisions for bonus shares compensation	Revaluation surplus arising from premises and equipment - net of tax	Retained earnings	Unappropriated	Total equity - parent entity
	Appropriated	Unappropriated									
Balance as of December 31, 2017	6,167,291	2,773,858	54,199	1,621,265	705,117	(2,418,948)	-	13,824,692	3,022,685	139,297,048	165,047,207
Income for the year	-	-	-	-	-	-	-	-	-	31,701,975	31,701,975
Other comprehensive Income (loss)	-	-	(4,979)	(3,540,753)	438,237	-	-	-	-	-	(3,107,495)
Total comprehensive Income (loss) for the year	-	-	(4,979)	(3,540,753)	438,237	-	-	-	-	31,701,975	28,594,480
Distribution of income Dividend	-	-	-	-	-	-	-	-	-	(13,048,441)	(13,048,441)
Bonus shares	-	-	-	-	-	-	425,334	-	-	-	425,334
Balance as of December 31, 2018	6,167,291	2,773,858	49,220	(1,919,488)	1,143,354	(2,418,948)	425,334	13,824,692	3,022,685	157,950,582	181,018,580

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, 2019
(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 Recapitalization Bonds - net of deferred tax	Gain on remeasurement of defined benefit plan - net of deferred tax	Treasury stock	Provisions for bonus shares compensation	Revaluation surplus arising from premises and equipment - net of tax	Retained earnings		Total equity - parent entity
									Appropriated	Unappropriated	
Balance as of December 31, 2018	6,167,291	2,773,858	49,220	(1,919,488)	1,143,354	(2,419,948)	425,334	13,824,692	3,022,685	157,950,582	181,018,560
Income for the year	-	-	-	-	-	-	-	-	-	34,028,685	34,028,685
Other comprehensive income (loss)	-	-	(64,088)	2,646,169	(944,770)	-	-	3,039,391	-	-	4,676,702
Total comprehensive income (loss) for the year	-	-	(64,088)	2,646,169	(944,770)	-	-	3,039,391	-	34,028,685	38,705,387
Distribution of income	-	-	-	-	-	-	-	-	-	(16,175,566)	(16,175,566)
Dividend	-	-	-	-	-	-	(403,538)	-	-	-	117,061
Bonus shares	-	207,665	-	-	-	312,934	-	-	-	-	-
Balance as of December 31, 2019	6,167,291	2,981,523	(14,868)	726,681	198,584	(2,106,014)	21,796	16,864,083	3,022,685	175,803,701	203,665,462

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Year ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	129,641,639	100,072,121
Interest paid	(37,072,284)	(31,074,638)
Recovery of assets written-off	6,997,143	6,200,141
Other operating income	8,938,060	14,790,574
Other operating expenses	(42,530,807)	(39,094,811)
Non operating income (expenses) - net	(72,163)	20,676
Payment of corporate income tax and tax bill	(9,169,310)	(10,734,001)
Cash flows before changes in operating assets and liabilities	56,732,278	40,180,062
Changes in operating assets and liabilities:		
Decrease (increase) in operating assets:		
Placement with Bank Indonesia and other banks	(2,490,453)	641,463
Securities and Government Recapitalization		
Bonds at fair value through profit or loss	(9,428,101)	(1,194,222)
Export bills	(6,301,831)	(16,788,337)
Securities purchased under agreement to resell	(10,916,711)	7,099,739
Loans	(72,226,224)	(108,516,793)
Other assets	5,008,317	4,259,649
Increase (decrease) in operating liabilities:		
Liabilities due immediately	(929,618)	1,860,024
Deposits:		
Demand deposits	(8,561,949)	31,972,231
Saving deposits	25,451,424	36,149,646
Time deposits	54,827,966	26,584,117
Deposits from other banks and financial institutions	8,767,217	3,351,954
Securities sold under agreement to repurchase	12,523,543	25,242,710
Other liabilities	(2,418,989)	1,222,209
Net cash (used in) provided by operating activities	50,036,869	52,064,452
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from dividend	158,485	207,412
Investment in associated entities	(2,641,000)	(2,169,955)
Acquisition of premises and equipment	(3,147,990)	(1,475,229)
Increase in available-for-sale and held-to-maturity securities and Government Recapitalization Bonds	(2,409,640)	(19,619,963)
Net cash provided by (used in) investing activities	(8,040,145)	(23,057,735)

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, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

	Year ended December 31,	
	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES		
(Payment of) receipt from fund borrowing	(10,269,104)	9,886,159
Distribution of dividend income	(16,175,565)	(13,048,441)
Payment of subordinated loans and marketable securities	-	485,413
Proceeds from marketable securities issued	11,570,946	9,600,184
Payment of marketable securities due	(4,401,000)	(8,939,750)
Net cash used in financing activities	(19,274,723)	(2,016,435)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,722,001	26,990,282
EFFECT OF EXCHANGE RATE CHANGES ON FOREIGN CURRENCIES	(160,251)	(57,870)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD/YEAR	206,864,027	179,931,615
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD/YEAR	229,425,777	206,864,027
Cash and cash equivalents at the end of period/year consist of:		
Cash	29,931,216	27,170,584
Current accounts with Bank Indonesia	68,808,256	68,617,459
Current accounts with other banks	9,833,906	11,277,405
Placement with Bank Indonesia and other banks - maturing within three months or less since the acquisition date	111,358,550	82,117,904
Bank Indonesia Certificates and Bank Indonesia Deposit Certificates - Maturing within three months or less since the acquisition date	9,493,849	17,680,675
Total cash and cash equivalents	229,425,777	206,864,027

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
NOTES TO THE FINANCIAL STATEMENT - PARENT ENTITY
For the Year Ended December 31, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis for preparing separate financial statements of the parent entity

The separate financial statements of the parent entity was prepared in accordance with the Statement of Financial Accounting Standards ("SFAS") No. 4 (Revised 2013), "Separate Financial Statements".

SFAS No. 4 (Revised 2013) stipulates, in the event that the entity presents separate financial statements, the report can only be presented as additional information in the consolidated financial statements. The separate financial statements are the financial statements presented by the parent entity which recorded investments in subsidiaries, associated and joint controlled entities using the acquisition cost method.

The accounting policies applied in the preparation of separate financial statements of the 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, 2019 and 2018, the parent entity has investment in subsidiaries as follows:

	December 31, 2019		December 31, 2018	
	Acquisition Cost	Percentage of Ownership	Acquisition Cost	Percentage of Ownership
PT Bank BRI Syariah Tbk	3,004,375	73.00 %	3,004,375	73.00%
PT Bank Rakyat Indonesia Agromiaga Tbk	3,467,706	87.10	3,467,706	87.10
BRI Remittance Co. Limited	2,289	100.00	2,289	100.00
PT Asuransi BRI Life	1,626,643	91.00	1,626,643	91.00
PT BRI Multifinance Indonesia	860,003	99.78	760,003	99.65
PT Danareksa Sekuritas	446,888	67.00	446,888	67.00
PT BRI Ventura Investama	1,503,090	99.97	3,090	97.61
PT Asuransi Bringin Sejahtera Artamakmur	1,041,000	90.00	-	-

3. RECLASSIFICATION OF ACCOUNTS

Some accounts in financial information - parent entity for the year ending on December 31, 2018 and 2017 have been reclassified so that in accordance with the presentation of financial information - the parent entity for the year ended December 31, 2019. Reclassification of import bills on the basis of LC usance at sight (UPAS) as part of export bills and other bills, previously recorded in the credit given.

	December 31, 2018		
	Before reclassification	Reclassification	After Reclassification
Statement Of Financial Position – Parent Entity			
Export Bills and Other Bills	27,442,690	5,457,390	32,900,080
Allowance for impairment losses	-	(91,932)	(91,932)
	27,442,690	5,365,458	32,808,148

PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS INFORMASI KEUANGAN - ENTITAS INDUK
For the Year Ended December 31, 2019
(Expressed in millions of Rupiah, unless otherwise stated)

3. RECLASSIFICATION OF ACCOUNTS (continued)

	December 31, 2018		
	Before reclassification	Reclassification	After reclassification
<u>Statement Of Financial Position – Parent Entity (continued)</u>			
Loans	804,338,432	(5,457,390)	798,881,042
Allowance for impairment losses	(34,569,880)	91,932	(34,477,948)
	769,768,552	(5,365,458)	764,403,094
	December 31, 2017		
	Before reclassification	Reclassification	After reclassification
<u>Statement Of Financial Position – Parent Entity (continued)</u>			
Export Bills and Other Bills	10,654,352	5,606,502	16,260,854
Allowance for impairment losses	-	(94,130)	(94,130)
	10,654,352	5,512,372	16,166,724
Loans	708,001,046	(5,606,502)	702,394,544
Allowance for impairment losses	(29,062,262)	94,130	(28,968,132)
	678,938,784	(5,512,372)	673,426,412

**Program Kemitraan dan Bina Lingkungan/
Partnership and Community Development Program
PT Bank Rakyat Indonesia (Persero) Tbk**

Laporan keuangan tanggal 31 Desember 2019 dan
untuk tahun yang berakhir pada tanggal tersebut
beserta laporan auditor independen/
*Financial statements as of December 31, 2019 and
for the year then ended with independent auditors' report*



PT. BANK RAKYAT INDONESIA (PERSERO), Tbk.

KANTOR PUSAT

Jalan Jenderal Sudirman No. 44-46 Tremol Pos 1094 / 1000 Jakarta 10210

Telpon : 5751502, 5751504, 5751506, 5751507, 5751508, 5751510

Facsimile : 2500126, Kewas : KANPUSBR

Website : www.br.id

SURAT PERNYATAAN DIRERSI
TENTANG TANGGUNG JAWAB ATAS LAPORAN KEUANGAN
PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
TANGGAL 31 DESEMBER 2019 DAN
UNTUK 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, 2019 AND
FOR THE YEAR THEN ENDED

Nomor: B.44-DIR/SEP/01/2020

Nomor: B.44-DIR/BPM/01/2020

Kami yang bertanda tangan di bawah ini:

We, the undersigned:

Nama	Jabatan	Nama	Jabatan
Supari	Supari	Supari	Supari
Direktor Bisnis Mikro/Director of Micro	Direktor Bisnis Mikro/Director of Micro	Direktor Bisnis Mikro/Director of Micro	Direktor Bisnis Mikro/Director of Micro
PT Bank Rakyat Indonesia (Persero) Tbk	PT Bank Rakyat Indonesia (Persero) Tbk	PT Bank Rakyat Indonesia (Persero) Tbk	PT Bank Rakyat Indonesia (Persero) Tbk
Gedung BR I Lantai 19	Gedung BR I Lantai 19	Gedung BR I Lantai 19	Gedung BR I Lantai 19
Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210
Hari Purmono	Hari Purmono	Hari Purmono	Hari Purmono
Kepala Divisi Sekretariat Perusahaan/	Kepala Divisi Sekretariat Perusahaan/	Kepala Divisi Sekretariat Perusahaan/	Kepala Divisi Sekretariat Perusahaan/
Head of Corporate Secretary Division	Head of Corporate Secretary Division	Head of Corporate Secretary Division	Head of Corporate Secretary Division
PT Bank Rakyat Indonesia (Persero) Tbk	PT Bank Rakyat Indonesia (Persero) Tbk	PT Bank Rakyat Indonesia (Persero) Tbk	PT Bank Rakyat Indonesia (Persero) Tbk
Gedung BR I Lantai 15	Gedung BR I Lantai 15	Gedung BR I Lantai 15	Gedung BR I Lantai 15
Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210
Djoko Purwanto	Djoko Purwanto	Djoko Purwanto	Djoko Purwanto
Kepala Divisi Bisnis Program dan Kemitraan/	Kepala Divisi Bisnis Program dan Kemitraan/	Kepala Divisi Bisnis Program dan Kemitraan/	Kepala Divisi Bisnis Program dan Kemitraan/
Head of Program Business and Partnership Division	Head of Program Business and Partnership Division	Head of Program Business and Partnership Division	Head of Program Business and Partnership Division
PT Bank Rakyat Indonesia (Persero) Tbk	PT Bank Rakyat Indonesia (Persero) Tbk	PT Bank Rakyat Indonesia (Persero) Tbk	PT Bank Rakyat Indonesia (Persero) Tbk
Gedung BR II Lantai 19	Gedung BR II Lantai 19	Gedung BR II Lantai 19	Gedung BR II Lantai 19
Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210	Jl. Jend. Sudirman Kav. 44-46 Jakarta 10210

Menyatakan bahwa:

- Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk;
- 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 berdasarkan Surat Edaran Kementerian BUMN No. SE-02/MBU/WT/2012 tanggal 23 Februari 2012 perihal Penetapan Pedoman Akuntansi Program Kemitraan dan Bina Lingkungan;
- 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;
- Kami bertanggung jawab atas sistem pengendalian internal Program Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk.

Declare that:

- 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;
- 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/WT/2012 dated February 23, 2012 Concerning Guidance of Accounting Standards for Partnership and Community Development Program;
- 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;
- We are responsible for the Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk's internal control system.

Demikian pernyataan ini dibuat dengan sebenarnya.

This statement has been made truthfully.

Jakarta, 24 Januari 2020/January 24, 2020



Supari
 Direktur/
 Director


 Hari Purmono
 Kepala Divisi/
 Head of Division


 Djoko Purwanto
 Kepala Divisi/
 Head of Division

Integrity, Professionalism, Trust, Innovation, Customer Centric



The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KEUANGAN
TANGGAL 31 DESEMBER 2019 DAN
UNTUK TAHUN YANG BERAKHIR PADA
TANGGAL TERSEBUT
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2019 AND
FOR THE YEAR THEN ENDED
WITH INDEPENDENT AUDITORS' REPORT**

Daftar Isi

Table of Contents

	Halaman/ Pages	
Laporan Auditor Independen		<i>Independent Auditors' Report</i>
Laporan Posisi Keuangan.....	1272	<i>Statement of Financial Position</i>
Laporan Aktivitas	1273	<i>Statement of Activities</i>
Laporan Arus Kas	1274	<i>Statement of Cash Flows</i>
Catatan Atas Laporan Keuangan.....	1307-1308	<i>Notes to the Financial Statements</i>
Lampiran 1 - Laporan penyaluran dana program bina lingkungan	1309-1310	<i>Appendix 1 - Statement of community development program funds distribution</i>
Lampiran 2 - Laporan kualitas piutang pinjaman menurut wilayah dan sektor ekonomi program kemitraan.....	1311-1331	<i>Appendix 2 - Statement of loan receivables partnership program's collectibility classified by regional and economic sector</i>



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The original report included herein is in Indonesian language.

Laporan Auditor Independen

Laporan No. 00031/2.1032/AU.2/10/1008-3/1/I/2020

**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 atas laporan posisi keuangan pada tanggal 31 Desember 2019, 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. 00031/2.1032/AU.2/10/1008-3/1/I/2020

**Management of Partnership and Community Development Program
PT Bank Rakyat Indonesia (Persero) Tbk**

We have audited the accompanying financial statements of Partnership and Community Development Program PT Bank Rakyat Indonesia (Persero) Tbk, which comprise the statement of financial position as of December 31, 2019, 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 Indonesian 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.



The original report included herein is in Indonesian language.

Laporan Auditor Independen (lanjutan)

Laporan No. 00031/2.1032/AU.2/10/1008-3/1/2020 (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 Kemitraan dan Bina Lingkungan PT Bank Rakyat Indonesia (Persero) Tbk tanggal 31 Desember 2019, 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. 00031/2.1032/AU.2/10/1008-3/1/2020 (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, 2019, and its activities and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards for Entities Without Public Accountability.

Purwanto, Sungkoro & Surja

Danil Setiadi Handaja, CPA

Registrasi Akuntan Publik No. AP.1008/Public Accountant Registration No. AP.1008

24 Januari 2020/January 24, 2020

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN POSISI KEUANGAN
Tanggal 31 Desember 2019
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF FINANCIAL POSITION
As of December 31, 2019
(Expressed in Rupiah)**

	31 Desember/ December 31, 2019	Catatan/ Notes	31 Desember/ December 31, 2018	
ASET				ASSETS
Kas pada Bank	255.222.568.633	2b,4,21	501.031.012.832	<i>Cash in Bank</i>
Piutang kepada Badan Usaha Milik Negara ("BUMN") pembina lain/ lembaga penyalur (setelah dikurangi cadangan kerugian penurunan nilai sebesar Rp30.297.225.852 dan Rp34.399.323.366 masing-masing pada tanggal 31 Desember 2019 dan 2018)	35.677.774.148	2c,2d,5,21	32.100.676.634	<i>Receivables from other fostering State-Owned Enterprises ("SOE")/distributing partners (net of allowance for impairment losses amounting to Rp30,297,225,852 and Rp34,399,323,366 as of December 31, 2019 and 2018, respectively)</i>
Piutang pinjaman mitra binaan (setelah dikurangi cadangan kerugian penurunan nilai sebesar Rp47.377.850.524 dan Rp39.811.872.234 masing-masing pada tanggal 31 Desember 2019 dan 2018)	405.400.884.072	2c,2d,6	415.600.739.266	<i>Loan receivables from foster partners (net of allowance for impairment losses amounting to Rp47,377,850,524 and Rp39,811,872,234 as of December 31, 2019 and 2018, respectively)</i>
Pendapatan jasa administrasi pinjaman yang masih akan diterima	1.568.522.509	2j,7	2.524.736.588	<i>Accrued loan administration services income</i>
Piutang lain-lain (setelah dikurangi cadangan kerugian penurunan nilai sebesar Rp15.634.047.189 pada tanggal 31 Desember 2019)	527.424.213	2c,8,19,21	15.814.348.189	<i>Other receivables (net of allowance for impairment losses amounting to Rp15,634,047,189 as of December 31, 2019)</i>
Aset tetap (setelah dikurangi akumulasi penyusutan sebesar Rp71.089.105 masing-masing pada tanggal 31 Desember 2019 dan 2018)	-	2e,9	-	<i>Fixed assets (net of accumulated depreciation amounting to Rp71,089,105 as of December 31, 2019 and 2018, respectively)</i>
JUMLAH ASET	698.397.173.575		967.071.513.509	TOTAL ASSETS
LIABILITAS DAN ASET NETO				LIABILITIES AND NET ASSETS
LIABILITAS				LIABILITIES
Beban yang masih harus dibayar	48.083.619.330	2f,10,21	41.160.843.365	<i>Accrued expenses</i>
Liabilitas lain-lain	159.440.534		-	<i>Other liabilities</i>
JUMLAH LIABILITAS	48.243.059.864		41.160.843.365	TOTAL LIABILITIES
ASET NETO				NET ASSETS
Aset neto tidak terikat	650.154.113.711	2g,11	925.910.670.144	<i>Unrestricted net assets</i>
JUMLAH LIABILITAS DAN ASET NETO	698.397.173.575		967.071.513.509	TOTAL LIABILITIES AND NET ASSETS

Catatan atas laporan keuangan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements taken as a whole.

The original financial statements included herein are in Indonesian language.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN AKTIVITAS
Untuk Tahun yang Berakhir
pada Tanggal 31 Desember 2019
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2019
(Expressed in Rupiah)**

Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,				
	2019	Catatan/ Notes	2018	
PERUBAHAN ASET NETO TIDAK TERIKAT				CHANGES IN UNRESTRICTED NET ASSETS
PENDAPATAN				REVENUE
Pendapatan bunga	6.224.222.289	2i,13,21	11.030.925.817	<i>Interest income</i>
Pendapatan jasa administrasi pinjaman	13.878.007.903	2j,14	13.807.717.720	<i>Loan administration services income</i>
Pembalikan cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain	4.102.097.514	2n,5	-	<i>Reversal for impairment losses on receivables from other fostering SOE expenses</i>
Pendapatan lain-lain	145.581.175	2l,15	203.489.840	<i>Other income</i>
JUMLAH PENDAPATAN	24.349.908.881		25.042.133.377	TOTAL REVENUE
BEBAN				EXPENSES
Dana pembinaan kemitraan	322.580.915	2m,16	323.438.491	<i>Fostering partnership funds</i>
Penyaluran dana program bina lingkungan	226.583.858.920	2o,17	163.634.557.695	<i>Community development program funds distribution</i>
Hibah dana program kemitraan kepada BUMN khusus	50.000.000.000	2o,18,21	-	<i>Partnership program funding grant to special SOE</i>
Beban cadangan kerugian penurunan nilai piutang pinjaman	7.565.978.290	2n,6d	3.637.530.506	<i>Allowance for impairment losses of loan receivables expenses</i>
Beban cadangan kerugian penurunan nilai piutang lain-lain	15.634.047.189	19,20,21	12.398.547.605	<i>Allowance for impairment losses of other receivables expenses</i>
Beban cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain	-	2n,5	18.037.173.098	<i>Allowance for impairment losses on receivable from other fostering SOE expenses</i>
Beban penyusutan aset tetap	-	2e,9	31.250	<i>Fixed assets depreciation expenses</i>
JUMLAH BEBAN	300.106.465.314		198.031.278.645	TOTAL EXPENSES
PENURUNAN ASET NETO TIDAK TERIKAT	(275.756.556.433)		(172.989.145.268)	DECREASE IN UNRESTRICTED NET ASSETS
ASET NETO TIDAK TERIKAT PADA AWAL TAHUN	925.910.670.144		1.098.899.815.412	UNRESTRICTED NET ASSETS AT BEGINNING OF YEAR
ASET NETO TIDAK TERIKAT PADA AKHIR TAHUN	650.154.113.711		925.910.670.144	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 to the financial statements 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 2019
(Dinyatakan dalam Rupiah)**

**PARTNERSHIP AND COMMUNITY
DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019
(Expressed in Rupiah)**

Tahun yang Berakhir pada Tanggal 31 Desember/ Year Ended December 31,				
	2019	Catatan/ Notes	2018	
ARUS KAS DARI AKTIVITAS OPERASI				CASH FLOWS FROM OPERATING ACTIVITIES
Pengembalian piutang pinjaman mitra binaan	283.795.651.205		154.203.750.655	<i>Collection of foster partners loan receivables</i>
Pendapatan jasa administrasi pinjaman	14.834.221.982		12.143.732.370	<i>Loan administration services income</i>
Pendapatan bunga	6.224.222.289	13	11.030.925.817	<i>Interest income</i>
Pengembalian dari BUMN pembina lain	525.000.000	5	1.000.005.000	<i>Repayment from other Fostering SOE</i>
Penyaluran piutang pinjaman mitra binaan	(281.689.198.514)		(344.151.895.500)	<i>Loan receivables from foster partners distribution</i>
Hibah dana program kemitraan kepada BUMN khusus	(50.000.000.000)	18	-	<i>Partnership program funding grant to special SOE</i>
Penyaluran dana pembinaan kemitraan	(322.580.915)	16	(323.438.491)	<i>Fostering partnership distribution fund</i>
Penyaluran dana program bina lingkungan	(219.661.082.955)		(180.572.883.470)	<i>Community development program funds distribution</i>
Lain-lain	485.322.709		(586.659.813)	<i>Other</i>
Kas Neto yang Digunakan untuk Aktivitas Operasi	(245.808.444.199)		(347.256.463.432)	Net Cash Used in Operating Activities
PENURUNAN NETO DALAM KAS DAN SETARA KAS	(245.808.444.199)		(347.256.463.432)	NET DECREASE IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS PADA AWAL TAHUN	501.031.012.832		848.287.476.264	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
KAS DAN SETARA KAS AKHIR TAHUN	255.222.568.633		501.031.012.832	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 to the financial statements 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 2019 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, 2019 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 (PPELK) 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 amandemen 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 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 in 1990 with the name Entrepreneur Small Economy and Cooperative Coaching (PPELK) 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 which began in 2013.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 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 Deputi Bidang Restrukturisasi dan Perencanaan Strategis BUMN No. S-92/DS.MBU/2013 tanggal 3 April 2013 dicabut dan dinyatakan tidak berlaku.

Pada tanggal 3 Juli 2015 Kementerian BUMN mengeluarkan Peraturan Menteri No. PER-09/MBU/07/2015 yang menggantikan PER-07/MBU/05/2015.

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.

Terakhir, pada tanggal 5 Juli 2017 Kementerian BUMN mengeluarkan peraturan Menteri No. PER-02/MBU/7/2017 yang merupakan perubahan kedua 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.

1. GENERAL DESCRIPTION (continued)

a. Establishment and General Information (continued)

The Ministry Regulation above, last 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, it is stated that the previous regulations, which are 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.

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.

Latest, on July 5, 2017, the Ministry of State-Owned Enterprises issued another Ministerial Regulation No. PER-02/MBU/7/2017 which is a second 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 utilization of funds that are part of the profits of Fostering SOEs.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

a. Pendirian dan Informasi Umum (lanjutan)

Program Bina Lingkungan (BL) adalah program pemberdayaan kondisi sosial masyarakat oleh BUMN.

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 kemasyarakatan dalam rangka pengentasan kemiskinan, termasuk untuk:
 - 1) Elektrifikasi di daerah yang belum teraliri listrik;
 - 2) Penyediaan sarana air bersih;
 - 3) Penyediaan sarana Mandi Cuci Kakus;
 - 4) Bantuan pendidikan, pelatihan, pemagangan, promosi dan bentuk bantuan lain yang terkait dengan upaya peningkatan kemandirian ekonomi usaha kecil selain Mitra Binaan Program Kemitraan;
 - 5) Perbaikan rumah untuk masyarakat tidak mampu;
 - 6) Bantuan pembibitan untuk pertanian, peternakan dan perikanan; atau
 - 7) Bantuan peralatan usaha

1. GENERAL DESCRIPTION (continued)

a. Establishment and General Information (continued)

Community Development Program (BL) is SOE's community program whose objective is to empower the social condition of the community's business.

b. Primary Activities

The primary activities of PKBL BRI include the following:

1. Partnership Program (PK) includes the distribution of funds in the form of:
 - a) Loans to finance working capital and/or purchasing 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) Aid for 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, including:
 - 1) Electrification in areas that have not been electrified;
 - 2) Providing facilities for clean water;
 - 3) Providing facilities for toilet washing;
 - 4) Educational assistance, training, internship, promotion and other assistance related to improving the economic independence of small businesses other than Partnership Program Foster Partners;
 - 5) Housing reparation for people living in poverty;
 - 6) Assistance for agriculture, animal husbandry and fisheries; or
 - 7) Assistance in the form of business equipment

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

b. Kegiatan Utama (lanjutan)

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 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;
2. Saldo dana PKBL BRI yang berasal dari penyisihan sebagian laba PT Bank Rakyat Indonesia (Persero) Tbk yang teralokasi sampai dengan akhir tahun 2012;
3. Jasa administrasi pinjaman/margin/bagi hasil Program Kemitraan, bunga deposito dan/atau jasa giro dari dana PKBL;
4. 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) di bawah Divisi Sekretariat Perusahaan yang bertugas untuk mengelola dana Bina Lingkungan.

1. GENERAL DESCRIPTION (continued)

b. Primary Activities (continued)

3. Monitoring of PKBL funds distribution in BRI working unit activities and the monitoring of Foster Partners' business activities;
4. Reporting PKBL activities.

c. Funding Resources

Source of PKBL BRI's funding is derived from:

1. Provision of net income of PT Bank Rakyat Indonesia (Persero) Tbk and/or budget which was calculated as expense in PT Bank Rakyat Indonesia (Persero) Tbk;
2. 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;
3. Administrative services from Partnership Program loan/margin/profit-sharing, time deposits interest and/or current account services from PKBL funds;
4. 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 and Supervision of Microfinance Institution (MFI) Department 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 is in charge of managing the Community Development funds.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

d. Susunan Pengelola (lanjutan)

Pembentukan Bagian *Corporate Social Responsibility* (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 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.

Sejak bulan Agustus 2018 telah terbentuk *Desk Corporate Social Responsibility & Bina Lingkungan* yang terdiri atas Bagian Perencanaan CSR & Bina Lingkungan dan bagian Operasional CSR & Bina Lingkungan melalui NOKEP: 603-DIR/CDS/08/2018 tanggal 3 Agustus 2018. Pengelola PKBL terakhir berubah menjadi Divisi Bisnis Program dan Kemitraan dan Divisi Sekretariat Perusahaan sesuai dengan NOKEP: S.14-DIR/CDS/11/2019 tanggal 4 November 2019.

Susunan Pengelola PKBL BRI untuk tahun berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

	31 Desember/December 31,		
	2019	2018	
Direktur Bisnis Mikro (Dahulu Direktur Bisnis Mikro dan Kecil)	Supari	Priyastomo	Director of Micro Business (Formerly Director of Micro and Small Business)
Kepala Divisi Bisnis Program dan Kemitraan (Dahulu Kepala Divisi Bisnis Kecil dan Kemitraan)	Djoko Purwanto	Sony Harsono	Division Head of Program and Partnership Business (Formerly Division Head of Small Business and Partnership)
Wakil Kepala Divisi Bisnis Program dan Kemitraan (Dahulu Wakil Kepala Divisi Bisnis Kecil dan Kemitraan)	-	Agus Sunaryo	Vice Division Head of Program Business and Partnership (Formerly Vice Division Head of Small Business and Partnership)
Kepala Bagian PK dan Pengawasan LKM	M. Abdi Rahman	M. Abdi Rahman	Department Head of PK and MFI Supervision
Kepala Divisi Sekretariat Perusahaan	Hari Purnomo	Bambang Tribaroto	Division Head of Corporate Secretary
Vice President of CSR & Community Development (Dahulu Kepala Bagian CSR)	Zainuddin Thalib Burutu	Zainuddin Thalib Burutu	Vice President of CSR & Community Development (Formerly Department Head of Corporate Social Responsibility)

1. GENERAL DESCRIPTION (continued)

d. Management Structure (continued)

Corporate Social Responsibility (CSR) Department has been established as a part of Corporate Secretary Division since April 27, 2011, but the Community Development Program Funds Management that was once managed by PKBL and Supervision of MFI Department of Partnership and Business Program Division was effectively transferred to the 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.

Desk Corporate Social Responsibility & Community Development was founded which consists of CSR & Community Development Planning department and CSR & Community Development Operational department through NOKEP: 603-DIR/CDS/08/2018, dated August 3, 2018. The last change of PKBL management to Program and Partnership Business Division and Corporate Secretary Division through NOKEP: S.14-DIR/CDS/11/2019 is dated November 4, 2019.

Management structure of PKBL BRI for the years ended December 31, 2019 and 2018 is as follows:

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

d. Susunan Pengelola (lanjutan)

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 atas 2 (dua) bagian yaitu:

1. Bagian PK 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. Divisi Sekretariat Perusahaan berlokasi di Gedung BRI I Lantai 15 Jalan Jenderal Sudirman Kav. 44-46, Jakarta Pusat sebagai penyalur dana Bina Lingkungan.

Pada tanggal 31 Desember 2019 dan 2018 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.
		2019	2018	2019	2018		
1.	Kantor Wilayah Aceh	11	11	15	15	Aceh Regional Office	1.
2.	Kantor Wilayah Medan	24	24	34	34	Medan Regional Office	2.
3.	Kantor Wilayah Padang	14	14	8	8	Padang Regional Office	3.
4.	Kantor Wilayah Pekanbaru	22	22	20	20	Pekanbaru Regional Office	4.
5.	Kantor Wilayah Palembang	21	21	29	29	Palembang Regional Office	5.
6.	Kantor Wilayah DKI Jakarta 1	25	26	54	54	DKI Jakarta 1 Regional Office	6.
7.	Kantor Wilayah DKI Jakarta 2	31	32	69	69	DKI Jakarta 2 Regional Office	7.
8.	Kantor Wilayah DKI Jakarta 3	36	36	55	55	DKI Jakarta 3 Regional Office	8.
9.	Kantor Wilayah Bandung	30	30	45	45	Bandung Regional Office	9.
10.	Kantor Wilayah Semarang	22	22	38	38	Semarang Regional Office	10.
11.	Kantor Wilayah Yogyakarta	33	33	34	34	Yogyakarta Regional Office	11.
12.	Kantor Wilayah Surabaya	25	25	39	39	Surabaya Regional Office	12.
13.	Kantor Wilayah Malang	24	24	36	36	Malang Regional Office	13.
14.	Kantor Wilayah Denpasar	31	31	27	27	Denpasar Regional Office	14.
15.	Kantor Wilayah Banjarmasin	31	31	31	31	Banjarmasin Regional Office	15.
16.	Kantor Wilayah Makassar	36	36	28	28	Makassar Regional Office	16.
17.	Kantor Wilayah Manado	18	17	17	18	Manado Regional Office	17.
18.	Kantor Wilayah Jayapura	13	13	13	13	Jayapura Regional Office	18.
19.	Kantor Wilayah Bandar Lampung	14	14	16	16	Bandar Lampung Regional Office	19.
	Jumlah	461	462	608	609	Total	

1. GENERAL DESCRIPTION (continued)

d. Management Structure (continued)

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 consist of 2 (two) departments:

1. The PK and Supervision of MFI Department - Program and Partnership Business Division located in BRI II Building 28th Floor Jalan Jenderal Sudirman Kav. 44-46, Central Jakarta as the distributor of partnership receivable funds.
2. Corporate Secretariat Division located at BRI I Building 15th Floor Jalan Jenderal Sudirman Kav. 44-46, Central Jakarta as the distributor of Community Development funds.

As of December 31, 2019 and 2018 the distribution of funds of PKBL BRI conducted by BRI working unit are detailed as follows (unaudited):

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

1. PENJELASAN UMUM (lanjutan)

e. Unit Kerja Penyalur PKBL BRI (lanjutan)

Unit Kerja penyalur meliputi Kantor Cabang dan Kantor Cabang Pembantu di bawah kelolaan masing-masing Kantor Wilayah BRI.

f. Otorisasi Penerbitan Laporan Keuangan

Laporan keuangan telah diselesaikan dan disahkan untuk diterbitkan oleh Pengelola PKBL BRI pada tanggal 24 Januari 2020.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN

Kebijakan akuntansi signifikan dan diterapkan dalam menyusun laporan keuangan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018 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 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.

1. GENERAL DESCRIPTION (continued)

e. Distributor Working Units PKBL BRI (continued)

Distributor Working Units include Branches and Sub-Branches each managed by BRI Regional Office.

f. Authorization of the Issuance of Financial Statements

The financial statements were completed and authorized for issuance by PKBL BRI management on January 24, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparing the financial statements for the years ended December 31, 2019 and 2018 are as follows:

a. Basis of Preparation of Financial Statements

The financial statements were prepared in accordance with Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) as issued by 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.

The currency used in the presentation of the financial statements is the Indonesian rupiah.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

b. Kas dan Setara Kas

Kas dan setara kas terdiri atas 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 cadangan 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.

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;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

b. Cash and Cash Equivalents

Cash and cash equivalents consist of cash, bank and all short-term investment with maturities of 3 (three) months or less from the acquisition date, after netted for overdraft, not pledged as collateral, and 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.

Receivables from Fostering SOE are funds allocation for Community Development Program which are decided in the General Meeting of Shareholders ("GMS").

Loans other than those described above are presented in the Other Receivables account in the Statement of Financial Position.

The classifications of partnership receivables based on collectibility are as follows:

1. Current, if the principal installment and administration service income payment are paid on time or those whose late payments of principal and/or administration service are paid at the latest 30 (thirty) days from the agreed payment date;
2. Substandard, if the late payments of principal and/or administration service income payment are between 30 (thirty) days and 180 (one hundred eighty) days from the agreed payment date;

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

c. Piutang (lanjutan)

Penggolongan kualitas piutang kemitraan ditetapkan sebagai berikut: (lanjutan)

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. Cadangan Kerugian Penurunan Nilai Piutang

Cadangan kerugian penurunan nilai piutang adalah cadangan atas estimasi kerugian terhadap piutang yang mungkin tidak tertagih di masa yang akan datang.

Cadangan kerugian penurunan nilai piutang pinjaman mitra binaan dihitung secara kolektif berdasarkan prosentase tertentu tingkat ketertagihan (*collection*) data historis yang ada (minimal 2 tahun) sedangkan cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain dihitung secara individual.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Receivables (continued)

The classifications of partnership receivables based on collectibility are as follows: (continued)

3. *Doubtful, if the late payments of principal and/or administration service income payment are between 180 (one hundred and eighty) days and 270 (two hundred and seventy) days from the agreed payment date;*
4. *Loss, if the late payments of principal and/or administration service income payment are over 270 (two hundred and 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 may 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.

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.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (lanjutan)

e. Aset Tetap (lanjutan)

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 periode 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 (ANTT) dan Aset Neto Terikat Permanen (ANTP).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Fixed Assets (continued)

Fixed assets except for 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 while, significant amount of renewal and addition is capitalized to relevant fixed assets account. If the fixed asset is derecognized, PKBL BRI 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 the service have been received in the current period but have not been paid for at the end of current accounting period because payment will be due in the next period.

g. Net Assets

Net assets are assets less liabilities. Net assets are classified as Restricted Net Assets (ANT) and Unrestricted Net Assets (ANTT).

ANT are resources which are restricted for a specific purpose or cannot be used for normal operating activities. ANT is classified into Temporary-Restricted Net Assets (ANTT) and Permanent-Restricted Net Assets (ANTP).

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

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 Care fund which is a community development fund that is set aside by PKBL BRI for Community Development program of SOEs Care and that is derived from the beginning balance of the cash funds of Community Development program, the refund from community development which fails to be realized and the 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 the contra of ANTT account - 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.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

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 (Pembalikan) Cadangan Kerugian Penurunan Nilai Piutang Pinjaman

Beban (pembalikan) cadangan kerugian penurunan nilai piutang pinjaman adalah beban (pendapatan) yang timbul akibat pembentukan (pembalikan) cadangan kerugian penurunan nilai atas piutang pinjaman yang mungkin tidak tertagih.

o. Penyaluran Dana Program Bina Lingkungan dan Beban Lainnya

Beban ini diakui sesuai dengan basis akrual. Beban ini akan diakui pada saat terjadinya transaksi atau kejadian, dan pengakuan beban bersamaan dengan pengakuan kenaikan liabilitas atau penurunan aset.

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:

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 is 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 maximum amount of 20% of current year partnership program funds and is only given to Foster Partners. The expenses are recognized when the funds are distributed.

n. Allowance (Reversal) for Impairment Losses on Loan Receivables Expenses

Allowance (reversal) for impairment losses on loan receivables expenses is an expense (income) that arises from the allowance (reversal) for impairment losses on loan receivables which may become uncollectible.

o. Community Development Program Funds Distribution and Other Expenses

These expenses are recognized on an accrual basis. These expenses will be recognized when a transaction or event occurs, and simultaneously with the recognition of an increase in liabilities or a decrease in assets.

3. ACCOUNTING JUDGMENT, 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:

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**3. PENGGUNAAN PERTIMBANGAN, ESTIMASI
DAN ASUMSI (lanjutan)**

a. Pertimbangan (lanjutan)

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.

Implementasi PER-03/MBU/12/2016

Sesuai dengan RUPS Tahunan yang dilakukan pada tanggal 15 Maret 2017 mengukuhkan pemberlakuan PER-03/MBU/12/2016.

Implementasi PER-02/MBU/7/2017

Sesuai dengan RUPS Tahunan yang dilakukan pada tanggal 22 Maret 2018 mengukuhkan pemberlakuan PER-02/MBU/7/2017.

Cadangan kerugian penurunan nilai piutang pinjaman

Apabila terdapat bukti objektif bahwa rugi penurunan nilai telah terjadi atas piutang pinjaman mitra binaan, PKBL BRI mengestimasi cadangan untuk kerugian penurunan nilai atas piutang yang secara khusus diidentifikasi sebagai piutang yang kemungkinan tidak dapat ditagih. Tingkat cadangan 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 JUDGMENT, ESTIMATION AND
ASSUMPTION (continued)**

a. Judgment (continued)

The implementation of PER-09/MBU/07/2015

In relation to the implementation of PER-09/MBU/07/2015 as disclosed in Note 1a, it is required that the operational expenses of Partnership and Community Development Program 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 Activities.

In accordance with Extraordinary General Meeting of Shareholders ("GMS") that was held on December 14, 2015 as disclosed in Note 12, it was stated that PER-09/MBU/07/2015 was enacted in 2016.

The implementation of PER-03/MBU/12/2016

In accordance with Annual GMS that was held on March 15, 2017, it confirmed enactment of PER-03/MBU/12/2016.

The implementation of PER-02/MBU/7/2017

In accordance with Annual GMS that was held on March 22, 2018, it confirmed enactment of PER-02/MBU/7/2017.

Allowance for impairment losses on loan receivables

If there is an objective evidence that impairment losses has been incurred on loan to foster partners, PKBL BRI estimates an allowance for impairment losses of those loans specifically identified as possibly uncollectible. The level of allowance is examined by Management based on several factors influencing the receivables collectibility.

If there is an objective evidence that impairment losses has been incurred on Loan to other Fostering SOEs, the level of allowance for impairment losses of those loans is evaluated by the Management on the basis of an adverse event which has occurred after the initial recognition and impact on the future cash flows that can be reliably estimated.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

3. PENGGUNAAN PERTIMBANGAN, ESTIMASI DAN ASUMSI (lanjutan)

a. Pertimbangan (lanjutan)

Cadangan 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 cadangan 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 cadangan spesifik (individu) terhadap jumlah yang jatuh tempo untuk menurunkan piutang PKBL BRI ke jumlah yang diharapkan dapat ditagih.

Untuk cadangan 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 yang akan datang.

PKBL BRI juga meneliti cadangan kerugian penurunan nilai secara kolektif terhadap risiko kredit Mitra Binaan yang dikelompokkan berdasarkan karakteristik kredit yang sama, yang meskipun tidak diidentifikasi secara spesifik memerlukan cadangan tertentu, memiliki risiko yang lebih besar tidak tertagih dibandingkan dengan piutang yang diberikan kepada Mitra Binaan. Cadangan kerugian penurunan nilai piutang pinjaman mitra binaan dihitung berdasarkan kajian nilai terkini dan historis tingkat ketertagihan dari piutang. Cadangan 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). Cadangan ini disesuaikan secara berkala untuk mencerminkan hasil aktual dan estimasi.

3. ACCOUNTING JUDGMENT, 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. Estimation and Assumption

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 of said receivables.

In this case, PKBL BRI uses judgment based on the best facts available to recognize a specific allowance (individual) against the due amount to lower PKBL BRI's receivables to the expected collectible amount.

Allowance for impairment losses on loans receivables from other Fostering SOE are calculated based on the estimated losses that cannot 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.

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 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

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, 2019	31 Desember/ December 31, 2018
Program Kemitraan		
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - setelah Tbk	67.171.176.628	34.069.114.985
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - setelah Tbk	39.598.359.701	44.574.812.750
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - sebelum Tbk	5.007.196.592	4.958.426.365
PT Bank Rakyat Indonesia (Persero) Tbk - sebelum Tbk	4.058.303.101	4.018.775.121
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - sebelum Tbk	3.784.299.617	53.321.894.440
PT Bank Rakyat Indonesia (Persero) Tbk - setelah Tbk	3.388.229.998	13.074.526.684
PT Bank Rakyat Indonesia (Persero) Tbk - Operasional	329.717.039	326.505.586
	<u>123.337.282.676</u>	<u>154.344.055.931</u>
Bina Lingkungan		
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli	131.120.380.811	287.761.584.307
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI	764.905.146	757.454.949
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan	-	58.167.917.645
	<u>131.885.285.957</u>	<u>346.686.956.901</u>
Jumlah	<u>255.222.568.633</u>	<u>501.031.012.832</u>

Tingkat suku bunga rata-rata per tahun untuk giro adalah 2% masing-masing untuk tahun yang berakhir pada tanggal 31 Desember 2019 dan 2018.

5. PIUTANG KEPADA BUMN PEMBINA LAIN/LEMBAGA PENYALUR

Piutang kepada BUMN Pembina Lain/Lembaga Penyalur pada tanggal-tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
PKBL PT Perkebunan Nusantara IX	65.975.000.000	66.500.000.000
Dikurangi: cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain/lembaga penyalur	(30.297.225.852)	(34.399.323.366)
Neto	<u>35.677.774.148</u>	<u>32.100.676.634</u>

4. CASH IN BANK

Cash in Bank is PKBL fund placement in the following current accounts of PT Bank Rakyat Indonesia (Persero) Tbk:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
Partnership Program		
PT Bank Rakyat Indonesia (Persero) Tbk Principal Escrow - after 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 Principal Escrow - before Tbk		
PT Bank Rakyat Indonesia (Persero) Tbk - after Tbk		
PT Bank Rakyat Indonesia (Persero) Tbk - Operasional		
Community Development		
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli		
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI		
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan		
Total		

The annual average interest rates for current account are 2% for the year ended December 31, 2019 and 2018, respectively.

5. RECEIVABLES FROM OTHER FOSTERING SOE/DISTRIBUTING PARTNERS

Receivables from other Fostering SOE/Distributing Partners as of December 31, 2019 and 2018 are as follows:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
PKBL PT Perkebunan Nusantara IX		
Less: allowance for impairment losses on receivables from other fostering SOE/ distributing partners		
Net		

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**5. PIUTANG KEPADA BUMN PEMBINA
LAIN/LEMBAGA PENYALUR (lanjutan)**

Perubahan cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain/lembaga penyalur adalah sebagai berikut:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018
Saldo awal tahun (Pembalikan)/pembentukan cadangan selama tahun berjalan	34.399.323.366 (4.102.097.514)	16.362.150.268 18.037.173.098
Saldo akhir tahun	30.297.225.852	34.399.323.366

PT Perkebunan Nusantara IX

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.

Pada tanggal 8 Januari 2016, PT Perkebunan Nusantara IX (Persero) mengajukan kembali permohonan perpanjangan pengembalian pinjaman kemitraan sampai dengan Desember 2019.

Pada tanggal 4 April 2017, dilakukan pembahasan antara PKBL BRI dengan PT Perkebunan Nusantara IX (Persero) yang menghasilkan kesepakatan untuk kembali memperpanjang jangka waktu pengembalian pinjaman kemitraan sampai dengan triwulan keempat 2020 dengan jumlah pembayaran cicilan setiap bulan yang sudah ditentukan diawal. Terdapat pembayaran pokok di bulan April dan Oktober 2017 sebesar Rp3.499.995.000.

**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, 2018	
	16.362.150.268	Beginning balance
	18.037.173.098	(Reversal)/allowance for impairment losses during the year
	34.399.323.366	Ending balance

PT Perkebunan Nusantara IX

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 2013/2014 planting season 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.

On January 8, 2016, PT Perkebunan Nusantara IX (Persero) re-proposed extending the partnership of loan repayment until December 2019.

On April 4, 2017, a discussion was held between PKBL BRI and PT Perkebunan Nusantara IX (Persero) which resulted in an agreement to re-extend the term of repayment of the partnership loan up to the fourth quarter of 2020 with the amount of monthly installment payment determined at the earliest. There have been payments of principal in April and October 2017 amounting to Rp3,499,995,000.

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 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**5. PIUTANG KEPADA BUMN PEMBINA
LAIN/LEMBAGA PENYALUR (lanjutan)**

PT Perkebunan Nusantara IX (lanjutan)

Pada tahun 2018, dilakukan kembali restrukturisasi PTPN IX yang merupakan program strategis *PTPN Holding* PTPN (PTPN III). Kewajiban pembayaran pinjaman kemitraan PTPN IX telah masuk menjadi program restrukturisasi PTPN IX, dengan perpanjangan jangka waktu sampai dengan tahun 2027. Telah terdapat pembayaran sampai dengan tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp525.000.000 dan Rp1.000.005.000.

Manajemen berpendapat bahwa cadangan kerugian penurunan nilai piutang kepada BUMN pembina lain/lembaga penyalur cukup untuk menutup kerugian atas tidak tertagihnya piutang.

**5. RECEIVABLES FROM OTHER FOSTERING
SOE/DISTRIBUTING PARTNERS (continued)**

PT Perkebunan Nusantara IX (continued)

In 2018, a restructuring of PTPN IX was held as PTPN Holding's (PTPN III) strategic program. PTPN IX's partnership loans installment obligation was included in PTPN IX's restructuring program, with a period extension until 2027 and an annual payment schedule that was decided on the agreement. There have been payment of principal until December 31, 2019 and 2018 amounting to Rp525,000,000 and Rp1,000,005,000, respectively.

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. PIUTANG PINJAMAN MITRA BINAAN

a. Berdasarkan Kantor Wilayah

Kantor Wilayah	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	Regional Offices
Yogyakarta	50.296.760.202	49.442.875.287	Yogyakarta
Denpasar	40.598.132.478	39.305.214.095	Denpasar
Malang	39.586.815.557	68.195.425.925	Malang
Makassar	37.735.361.227	38.358.414.881	Makassar
Bandung	35.034.949.009	23.732.531.742	Bandung
Surabaya	28.196.660.193	26.312.641.466	Surabaya
Semarang	27.279.647.976	27.189.102.405	Semarang
Manado	24.503.544.451	22.336.126.164	Manado
Banjarmasin	22.686.169.349	21.936.048.501	Banjarmasin
Palembang	21.937.257.746	21.669.834.308	Palembang
Medan	20.007.426.447	19.491.606.071	Medan
Bandar Lampung	17.987.938.481	17.799.279.220	Bandar Lampung
DKI Jakarta 2	16.312.211.390	15.859.764.935	DKI Jakarta 2
DKI Jakarta 3	13.902.381.519	10.939.644.428	DKI Jakarta 3
Banda Aceh	13.656.776.847	12.567.637.420	Banda Aceh
Pekanbaru	13.508.015.947	10.356.821.033	Pekanbaru
Padang	12.275.064.688	12.318.522.212	Padang
Jayapura	10.009.706.400	8.692.047.301	Jayapura
DKI Jakarta 1	7.263.914.689	8.909.074.106	DKI Jakarta 1
Jumlah	452.778.734.596	455.412.611.500	Total
Dikurangi: cadangan kerugian penurunan nilai piutang pinjaman mitra binaan	(47.377.850.524)	(39.811.872.234)	Less: allowance for impairment losses on loan receivables from foster partners
Neto	405.400.884.072	415.600.739.266	Net

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

6. PIUTANG PINJAMAN MITRA BINAAN (lanjutan)**6. LOAN RECEIVABLES FROM FOSTER PARTNERS (continued)****b. Berdasarkan Sektor Ekonomi****b. By Economic Sector**

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Perdagangan, Hotel dan Restoran	237.848.391.773	264.186.808.092	Trading, Restaurants and Hotels
Pertanian	158.182.746.784	133.155.391.421	Agriculture
Jasa Lainnya	26.692.703.287	28.183.358.155	Services Industry
Industri Pengolahan	20.659.363.700	19.707.613.794	Processing Industries
Sosial Masyarakat	6.048.065.521	6.392.165.156	Community Services
Pengangkutan, Pergudangan dan Komunikasi	2.611.642.352	2.831.748.965	Transportation, Warehousing and Communications
Listrik, Gas dan Air	444.423.795	598.044.617	Electricity, Gas and Water
Konstruksi	159.634.636	231.786.400	Construction
Pertambangan	131.762.748	125.694.900	Mining
Jumlah	452.778.734.596	455.412.611.500	Total
Dikurangi: cadangan kerugian penurunan nilai piutang pinjaman mitra binaan	(47.377.850.524)	(39.811.872.234)	Less: allowance for impairment losses on loan receivables from foster partners
Neto	405.400.884.072	415.600.739.266	Net

c. Berdasarkan Kualitas Piutang Pinjaman**c. Loan Receivables By Collectibility**

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Piutang Pinjaman Mitra Binaan			Loan Receivables from Foster Partners
Lancar	392.929.655.867	407.436.297.761	Current
Kurang Lancar	11.311.812.898	8.055.209.157	Substandard
Diragukan	3.389.248.426	1.885.132.936	Doubtful
Macet	45.148.017.405	38.035.971.646	Loss
Jumlah	452.778.734.596	455.412.611.500	Total
Dikurangi: cadangan kerugian penurunan nilai piutang pinjaman mitra binaan	(47.377.850.524)	(39.811.872.234)	Less: allowance for impairment losses on loan receivables from foster partners
Neto	405.400.884.072	415.600.739.266	Net

d. Cadangan Kerugian Penurunan Nilai Piutang Pinjaman Kepada Mitra Binaan**d. Allowance for Impairment Losses on Loan Receivables from Foster Partners**

Perubahan cadangan kerugian penurunan nilai piutang pinjaman kepada Mitra Binaan adalah sebagai berikut:

Movements in allowance for impairment losses on loan receivables from foster partners are as follows:

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Saldo awal tahun	39.811.872.234	36.174.341.728	Beginning balance
Pembentukan cadangan selama tahun berjalan	7.565.978.290	3.637.530.506	Allowance for impairment during the year
Saldo akhir tahun	47.377.850.524	39.811.872.234	Ending balance

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 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

6. PIUTANG PINJAMAN MITRA BINAAN (lanjutan)

6. LOAN RECEIVABLES FROM FOSTER PARTNERS (continued)

**d. Cadangan Kerugian Penurunan Nilai
Piutang Pinjaman Kepada Mitra Binaan
(lanjutan)**

**d. Allowance for Impairment Losses on Loan
Receivables from Foster Partners
(continued)**

Alokasi cadangan kerugian penurunan nilai piutang pinjaman kepada Mitra Binaan adalah sebagai berikut:

Allocation of allowance for impairment losses on loan receivables from foster partners are as follows:

31 Desember/December 31, 2019

	Saldo Piutang Pinjaman/ Loan Receivables Balance	Akumulasi cadangan kerugian penurunan nilai/ Accumulated allowance for impairment losses	Neto/Net	
Lancar	392.929.655.867	(657.129.035)	392.272.526.832	Current
Kurang lancar	11.311.812.898	(793.838.828)	10.517.974.070	Substandard
Diragukan	3.389.248.426	(778.865.256)	2.610.383.170	Doubtful
Macet	45.148.017.405	(45.148.017.405)	-	Loss
Jumlah	452.778.734.596	(47.377.850.524)	405.400.884.072	Total

31 Desember/December 31, 2018

	Saldo Piutang Pinjaman/ Loan Receivables Balance	Akumulasi cadangan kerugian penurunan nilai/ Accumulated allowance for impairment losses	Neto/Net	
Lancar	407.436.297.761	(934.082.925)	406.502.214.836	Current
Kurang lancar	8.055.209.157	(451.085.884)	7.604.123.273	Substandard
Diragukan	1.885.132.936	(390.731.779)	1.494.401.157	Doubtful
Macet	38.035.971.646	(38.035.971.646)	-	Loss
Jumlah	455.412.611.500	(39.811.872.234)	415.600.739.266	Total

Manajemen berpendapat bahwa saldo cadangan 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.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**7. PENDAPATAN JASA ADMINISTRASI PINJAMAN
YANG MASIH AKAN DITERIMA**

Pendapatan jasa administrasi pinjaman yang masih akan diterima berdasarkan kantor wilayah adalah sebagai berikut:

Kantor Wilayah	31 Desember/ December 31, 2019
Yogyakarta	308.391.060
Malang	175.123.476
Denpasar	140.242.682
Bandung	117.963.917
Semarang	116.486.775
Makassar	107.864.505
Surabaya	97.834.263
Bandar Lampung	90.239.152
Banjarmasin	72.110.522
Manado	60.789.358
Medan	52.105.900
Palembang	46.260.995
Banda Aceh	35.989.258
DKI Jakarta 2	31.221.204
Pekanbaru	28.439.399
DKI Jakarta 3	25.451.733
Padang	23.967.907
Jayapura	22.695.511
DKI Jakarta 1	15.344.892
Jumlah	1.568.522.509

**7. ACCRUED LOAN ADMINISTRATION SERVICES
INCOME**

Accrued loan administration services income by regional offices are as follows:

31 Desember/ December 31, 2018	Regional Offices
223.694.716	Yogyakarta
1.327.311.228	Malang
105.023.023	Denpasar
98.558.036	Bandung
111.855.322	Semarang
95.312.219	Makassar
93.435.716	Surabaya
74.596.557	Bandar Lampung
80.681.373	Banjarmasin
71.871.854	Manado
40.816.279	Medan
39.073.178	Palembang
33.095.962	Banda Aceh
36.273.336	DKI Jakarta 2
20.308.611	Pekanbaru
18.519.916	DKI Jakarta 3
25.128.496	Padang
18.039.291	Jayapura
11.141.475	DKI Jakarta 1
2.524.736.588	Total

8. PIUTANG LAIN-LAIN

Piutang lain-lain pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp527.424.213 dan Rp15.814.348.189 terdiri atas alokasi dana pinjaman kemitraan dari PKBL BRI kepada Unit Kerja (cabang) Penyalur PKBL BRI tetapi belum disalurkan kepada Mitra Binaan sampai dengan akhir periode pelaporan.

8. OTHER RECEIVABLES

Other receivables as of December 31, 2019 and 2018 amounting to Rp527,424,213 and Rp15,814,348,189 respectively, consist of allocated funds of partnership loan from PKBL BRI to PKBL BRI distributor working unit (branches) but not yet distributed to foster partner until the end of the reporting period.

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 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

9. ASET TETAP

Aset tetap adalah sebagai berikut:

	31 Desember/December 31, 2019				
	Saldo 1 Januari/ Balance January 1, 2019	Mutasi/Movement		Saldo 31 Desember/ Balance December 31, 2019	
		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	(71.089.105)	-	-	(71.089.105)	Premises and equipment
Nilai Buku Neto	-			-	Net Book Value

	31 Desember/December 31, 2018				
	Saldo 1 Januari/ Balance January 1, 2018	Mutasi/Movement		Saldo 31 Desember/ Balance December 31, 2018	
		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	(71.057.855)	31.250	-	(71.089.105)	Premises and equipment
Nilai Buku Neto	31.250			-	Net Book Value

Manajemen berpendapat bahwa tidak terdapat penurunan nilai buku aset tetap pada tanggal-tanggal 31 Desember 2019 dan 2018.

Management believes that there is no impairment of the net book value of fixed assets as of December 31, 2019 and 2018.

10. BEBAN YANG MASIH HARUS DIBAYAR

Beban yang masih harus dibayar pada tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp48.083.619.330 dan Rp41.160.843.365, yang terdiri atas 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, 2019 and 2018 amounted to Rp48,083,619,330 and Rp41,160,843,365 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, 2019	31 Desember/ December 31, 2018
Saldo awal tahun	925.910.670.144	1.098.899.815.412
Penurunan Aset Neto Tidak Terikat	(275.756.556.433)	(172.989.145.268)
Saldo akhir tahun	650.154.113.711	925.910.670.144

11. NET ASSETS

Unrestricted Net Assets

Beginning balance
Decrease in Unrestricted
Net Assets
Ending balance

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

12. ALOKASI DANA DARI BUMN PEMBINA

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 2019 dan 2018 sebagai berikut:

Tahun 2019

Berdasarkan Berita Acara RUPS Tahunan No. 40 tanggal 15 Mei 2019 yang telah disahkan oleh Notaris dan Pejabat Pembuat Akta Tanah (PPAT) Fathiah Helmi, SH, dinyatakan tidak ada pembentukan biaya untuk PKBL untuk tahun 2019.

Tahun 2018

Berdasarkan Berita Acara RUPS Tahunan No. 50 tanggal 22 Maret 2018 yang telah disahkan oleh Notaris dan Pejabat Pembuat Akta Tanah (PPAT) Fathiah Helmi, SH, dinyatakan tidak ada pembentukan biaya untuk PKBL untuk tahun 2018.

12. ALLOCATION OF FUND FROM FOSTERING SOE

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.

In 2016, Ministry of SOEs' recently issued 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 2019 and 2018 are as follows:

Year 2019

Based on the Minutes of General Meeting of Shareholders No. 40 dated May 15, 2019 that was legalised by Notary and Land Registrar Fathiah Helmi, SH, it was stated that there was no expense created for PKBL BRI for 2019.

Year 2018

Based on the Minutes of General Meeting of Shareholders No. 50 dated March 22, 2018 that was legalised by Notary and Land Registrar Fathiah Helmi, SH, it was stated that there was no expense created for PKBL BRI for 2018.

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 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

13. PENDAPATAN BUNGA

Pendapatan bunga dari jasa giro untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

13. INTEREST INCOME

Interest income from current account for the years ended December 31, 2019 and 2018 are as follows:

	Tahun yang berakhir pada tanggal 31 Desember/ For the years ended December 31,		
	2019	2018	
Program Kemitraan			Partnership Program
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - setelah Tbk	957.130.428	746.656.053	PT Bank Rakyat Indonesia (Persero) Tbk Interest Escrow - after Tbk
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - setelah Tbk	607.751.146	2.497.543.180	PT Bank Rakyat Indonesia (Persero) Tbk Principal Escrow - after Tbk
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Pokok - sebelum Tbk	378.705.804	720.703.006	PT Bank Rakyat Indonesia (Persero) Tbk Principal Escrow - before Tbk
PT Bank Rakyat Indonesia (Persero) Tbk - setelah Tbk	145.594.203	460.887.693	PT Bank Rakyat Indonesia (Persero) Tbk - after Tbk
PT Bank Rakyat Indonesia (Persero) Tbk Penampungan Bunga - sebelum Tbk	60.962.785	67.018.488	PT Bank Rakyat Indonesia (Persero) Tbk Interest Escrow - before Tbk
PT Bank Rakyat Indonesia (Persero) Tbk - sebelum Tbk	49.409.975	54.318.087	PT Bank Rakyat Indonesia (Persero) Tbk - before Tbk
PT Bank Rakyat Indonesia (Persero) Tbk - Operasional	4.014.316	4.427.540	PT Bank Rakyat Indonesia (Persero) Tbk - Operational
	<u>2.203.568.657</u>	<u>4.551.554.047</u>	
Bina Lingkungan			Community Development
PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli	5.284.610.046	5.705.658.798	PT Bank Rakyat Indonesia (Persero) Tbk BUMN Peduli
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan	377.989.566	3.522.368.098	PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan
PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI	9.312.745	10.237.822	PT Bank Rakyat Indonesia (Persero) Tbk Bina Lingkungan Komitmen BRI
	<u>5.671.912.357</u>	<u>9.238.264.718</u>	
Jumlah	<u>7.875.481.014</u>	<u>13.789.818.765</u>	Total

Penyajian pendapatan bunga pada Laporan Aktivitas adalah neto, setelah dikurangi pajak yang bersifat final dan biaya administrasi rekening yaitu sebesar Rp1.651.258.725 dan Rp2.758.892.948 untuk tahun yang berakhir masing-masing pada tanggal-tanggal 31 Desember 2019 dan 2018.

Presentation of interest income in the Statement of Activities is net, after deducting final tax and administrative expense amounting to Rp1,651,258,725 and Rp2,758,892,948, for the years ended December 31, 2019 and 2018, respectively.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

14. PENDAPATAN JASA ADMINISTRASI PINJAMAN

Pendapatan Jasa Administrasi Pinjaman Program Kemitraan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018 adalah sebagai berikut:

Kantor Wilayah	Tahun yang berakhir pada tanggal 31 Desember/ For the years ended December 31,	
	2019	2018
Malang	1.851.821.707	2.448.230.062
Makassar	1.220.087.913	603.995.727
Denpasar	1.167.944.277	745.554.850
Yogyakarta	994.365.415	1.587.299.565
Banjarmasin	972.527.612	592.408.666
Medan	836.261.822	596.566.146
Bandung	832.570.830	1.457.386.103
DKI Jakarta 2	807.580.906	778.096.801
DKI Jakarta 3	658.169.240	613.854.695
Semarang	631.348.602	775.062.518
Bandar Lampung	606.362.985	250.538.709
Palembang	585.430.047	418.215.953
Surabaya	531.194.970	1.203.275.257
Manado	529.716.460	211.899.847
DKI Jakarta 1	482.180.876	298.623.843
Pekanbaru	342.024.559	472.742.900
Banda Aceh	316.601.978	217.212.887
Jayapura	258.181.148	223.286.812
Padang	253.636.556	313.466.379
Jumlah	13.878.007.903	13.807.717.720

Berdasarkan Peraturan Menteri Badan Usaha Milik Negara No. PER-09/MBU/07/2015 tanggal 3 Juli 2015 dan perubahan terakhir dilakukan berdasarkan PER-02/MBU/07/2017 dimana PKBL BRI menerbitkan Surat No. B.136.e-PPK/KPL/08/2017 tanggal 18 Agustus 2017, distribusi/komposisi bunga Pinjaman Kemitraan sebesar 3% flat per tahun.

14. LOAN ADMINISTRATION SERVICES INCOME

Loan administration services income of Partnership Program for the years ended December 31, 2019 and 2018 are as follows:

Regional Offices
Malang
Makassar
Denpasar
Yogyakarta
Banjarmasin
Medan
Bandung
DKI Jakarta 2
DKI Jakarta 3
Semarang
Bandar Lampung
Palembang
Surabaya
Manado
DKI Jakarta 1
Pekanbaru
Banda Aceh
Jayapura
Padang
Total

Based on the Minister of SOE Decree No. PER-09/MBU/07/2015 dated July 3, 2015 and the latest amendment was made pursuant to PER-02/MBU/07/2017 where PKBL BRI issued Letter No. B.136.e-PPK/KPL/08/2017 dated August 18, 2017, the distribution/composition of the Partnership Loan interest was 3% flat per annum.

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 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

15. PENDAPATAN LAIN-LAIN

15. OTHER INCOME

	Tahun yang berakhir pada tanggal 31 Desember/ For the year ended December 31,		
	2019	2018	
Pengembalian kelebihan dana bina lingkungan	145.581.175	153.489.840	Return of excess fund from community development
Pengembalian dana pinjaman kemitraan karena tidak jadi realisasi	-	50.000.000	Refund from unrealized foster partners Loan
Jumlah	145.581.175	203.489.840	Total

Pada tanggal 31 Desember 2019, pengembalian kelebihan dana bina lingkungan terdiri atas kegiatan BUMN Hadir Untuk Negeri di Mamuju, Sulawesi Selatan dan kegiatan Mudik Bareng di Jakarta. Pada tanggal 31 Desember 2018, pengembalian kelebihan dana bina lingkungan terdiri atas kegiatan Rehabilitasi Mushola Kodim dan denda kepada Vendor atas keterlambatan Pengadaan Sembako.

As of December 31, 2019, refund of excess fund from community development consists of BUMN Hadir Untuk Negeri in Mamuju, South Sulawesi and Mudik Bareng in Jakarta. As of December 31, 2018, refund of excess fund from community development consists of Kodim Mosque Rehabilitation and penalty to Vendor for the delay in Procuring Sembako.

16. DANA PEMBINAAN KEMITRAAN

Dana pembinaan kemitraan untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp322.580.915 dan Rp323.438.491 digunakan masing-masing untuk kegiatan pelatihan mitra binaan dan penyelenggaraan pameran atas usaha Mitra Binaan.

16. FOSTERING PARTNERSHIP FUNDS

Fostering partnership funds for the year ended December 31, 2019 and 2018 which amounted to Rp322,580,915 and Rp323,438,491, respectively, were used for training the foster partners and the business exhibitions of foster partners.

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,		
	2019	2018	
Bantuan Pendidikan	70.191.707.124	53.087.712.848	Aid for Education Donation
Bantuan Peningkatan Kesehatan	44.759.761.982	22.384.597.948	Aid for Health Improvement
Bantuan Sarana Ibadah	43.785.086.953	27.404.110.789	Improvement of Worship Facilities
Bantuan Sosial			Social Assistance for
Pengentasan Kemiskinan	31.342.001.612	30.294.264.189	Poverty Alleviation
Bantuan Sarana Umum	29.302.833.387	22.895.422.555	Public Facility Donation
Bantuan Korban Bencana Alam	6.336.123.862	6.845.484.366	Aid for Victims of Natural Disaster
Pelestarian Alam	866.344.000	722.965.000	Nature Preservation
Jumlah	226.583.858.920	163.634.557.695	Total

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**18. HIBAH DANA PROGRAM KEMITRAAN
KEPADA BUMN KHUSUS**

Sesuai dengan Peraturan Menteri BUMN No: PER-02/MBU/7/2017 dinyatakan bahwa untuk mempercepat dan meningkatkan profesionalisme dalam pengembangan dan pemberdayaan ekonomi mikro dan kecil, BUMN Pembina dapat memberikan pinjaman tanpa bunga atau hibah dana Program Kemitraan kepada BUMN Khusus dalam hal ini adalah PT Permodalan Nasional Madani (Persero) (PT PNM) sebagaimana yang ditetapkan oleh Menteri BUMN pada Surat No: S-822/MBU/12/2018 tanggal 13 Desember 2018.

Pada tanggal 26 Desember 2018, merujuk Surat Nomor: B-2127-DIR/BKC/12/2018, BUMN Pembina mengajukan permohonan persetujuan penyaluran dana program kemitraan kepada PT PNM selaku BUMN khusus melalui mekanisme hibah sebesar Rp50 miliar kepada Dewan Komisaris.

Pada tanggal 12 Februari 2019, merujuk Surat Nomor: R.06-KOM/02/2019, Dewan Komisaris pada prinsipnya mendukung kebijakan Kementerian BUMN terkait dengan penyaluran dana PK melalui BUMN khusus sebesar Rp50 miliar dan meminta Direksi untuk mengajukan permohonan persetujuan kepada Menteri BUMN.

Pada tanggal 6 Maret 2019, merujuk Surat Nomor: B-354-DIR/BKC/03/2019, BUMN Pembina mengajukan permohonan persetujuan penyaluran dana program kemitraan melalui BUMN khusus kepada Menteri Badan Usaha Milik Negara.

Pada tanggal 5 April 2019, merujuk Surat Menteri BUMN No. S-209/MBU/04/2019 tentang Penyaluran Dana PK melalui BUMN Khusus yang didalamnya berisi tentang persetujuan Menteri atas Penyaluran Dana PK BRI kepada PT PNM sebesar Rp50 miliar.

Pada tanggal 20 Mei 2019 dilakukan penandatanganan Hibah Penyaluran Dana PK kepada PT PNM sebesar Rp50 miliar sesuai dengan Akta Hibah No.70 yang dibuat dihadapan Notaris Hadijah, S.H., notaris di Jakarta dan pelaksanaan hibah dilakukan pada 10 Juli 2019.

**18. PARTNERSHIP PROGRAM FUNDING
GRANT TO SPECIAL SOE**

In accordance with SOE Minister Regulation No: PER-02/MBU/7/2017, it was stated that to accelerate and increase professionalism in the development and empowerment of micro and small economies, Fostering SOE can provide non interest bearing loans or Partnership Program funding grants to Special SOE, in this matter is PT Permodalan Nasional Madani (Persero) (PT PNM), as determined by the Minister of SOE on Letter No: S-822/MBU/12/2018 dated December 13, 2018.

On December 26, 2018, referring to Letter Number: B-2127-DIR/BKC/12/2018, the Fostering SOE submitted an application for approval of the partnership program fund distribution to PT PNM as a special SOE through a grant mechanism of Rp50 billion to the Board of Commissioners.

On February 12, 2019, referring to Letter Number: R.06-KOM/02/2019, the Board of Commissioners principally supported the policy of the Ministry of SOE related to the distribution of PK funds through a special SOE amounting to Rp50 billion and asked the Directors to submit an application for approval to the Minister of SOE.

On March 6, 2019, referring to Letter Number: B-354-DIR/BKC/03/2019, the Fostering SOE submitted an application for approval of the distribution of partnership program funds through special SOEs to the Minister of State-Owned Enterprises.

On April 5, 2019, referring to Minister of SOE on Letter No. S-209/MBU/04/2019 about Fund Distribution to Special SOE, there is an approval by Minister about fund distribution to PT PNM amounted Rp50 billion.

On May 20, 2019 an agreement about fund distribution to PT PNM was signed amounting to Rp50 billion based on Notarial Deed of Grant No.70 in the presence of Hadijah, S.H., a notary in Jakarta and the grant was distributed on July 10, 2019.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**19. BEBAN CADANGAN KERUGIAN PENURUNAN
NILAI PIUTANG LAIN-LAIN**

Beban cadangan kerugian penurunan nilai piutang lain-lain untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018 masing-masing sebesar Rp15.634.047.189 dan Rp12.398.547.605.

Beban cadangan kerugian penurunan nilai piutang lain-lain adalah beban yang timbul untuk mencadangkan piutang lain-lain yang belum terselesaikan lebih dari 1 (satu) tahun.

20. PEMBALIKAN PIUTANG LAIN-LAIN

Pembalikan (penghapusan) piutang lain-lain untuk tahun yang berakhir pada tanggal-tanggal 31 Desember 2019 dan 2018 masing-masing sebesar RpNihil dan Rp12.398.547.605.

21. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI

- a. Jenis hubungan dan unsur transaksi dengan pihak-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	BUMN Pembina/Fostering SOE	Kas pada Bank, piutang lain-lain, beban yang masih harus dibayar, dan pendapatan bunga/Cash in Bank, other receivables, accrued expenses and interest income
PT Perkebunan Nusantara IX	Pengendalian melalui Pemerintah Pusat Republik Indonesia/ Common control through central government	Piutang kepada BUMN Pembina lain dan beban cadangan kerugian penurunan nilai piutang lain-lain/ Receivables from other fostering SOE and allowance for impairment losses of other receivables expenses
PT Permodalan Nasional Madani (Persero)	Pengendalian melalui Pemerintah Pusat Republik Indonesia/ Common control through central government	Hibah dana program kemitraan kepada BUMN khusus/ Partnership program funding grant to special SOE

**19. ALLOWANCE FOR IMPAIRMENT LOSSES ON
OTHER RECEIVABLES EXPENSES**

Allowance for impairment losses on other receivables expenses for the years ended December 31, 2019 and 2018, amounting to Rp15,634,047,189 and Rp12,398,547,605, respectively.

Allowance for impairment losses on other receivables expenses are expenses incurred to provide allowance for other receivables that are not yet settled for more than 1 (one) year.

20. REVERSAL OF OTHER RECEIVABLE

Reversal (write off) of other receivable expenses for the years ended December 31, 2019 and 2018, amounted to RpNil and Rp12,398,547,605, respectively.

21. RELATED PARTIES TRANSACTIONS

- a. Type of relationships and transactions with related parties

Pihak berelasi/ Related parties	Jenis hubungan/ Type of relationship	Unsur transaksi pihak berelasi/ Transactions with related parties
PT Bank Rakyat Indonesia (Persero) Tbk	BUMN Pembina/Fostering SOE	Kas pada Bank, piutang lain-lain, beban yang masih harus dibayar, dan pendapatan bunga/Cash in Bank, other receivables, accrued expenses and interest income
PT Perkebunan Nusantara IX	Pengendalian melalui Pemerintah Pusat Republik Indonesia/ Common control through central government	Piutang kepada BUMN Pembina lain dan beban cadangan kerugian penurunan nilai piutang lain-lain/ Receivables from other fostering SOE and allowance for impairment losses of other receivables expenses
PT Permodalan Nasional Madani (Persero)	Pengendalian melalui Pemerintah Pusat Republik Indonesia/ Common control through central government	Hibah dana program kemitraan kepada BUMN khusus/ Partnership program funding grant to special SOE

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**21. TRANSAKSI DENGAN PIHAK-PIHAK BERELASI
(lanjutan)**

21. RELATED PARTIES TRANSACTIONS (continued)

b. Rincian saldo transaksi dengan pihak-pihak berelasi

b. Details of transaction balances with related parties

	31 Desember/ December 31, 2019	31 Desember/ December 31, 2018	
Aset			Asset
Kas pada Bank	255.222.568.633	501.031.012.832	Cash in Bank
Piutang kepada BUMN pembina lain / lembaga penyalur - bersih	35.677.774.148	32.100.676.634	Receivables from other fostering SOE/distributing partners - net
Piutang lain-lain	527.424.213	15.814.348.189	Other receivables
Jumlah	291.427.766.994	548.946.037.655	Total
Jumlah aset	698.397.173.575	967.071.513.509	Total assets
Persentase jumlah aset kepada pihak berelasi terhadap jumlah aset	41,73%	56,76%	Percentage of total assets to related party of total assets
Liabilitas			Liability
Beban yang masih harus dibayar	48.083.619.330	41.160.843.365	Accrued Expenses
Jumlah Liabilitas	48.243.059.864	41.160.843.365	Total liability
Persentase jumlah liabilitas kepada pihak berelasi terhadap jumlah liabilitas	99,67%	100,00%	Percentage of total liabilities to related party of total liabilities
	Tahun yang berakhir pada tanggal 31 Desember/ For the year ended December 31,		
	2019	2018	
Pendapatan			Revenue
Pendapatan bunga	6.224.222.289	11.030.925.817	Interest Income
Jumlah pendapatan	24.349.908.881	25.042.133.377	Total revenue
Persentase jumlah pendapatan dari pihak berelasi terhadap jumlah pendapatan	25,56%	44,05%	Percentage of total revenue from related party of total revenues
Beban			Expenses
Hibah dana program kemitraan kepada BUMN khusus	50.000.000.000	-	Partnership program funding grant to special SOE
Beban cadangan kerugian penurunan nilai piutang lain-lain	-	12.398.547.605	Allowance for impairment losses of other receivables expenses
Jumlah	50.000.000.000	12.398.547.605	Total
Jumlah beban	300.106.465.314	198.031.278.645	Total expenses
Persentase jumlah beban kepada pihak berelasi terhadap jumlah beban	16,66%	6,26%	Percentage of total expense to related party of total expenses

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

22. 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 Kolektibilitas 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 atas pinjaman modal kerja. Sedangkan jumlah dana yang tersedia terdiri atas saldo awal periode ditambah dengan pengembalian pinjaman (pokok ditambah bunga) dan pendapatan bunga dari program kemitraan.

Tabel skor tingkat penyerapan dana (tidak diaudit)

Penyerapan %	>90	85 s.d 90	80 s.d 85	<80	% of absorption
Skor	3	2	1	0	Score

**Tahun yang
Berakhir
pada Tanggal
31 Desember/
Year ended
December 31, 2019**

Distribusi dana

Jumlah dana yang disalurkan:

Piutang pinjaman mitra binaan	281.689.198.514
Hibah dana program kemitraan kepada BUMN khusus (Catatan 18)	50.000.000.000
Dana pembinaan kemitraan (Catatan 16)	322.580.915
	<u>332.011.779.429</u>

Fund distribution

Distribution of Funds:

*Loan receivables from foster partner distribution
Partnership program funding grant to special SOE (Note 18)
Fostering partnership funds (Note 16)*

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

22. PEMBATASAN PENGGUNAAN DANA (lanjutan)**Kep.100/MBU/2002 (lanjutan)****Program Kemitraan (lanjutan)****a. Penilaian Efektivitas (lanjutan)**

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year ended December 31, 2019
Dana yang tersedia	
Saldo awal kas	
Program Kemitraan (Catatan 4)	154.344.055.931
Pengembalian Piutang Pinjaman Mitra Binaan	283.795.651.205
Pendapatan Jasa Administrasi Pinjaman	14.834.221.982
Pengembalian dari BUMN pembina lain (Catatan 5)	525.000.000
	<u>453.498.929.118</u>
Tingkat efektivitas penyaluran (prosentase distribusi dana terhadap dana yang tersedia)	73,21%
Skor tingkat efektivitas penyaluran pinjaman	0

b. Tingkat Kolektibilitas Penyaluran Pinjaman

Indikator lain dalam penilaian kinerja program kemitraan dan bina lingkungan yaitu tingkat kolektibilitas pengembalian pinjaman yang memberikan indikasi adanya kemungkinan tertagihnya suatu pinjaman. Tingkat kolektibilitas pengembalian pinjaman merupakan perbandingan antara rata-rata tertimbang kolektibilitas pinjaman terhadap jumlah pinjaman yang disalurkan (saldo pinjaman). Rata-rata tertimbang kolektibilitas pinjaman adalah perkalian antara bobot kolektibilitas dengan saldo pinjaman berdasarkan kualitas pinjaman (lancar, kurang lancar, diragukan dan macet). Bobot kolektibilitas dengan kualitas lancar (100%), kurang lancar (75%), diragukan (25%) dan macet (0%).

22. RESTRICTED FUND USAGE (continued)**Kep.100/MBU/2002 (continued)****Partnership Program (continued)****a. Effectivity Performance (continued)**

	Fund available
	<i>Cash of Partnership Program Beginning balance (Note 4)</i>
	<i>Collection of Foster Partners Loan Receivables</i>
	<i>Loan Administration Service Income</i>
	<i>Repayments from other fostering SOE (Note 5)</i>
Level of the effectiveness of the loan distribution (percentage fund distribution to fund available)	73,21%
Score of level of the effectiveness of the loan distribution	0

b. Collectibility level of the Loan Distribution

Another performance indicator of partnership and community development program is the collectibility of repayments which indicates the probability of a loan to be fully paid. The collectibility level is calculated by comparing the weighted average collectibility funds with distributed funds. Weighted average collectibility funds is the result of multiplying the collectibility weightage with the balance of each quality of the loan (e.g: current: 100%, substandard: 75%, doubtful: 25% and loss: 0%)

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

22. PEMBATAAN PENGGUNAAN DANA (lanjutan)

Kep.100/MBU/2002 (lanjutan)

Program Kemitraan (lanjutan)

b. Tingkat Kolektibilitas Penyaluran Pinjaman (lanjutan)

Tabel skor tingkat kolektibilitas pengembalian pinjaman (tidak diaudit)

Tingkat Pengembalian (%)	>70	40 s.d 70	10 s.d 40	<10	% of Collectibility Level
Skor	3	2	1	0	Score

Rata-rata tertimbang kolektibilitas pinjaman per 31 Desember 2019 adalah sebagai berikut:

22. RESTRICTED FUND USAGE (continued)

Kep.100/MBU/2002 (continued)

Partnership Program (continued)

b. Collectibility level of the Loan Distribution (continued)

Score of repayments collectibility level table (unaudited)

Weighted average amount of the collectibility of the loan as of December 31, 2019 is as follows:

Kualitas Pinjaman	Saldo pinjaman (Catatan 6)/ Loan balance (Note 6)	%	Jumlah rata-rata tertimbang (Tidak diaudit)/ Weighted Average Amount (Unaudited)	Loan Quality
Lancar	392.929.655.867	100%	392.929.655.867	Current
Kurang Lancar	11.311.812.898	75%	8.483.859.674	Substandard
Diragukan	3.389.248.426	25%	847.312.107	Doubtful
Macet	45.148.017.405	0%	-	Loss
Jumlah	452.778.734.596		402.260.827.648	Total
Tingkat kolektibilitas pengembalian pinjaman (prosentase jumlah rata-rata tertimbang kolektibilitas pinjaman terhadap saldo pinjaman yang disalurkan)		88,84%	Loan repayment collectibility level (percentage of weighted average loan collectibility to loan distribution)	
Nilai tingkat kolektibilitas pengembalian pinjaman		3	Score of repayments collectibility level	

PER-03/MBU/12/2016

Program Kemitraan

Prosentase dana pembinaan terhadap dana program kemitraan yang disalurkan pada tahun berjalan

Berdasarkan PER-09/MBU/07/2015 pasal 9 ayat 4 menyatakan bahwa besarnya dana pembinaan kemitraan yang terdiri atas biaya pendidikan, pemasaran, promosi dan hal lain-lain besarnya maksimal sebesar 20% (dua puluh persen) dari dana program kemitraan yang disalurkan pada tahun berjalan. Dana pembinaan menjadi bagian dari program bina lingkungan.

PER-03/MBU/12/2016

Partnership Program

The percentage of fostering partnership funds to current year funds distribution for partnership program

Based on PER-09/MBU/07/2015 art 9 paragraph 4 specified that the amount of fostering partnership funds which consists of education, marketing, promotion expense, etc is 20% (twenty percent) at maximum of the partnership program distribution during the year. Development funds is part of community development program.

**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
CATATAN ATAS LAPORAN KEUANGAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

22. PEMBASTAN PENGGUNAAN DANA (lanjutan)

PER-03/MBU/12/2016 (lanjutan)

Program Kemitraan (lanjutan)

Pada tanggal 19 Desember 2016, PER-09/MBU/07/2015 direvisi dengan PER-03/MBU/12/2016, dimana beban pembinaan kemitraan menjadi bagian dari realisasi program kemitraan sebagaimana dicantumkan dalam pasal 9 ayat 1c, efektif 19 Desember 2016.

Pada tahun yang berakhir pada tanggal 31 Desember 2019, presentase beban dana pembinaan terhadap penyaluran program kemitraan adalah sebagai berikut:

22. RESTRICTED FUND USAGE (continued)

PER-03/MBU/12/2016 (continued)

Partnership Program (continued)

As of December 19, 2016, PER-09/MBU/07/2015 revised with PER-03/MBU/12/2016, which stipulates that fostering partnership expense is a part of partnership program as stated in Art 9 paragraph 1c, effective December 19, 2016.

For the year ended December 31, 2019, the percentage of fostering partnership funds to current year partnership program funds distribution is as follows:

	Tahun yang Berakhir pada Tanggal 31 Desember/ Year ended December 31, 2019	
Dana pembinaan kemitraan (Catatan 16)	322.580.915	<i>Fostering partnership funds (Note 16)</i>
Dana program kemitraan yang disalurkan		<i>Partnership program funds distribution</i>
Piutang pinjaman mitra binaan	281.689.198.514	<i> Loan receivables from</i>
Hibah dana program kemitraan kepada BUMN khusus (Catatan 18)	50.000.000.000	<i> foster partners</i>
	331.689.198.514	<i>Partnership program funding grant to special SOE (Note 18)</i>
Prosentase dana pembinaan kemitraan terhadap dana program kemitraan yang disalurkan	0,10%	<i>Percentage of fostering partnership funds to partnership program funds distribution</i>

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 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Penyaluran Dana Program Bina
Lingkungan Tahun 2019 (Tidak Diaudit)**

**Statement of Community Development Program
Funds Distribution Year 2019 (Unaudited)**

No.	Kantor Wilayah/ Regional Offices	Bantuan Sarana Umum/ Public Facility Donation	Bantuan Korban Bencana Alam/ Aid for 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	967.012.600	-	2.192.133.560	791.453.200	2.372.060.701	-	850.038.011	7.172.698.072
2	Bandar Lampung	1.145.928.850	237.914.208	1.304.503.665	822.082.800	1.413.899.679	-	485.680.000	5.410.009.202
3	Bandung	4.440.165.621	185.440.000	8.111.360.920	7.785.465.125	2.511.848.200	181.300.000	3.506.578.746	26.722.158.612
4	Banjarmasin	1.272.565.750	47.956.620	1.444.563.940	6.067.430.814	1.840.300.000	-	684.347.000	11.357.164.124
5	Denpasar	1.568.763.702	692.448.036	4.150.287.500	1.789.421.755	3.648.697.320	41.250.000	1.286.729.950	13.177.598.263
6	DKI Jakarta 1	300.497.500	63.597.250	1.043.695.880	2.317.471.326	3.966.757.680	26.500.000	1.114.203.220	8.832.722.856
7	DKI Jakarta 2	640.372.000	-	4.430.021.570	3.290.032.600	3.268.822.826	-	1.098.920.905	12.728.169.901
8	DKI Jakarta 3	1.054.554.825	1.511.325.099	2.440.872.648	1.269.666.200	3.541.668.900	-	826.584.217	10.644.671.889
9	Jayapura	587.585.344	50.000.000	944.295.000	1.640.220.000	983.800.000	-	1.550.470.500	5.756.370.844
10	Kantor Pusat	42.157.000	2.030.517.300	12.550.286.200	2.750.367.500	855.985.847	-	9.088.621.266	27.317.935.113
11	Makassar	60.000.000	426.217.000	1.036.557.184	264.000.000	733.800.000	165.000.000	2.772.096.100	5.457.670.284
12	Malang	1.806.518.136	105.789.654	7.012.450.460	4.982.924.675	2.518.688.920	-	914.301.608	17.340.673.453
13	Manado	73.504.200	332.323.000	1.512.697.300	827.564.100	2.927.208.300	-	522.765.900	6.196.062.800
14	Medan	1.958.760.985	89.300.000	1.772.529.280	1.599.126.881	1.579.380.759	-	101.795.000	7.100.892.905
15	Padang	1.339.689.564	109.207.500	2.760.372.080	777.391.000	1.054.217.500	-	542.011.700	6.582.889.344
16	Palembang	2.427.866.173	-	1.730.344.042	1.292.035.000	1.699.774.449	198.500.000	999.763.480	8.348.283.144
17	Pekanbaru	702.202.000	110.692.000	1.782.439.969	1.232.560.800	1.702.337.850	-	1.216.165.000	6.746.397.619
18	Semarang	746.856.525	61.223.745	6.264.989.320	1.547.320.796	2.724.932.500	-	1.639.610.714	12.984.933.600
19	Surabaya	2.055.748.773	102.313.200	4.475.107.412	1.393.417.710	2.607.804.560	-	1.225.238.870	11.859.630.525
20	Yogyakarta	6.112.083.839	179.859.250	3.232.199.194	2.319.809.700	1.833.100.962	253.794.000	916.079.425	14.846.926.370
	Jumlah/ Total	29.302.833.387	6.336.123.862	70.191.707.124	44.759.761.982	43.785.086.953	866.344.000	31.342.001.612	226.583.858.920

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 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Penyaluran Dana Program Bina
Lingkungan Tahun 2018 (Tidak Diaudit)**

**Statement of Community Development Program
Funds Distribution Year 2018 (Unaudited)**

No.	Kantor Wilayah/ Regional Offices	Bantuan Sarana Umum/ Public Facility Donation	Bantuan Korban Bencana Alam/ Aid for 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	1.121.166.784	23.650.000	991.308.750	186.000.000	1.386.778.000	80.000.000	309.090.295	4.097.993.829
2	Bandar Lampung	829.422.000	19.900.000	1.427.844.653	675.130.000	561.127.500	-	317.369.575	3.830.793.728
3	Bandung	4.307.688.700	226.421.298	3.842.806.038	3.839.167.940	2.512.092.700	267.840.000	3.734.959.500	18.730.976.176
4	Banjarmasin	324.048.460	-	692.531.500	1.823.044.570	1.237.430.000	-	1.255.478.250	5.332.532.780
5	Denpasar	1.513.063.193	3.958.152.925	2.253.749.850	50.000.000	1.652.522.999	86.000.000	1.098.811.278	10.612.300.245
6	DKI Jakarta 1	14.629.000	-	1.065.792.700	1.021.660.500	1.700.958.591	-	191.949.050	3.994.989.841
7	DKI Jakarta 2	1.705.907.000	-	2.491.710.000	694.107.500	4.349.131.500	-	1.268.742.500	10.509.598.500
8	DKI Jakarta 3	613.365.000	400.000.000	1.132.070.138	141.754.991	1.346.000.000	-	440.634.323	4.073.824.452
9	Jayapura	33.117.043	-	598.650.000	883.500.000	-	-	1.709.633.680	3.224.900.723
10	Kantor Pusat	804.700.000	324.699.402	17.401.685.844	1.354.083.597	4.008.850.000	3.900.000	9.431.905.800	33.329.824.643
11	Makassar	2.436.900.000	454.939.391	2.631.848.400	1.364.345.000	929.835.000	-	2.422.773.000	10.240.640.791
12	Malang	1.566.195.864	352.600.000	5.325.327.000	4.442.564.150	1.669.055.000	43.000.000	821.571.475	14.220.313.489
13	Manado	778.035.000	393.704.000	508.845.255	1.036.482.400	43.303.000	-	2.046.412.825	4.806.782.480
14	Medan	995.000.000	50.000.000	1.482.103.950	205.000.000	1.121.351.000	-	1.272.207.000	5.125.661.950
15	Padang	214.761.000	80.875.000	1.537.770.000	-	149.000.000	-	401.800.000	2.384.206.000
16	Palembang	320.213.403	-	1.219.065.925	153.995.000	2.744.364.700	-	317.709.319	4.755.348.347
17	Pekanbaru	1.062.861.350	-	619.000.000	115.000.000	853.163.000	45.375.000	1.223.732.000	3.919.131.350
18	Semarang	1.970.590.000	397.725.000	1.720.160.250	141.759.600	317.830.999	196.850.000	1.704.747.525	6.449.663.374
19	Surabaya	428.010.000	63.797.400	2.999.202.500	2.158.701.700	17.690.000	-	113.912.000	5.781.313.600
20	Yogyakarta	1.855.748.758	99.019.950	3.146.240.095	2.098.301.000	803.626.800	-	210.824.794	8.213.761.397
	Jumlah/ Total	22.895.422.555	6.845.484.366	53.087.712.848	22.384.597.948	27.404.110.789	722.965.000	30.294.264.189	163.634.557.695

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 EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2019 (Tidak Diaudit)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2019 (Unaudited)**

No.	Kantor Wilayah/ Regional Office	Industri/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Electricity, Gas and Water	Pengangkutan, Perdagangan, dan 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	384.121.940	449.018.706	-	22.917.932	-	5.273.517.995	4.306.381.118	56.067.048	318.687.606	10.812.612.345
	Kurang Lancar/ Substandard	-	27.084.100	-	-	-	424.562.796	312.502.416	-	33.141.000	797.290.312
	Diragukani/ Doubtful	60.412.500	-	-	-	-	29.900.000	28.317.000	-	-	118.629.500
	Macet/ Loss	56.250.300	131.032.145	-	-	54.800.200	1.504.018.678	176.586.567	-	5.556.800	1.928.244.690
	Sub jumlah/ Sub total	500.784.740	607.134.951	-	22.917.932	54.800.200	7.231.999.469	4.825.787.101	56.067.048	357.285.406	13.656.776.847
2	Bandar Lampung										
	Lancar/ Current	736.050.194	808.814.069	-	33.320.834	-	8.486.165.104	6.054.675.176	-	108.751.800	16.227.780.177
	Kurang Lancar/ Substandard	22.222.000	30.000.000	-	-	-	233.937.000	348.383.956	-	-	634.542.956
	Diragukani/ Doubtful	-	-	-	-	-	-	20.890.200	-	-	20.890.200
	Macet/ Loss	32.982.200	14.609.687	-	-	-	459.959.400	563.133.881	-	34.040.000	1.104.725.148
	Sub jumlah/ Sub total	791.254.394	853.423.736	-	33.320.834	-	9.180.064.504	6.987.083.213	-	142.791.800	17.987.938.481

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 EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2019 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2019 (Unaudited)
(continued)**

3	Bandung	Kantor Wilayah/ Regional Office	Industri/ Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Penggangkutan, Pengiriman, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial/ Masayarakat/ Community Services	Jumlah/ Total	Lancar/ Current	1.389.758.408	1.154.785.088	-	-	37.499.900	15.515.291.983	10.973.758.925	-	218.056.200	29.289.150.504
													Kurang Lancar/ Substandard	-	83.838.700	-	-	-	-	489.351.036	233.207.100	-	50.000.000
													Diragukan/ Doubtful	-	15.202.407	-	-	18.750.000	-	-	-	71.345.407	
													Masai/ Loss	230.770.987	288.132.968	-	-	1.736.082.608	2.453.902.134	-	129.167.585	4.818.056.282	
													Sub Jumlah/ Sub total	1.620.529.395	1.521.959.163	-	-	37.499.900	17.778.118.627	13.679.618.159	-	397.223.785	35.034.949.009
4	Banjar	Kantor Wilayah/ Regional Office	Industri/ Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Penggangkutan, Pengiriman, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial/ Masayarakat/ Community Services	Jumlah/ Total	Lancar/ Current	359.694.271	992.271.097	21.390.000	58.323.161	264.983.987	9.829.969.290	6.923.518.286	-	476.203.926	18.926.354.018
													Kurang Lancar/ Substandard	-	20.693.919	-	-	-	-	401.709.821	138.074.711	-	-
													Diragukan/ Doubtful	-	46.422.500	-	-	161.436.350	124.848.305	-	-	332.707.155	
													Masai/ Loss	75.341.800	285.278.469	-	-	1.799.645.875	680.231.381	-	46.132.200	2.866.629.725	
													Sub Jumlah/ Sub total	435.036.071	1.324.665.985	21.390.000	58.323.161	264.983.987	12.192.761.336	7.866.672.683	-	522.336.126	22.686.169.349

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2019 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2019 (Unaudited)
(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
5	Denpasar										
	Lancar/ Current	2.228.068.663	1.966.261.516	42.681.452	50.000.400	519.307.591	16.391.279.903	12.930.040.904	31.944.300	195.319.358	34.354.904.087
	Kurang Lancar/ Substandard	27.083.341	-	-	-	-	238.380.571	197.623.969	-	-	463.087.881
	Diragukan/ Doubtful	-	43.625.000	-	-	-	161.887.069	49.356.593	-	-	254.868.662
	Macet/ Loss	69.600.422	102.197.832	-	-	14.442.800	873.778.091	4.465.252.703	-	-	5.525.271.848
	Sub jumlah/ Sub total	2.324.752.426	2.112.084.348	42.681.452	50.000.400	533.750.391	17.665.325.634	17.642.274.169	31.944.300	195.319.358	40.598.132.478
6	DKI Jakarta 1										
	Lancar/ Current	-	674.875.659	-	-	-	4.805.207.745	528.922.350	-	137.501.000	6.146.506.754
	Kurang Lancar/ Substandard	-	76.821.400	-	-	-	337.539.002	-	-	-	414.360.402
	Diragukan/ Doubtful	-	-	-	-	-	138.649.900	-	-	-	138.649.900
	Macet/ Loss	1.257.201	89.906.833	-	-	-	382.179.699	91.053.900	-	-	564.397.633
	Sub jumlah/ Sub total	1.257.201	841.603.892	-	-	-	5.663.576.346	619.976.250	-	137.501.000	7.263.914.689

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 EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
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**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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2019 (Tidak Diaudit) (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2019 (Unaudited)
(continued)

7	DKI Jakarta 2	Lancar/ Current	Industri Pengolahan/ Industries	Jasa Lainnya/ Other Industries	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pengangkutan, Perdagangan, Komunikasi, Transportasi, Wohnhousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total
		Kurang Lancar/ Substandard/ Diragukan/ Doubtful/ Macet/ Loss										
		Sub total	641.286.074	2.267.488.429	-	41.666.672	36.748.756	9.454.669.737	3.460.294.817	-	410.056.905	16.312.211.390
8	DKI Jakarta 3	Lancar/ Current										
		Kurang Lancar/ Substandard/ Diragukan/ Doubtful/ Macet/ Loss	464.982.087	1.194.129.186	-	-	-	22.917.932	6.787.201.732	2.827.880.139	-	317.716.256
		Sub total	559.864.567	1.872.316.530	-	-	22.917.932	8.102.106.099	3.027.460.135	-	317.716.256	13.902.381.519

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN**
Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal tersebut
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR**
As of December 31, 2019 and
For the Year then Ended
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2019 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2019 (Unaudited)
(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, 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	Jawapura										
	Lancar/ Current	302.084.437	466.283.067	-	-	84.365.083	4.392.421.572	2.745.902.373	-	99.740.577	8.090.797.109
	Kurang Lancar/ Substandar	-	68.750.100	-	-	-	1.177.923.534	13.889.600	-	-	200.563.234
	Diragukan/ Doubtful	51.944.400	-	-	-	-	-	-	-	-	51.944.400
	Macet/ Loss	76.505.433	354.657.634	-	-	49.414.034	1.063.135.386	108.945.167	-	13.744.003	1.666.401.657
	Sub jumlah/ Sub total	430.534.270	889.690.801	-	-	133.779.117	5.573.480.492	2.868.737.140	-	113.484.580	10.009.706.400
10	Makassar										
	Lancar/ Current	1.194.700.544	2.168.850.287	35.792.284	65.278.500	179.449.290	20.244.336.881	8.279.456.730	43.751.400	406.134.552	32.617.750.468
	Kurang Lancar/ Substandar	164.802.579	173.577.100	-	-	-	786.396.326	114.015.400	-	-	1.238.791.405
	Diragukan/ Doubtful	5.379.959	-	-	-	-	264.047.235	181.247.600	-	-	450.674.794
	Macet/ Loss	252.840.124	241.972.408	-	-	72.977.500	1.692.528.579	1.115.550.362	-	52.275.587	3.428.144.560
	Sub jumlah/ Sub total	1.617.723.206	2.584.399.795	35.792.284	65.278.500	252.426.790	22.987.309.021	9.690.270.092	43.751.400	466.410.139	37.735.361.227

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2019 and
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Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2019 (Tidak Diaudit) (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2019 (Unaudited)
(continued)

11	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 Hotel/ Transportation, Warehousing and Communications	Perdagangan, Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial Masyarakat/ Community Services	Jumlah/ Total	Lancar/ Current	2.073.402.352	949.860.315	31.438.200	-	272.196.627	15.731.886.099	17.634.266.808	-	359.949.538	37.052.999.939												
												Kurang Lancar/ Substandard	-	-	-	-	-	237.338.900	37.875.000	-	-	275.213.900												
												Diragukan/ Doubtful	-	-	-	-	-	-	40.900.000	-	-	40.900.000												
												Macet/ Loss	85.237.041	26.564.750	-	-	10.000.000	600.519.981	1.495.379.946	-	-	2.217.701.718												
												Sub Jumlah/ Sub total	2.158.639.393	976.425.065	31.438.200	-	282.196.627	16.569.744.980	19.208.421.754	-	359.949.538	39.586.815.557												
												12	Manado											Lancar/ Current	340.152.610	811.162.918	-	225.885.775	10.876.735.104	7.023.928.893	-	142.299.500	19.420.164.800	
																								Kurang Lancar/ Substandard	72.910.417	162.492.531	-	-	661.964.472	229.060.284	-	-	1.128.427.704	
																								Diragukan/ Doubtful	110.040.900	16.353.402	-	-	109.240.932	-	-	37.075.000	272.710.234	
																								Macet/ Loss	194.584.205	486.688.968	-	-	-	2.119.866.392	883.018.248	-	20.083.900	3.684.241.713
																								Sub Jumlah/ Sub total	717.688.132	1.456.697.819	-	-	225.885.775	13.767.806.900	8.138.007.425	-	199.458.400	24.503.544.451

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MENURUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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**Laporan Kualitas Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2019 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2019 (Unaudited)
(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, Komersial/ Transportation, 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	653.817.832	1.430.243.974	-	47.917.100	99.984.671	9.588.545.694	5.721.737.249	-	137.996.000	17.680.242.520
	Kurang Lancar/ Substandard	-	56.398.500	-	-	-	401.696.083	361.951.255	-	-	820.045.838
	Diragukan/ Doubtful	-	-	-	-	-	148.128.377	113.700.000	-	-	261.828.377
	Macet/ Loss	132.729.744	154.694.400	-	-	-	542.838.546	268.319.156	-	146.727.866	1.245.309.712
	Sub Jumlah/ Sub total	786.547.576	1.641.336.874	-	47.917.100	99.984.671	10.681.208.700	6.465.707.660	-	284.723.866	20.007.426.447
14	Padang										
	Lancar/ Current	1.084.550.165	304.027.314	-	43.055.500	15.555.800	6.096.837.818	2.356.665.867	-	163.534.523	10.064.226.987
	Kurang Lancar/ Substandard	-	105.325.750	-	-	-	266.628.755	37.499.756	-	-	409.454.261
	Diragukan/ Doubtful	-	-	-	-	-	44.144.535	-	-	-	44.144.535
	Macet/ Loss	142.853.446	127.303.367	-	-	-	770.882.112	716.199.980	-	-	1.757.238.905
	Sub Jumlah/ Sub total	1.227.403.611	536.656.431	-	43.055.500	15.555.800	7.178.493.220	3.110.365.603	-	163.534.523	12.275.064.688

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENDIRUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2019 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2019 (Unaudited)
(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, Transportasi, 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	595.968.167	1.416.270.333	-	39.999.996	26.388.700	10.935.611.039	5.643.972.674	-	374.907.791	19.033.118.700
		Kurang Lancar/ Substandard	81.485.267	128.794.351	-	-	-	460.865.098	28.564.000	-	-	699.708.716
		Diragukan/ Doubtful	81.195.600	-	-	-	-	156.668.110	29.700.100	-	-	267.563.810
		Macev/ Loss	480.101.866	133.310.966	-	-	-	927.451.590	396.002.098	-	-	1.936.866.520
		Sub Jumlah/ Sub total	1.238.750.900	1.678.375.650	-	39.999.996	26.388.700	12.480.595.837	6.098.238.872	-	374.907.791	21.937.257.746
16	Pekanbaru	Lancar/ Current	255.278.700	756.461.338	-	-	31.250.000	5.722.822.379	5.604.296.385	-	152.067.155	12.522.175.957
		Kurang Lancar/ Substandard	-	70.000.000	-	-	-	122.361.600	80.509.992	-	-	272.871.592
		Diragukan/ Doubtful	-	-	-	-	-	39.583.900	-	-	-	39.583.900
		Macev/ Loss	5.100.360	57.962.133	-	-	-	536.109.115	75.212.890	-	-	673.384.498
		Sub Jumlah/ Sub total	260.379.060	884.423.471	-	-	31.250.000	6.419.876.994	5.760.019.267	-	152.067.155	13.508.015.947

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 EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2019 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2019 (Unaudited)
(continued)**

No.	Kantor Wilayah/ Regional Office	Industri/ 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
17	Semarang										
	Lancar/ Current	1.068.980.346	868.488.418	-	16.666.900	60.418.202	13.439.132.047	9.415.571.292	-	457.736.759	25.326.993.964
	Kurang Lancar/ Substandard	-	16.440.700	-	-	-	424.349.729	120.371.159	-	-	561.161.588
	Diragukan/ Doubtful	-	-	-	-	-	168.480.200	-	-	-	168.480.200
	Mace/ Loss	82.511.463	222.730.601	-	-	-	463.637.545	454.132.615	-	-	1.223.012.224
	Sub Jumlah/ Sub total	1.151.491.809	1.107.659.719	-	16.666.900	60.418.202	14.495.599.521	9.990.075.066	-	457.736.759	27.279.647.976
18	Surabaya										
	Lancar/ Current	1.263.025.403	984.417.513	-	-	322.640.500	14.056.718.287	7.389.491.108	-	397.226.722	24.413.519.533
	Kurang Lancar/ Substandard	-	64.787.310	-	-	-	573.206.443	93.771.667	-	-	731.765.420
	Diragukan/ Doubtful	24.749.800	-	-	-	-	73.467.700	-	-	-	98.217.500
	Mace/ Loss	374.216.967	142.749.400	-	-	-	1.668.289.534	730.651.939	-	37.249.900	2.953.157.740
	Sub Jumlah/ Sub total	1.661.992.170	1.191.954.223	-	-	322.640.500	16.371.681.964	8.213.914.714	-	434.476.622	28.196.660.193

Lampiran/Appendix 2

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal tersebut
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2019 (Tidak Diaudit) (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2019 (Unaudited)
(continued)

19	Yogyakarta																	
	Lancar/ Curret/ Kurang Lancar/ Substandar	2.207.638.673	1.882.546.071	28.332.700	25.276.800	210.415.004	20.927.206.889	19.395.234.006	-	496.603.132	45.173.253.075							
	Diragukan/ Doubtful	74.998.400	45.625.400	-	-	-	471.885.019	335.550.207	-	31.111.200	871.056.276							
	Macev/ Loss	250.811.632	383.725.084	-	-	-	302.821.578	96.699.885	-	-	520.145.263							
	Sub jumlah/ Sub total	2.533.448.705	2.344.406.405	28.332.700	25.276.800	210.415.004	2.382.059.106	704.338.566	-	41.371.200	3.732.305.588							
	Jumlah/Total	20.659.363.700	26.692.703.287	159.634.636	444.423.795	2.611.642.352	237.848.391.773	158.182.746.784	131.762.748	6.048.065.521	452.778.734.596							

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LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
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**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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2018 (Tidak Diaudit)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (Unaudited)**

No.	Kantor Wilayah/ Regional Office	Industri/ 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	517.828.535	583.891.538	-	47.917.316	-	7.978.122.316	1.161.846.921	-	254.861.700	10.544.468.326
	Kurang Lancar/ Substandard	-	13.333.600	-	-	-	116.164.604	58.647.500	-	47.222.200	235.367.904
	Diragukan/ Doubtful	4.433.500	-	-	-	-	15.750.000	-	-	-	20.183.500
	Maceh/ Loss	-	121.031.845	-	-	59.800.200	1.450.789.778	130.439.067	-	5.556.800	1.767.617.690
	Sub jumlah/ Sub total	522.262.035	718.256.983	-	47.917.316	59.800.200	9.560.826.698	1.350.933.488	-	307.640.700	12.567.637.420
2	Bandar Lampung										
	Lancar/ Current	696.193.828	1.037.931.380	-	58.320.833	-	9.300.203.818	5.253.916.914	-	162.500.600	16.509.067.373
	Kurang Lancar/ Substandard	-	-	-	-	-	156.937.900	133.748.256	-	-	290.686.156
	Diragukan/ Doubtful	32.982.200	-	-	-	-	16.666.400	47.235.293	-	-	96.883.893
	Maceh/ Loss	-	14.609.667	-	-	-	404.170.829	449.821.302	-	34.040.000	902.641.798
	Sub jumlah/ Sub total	729.176.028	1.052.541.047	-	58.320.833	-	9.877.978.947	5.884.721.765	-	196.540.600	17.799.279.220

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
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**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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2018 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (Unaudited)
(continued)**

3	Bandung	Industri/ Pengolahan/ Processing/ Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Air/ Electricity, Gas and Water	Pangangkutan, Pengubangan, dan Komunikasi/ Transportation, Warehousing and Communications	Perdagangan Restoran, dan Hotel/ Trading, Restaurants and Hotels	Pertanian/ Agriculture	Pertambangan/ Mining	Sosial/ Masyarakat/ Community Services	Jumlah/ Total	Lancar/ Current	1.024.169.600	1.071.792.419	-	12.501.000	-	13.089.096.296	3.625.831.610	-	106.944.300	18.930.294.225
												Kurang Lancar/ Substandard	12.380.000	81.541.905	-	-	-	216.277.991	173.743.300	-	-	483.943.196
		Diragukan/ Doubtful	63.361.100	-	-	-	69.900.919	-	-	-	133.262.019											
		Macet/ Loss	197.004.087	217.759.468	-	-	1.454.536.048	2.186.565.134	-	129.167.565	4.186.032.302											
		Sub Jumlah/ Sub total	1.296.914.787	1.371.053.792	-	12.501.000	-	14.829.810.254	5.986.140.044	-	23.732.531.742											
4	Banjarmasin	Lancar/ Current	Kurang Lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Sub Jumlah/ Sub total	Banjarmasin	Lancar/ Current	Kurang Lancar/ Substandard	Diragukan/ Doubtful	Macet/ Loss	Sub Jumlah/ Sub total	659.318.967	1.196.529.382	44.722.800	-	170.834.200	12.971.502.056	3.468.362.181	-	569.584.400	19.076.863.986
													-	19.444.200	-	-	-	-	180.296.200	147.326.546	-	-
		Diragukan/ Doubtful	-	-	-	-	-	115.972.200	154.635.000	-	-	270.607.200										
		Macet/ Loss	75.341.800	222.237.269	-	-	1.487.549.106	410.259.994	-	46.132.200	2.241.620.389											
		Sub Jumlah/ Sub total	730.660.767	1.438.210.851	44.722.800	-	170.834.200	14.755.319.562	4.180.583.721	-	21.936.048.501											

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MENURUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
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**PARTNERSHIP AND COMMUNITY DEVELOPMENT PROGRAM
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2019 and
For the Year then Ended
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2018 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (Unaudited)**
(continued)

No.	Kantor/Wilayah/ Regional Office	Industri/ 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
5	Denpasar										
	Lancar/ Current	2.290.998.884	1.597.869.152	-	75.000.000	383.717.501	19.269.103.687	9.764.897.239	48.611.100	219.340.413	33.649.537.976
	Kurang Lancar/ Substandard	-	-	-	-	-	295.861.520	-	-	-	295.861.520
	Diragukan/ Doubtful	-	-	-	-	-	-	52.282.000	-	-	52.282.000
	Macet/ Loss	83.050.422	105.197.832	-	-	14.442.800	668.752.842	4.436.088.703	-	-	5.307.532.599
	Sub jumlah/ Sub total	2.374.049.306	1.703.066.984	-	75.000.000	398.160.301	20.233.718.049	14.253.267.942	48.611.100	219.340.413	39.305.214.095
6	DKI Jakarta 1										
	Lancar/ Current	38.888.900	1.139.791.217	-	-	-	7.007.953.156	73.750.300	-	116.666.800	8.377.050.373
	Kurang Lancar/ Substandard	-	-	-	-	-	120.966.100	-	-	-	120.966.100
	Diragukan/ Doubtful	-	-	-	-	-	-	-	-	-	-
	Macet/ Loss	1.257.201	23.719.233	-	-	-	295.027.299	91.053.900	-	-	411.057.633
	Sub jumlah/ Sub total	40.146.101	1.163.510.450	-	-	-	7.423.946.555	164.804.200	-	116.666.800	8.909.074.106

Lampiran/Appendix 2

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LAPORAN KUALITAS PUTANG PINJAMAN
MENCURUT WILAYAH DAN
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Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
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**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, 2019 and
For the Year then Ended
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**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2018 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (Unaudited)
(continued)**

7	DKI Jakarta 2	Lancar/ Current	668.756.828	2.570.125.922	-	66.666.668	53.333.336	9.639.541.403	420.885.517	-	458.713.371	13.878.023.045
		Kurang Lancar/ Substandard	-	-	-	-	-	-	263.988.266	6.405.243	40.833.000	311.226.509
		Diragukan/ Doubtful	27.331.406	7.150.000	-	-	-	151.871.647	-	-	39.336.300	225.689.353
		Macet/ Loss	9.768.048	255.240.170	-	-	3.434.767	943.678.404	178.074.694	-	54.629.945	1.444.826.028
		Sub total	705.856.282	2.832.516.092	-	66.666.668	56.768.103	10.999.079.720	605.365.454	-	593.512.616	15.859.764.935
8	DKI Jakarta 3	Lancar/ Current	316.780.758	899.430.402	-	45.833.300	47.917.316	6.373.540.610	804.421.769	-	272.340.359	8.760.264.514
		Kurang Lancar/ Substandard	-	-	-	-	-	-	90.164.985	67.950.000	-	158.114.985
		Diragukan/ Doubtful	-	-	-	-	-	29.166.500	-	-	29.166.500	
		Macet/ Loss	87.105.680	688.898.459	-	-	-	1.001.098.052	214.996.238	-	1.992.098.429	
		Sub total	403.886.438	1.588.328.861	-	45.833.300	47.917.316	7.493.970.147	1.087.368.007	-	272.340.359	10.939.644.428

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MENURUT WILAYAH DAN
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Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
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PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2019 and
For the Year then Ended
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**Laporan Kualitas Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2018 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (Unaudited)
(continued)**

No.	Kantor Wilayah/ Regional Office	Industri Pengolahan/ Processing Industries	Jasa Lainnya/ Other Services	Konstruksi/ Construction	Listrik, Gas, dan Atr/ 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
9	Jayapura										
	Lancar/ Current	87.750.600	550.748.667	-	-	60.416.900	4.815.632.388	1.366.691.089	-	148.541.900	7.029.781.544
	Kurang Lancar/ Substandard	-	-	-	-	-	53.257.929	-	-	-	53.257.929
	Diragukan/ Doubtful	-	-	-	-	-	48.691.065	20.100.000	-	-	68.791.065
	Macet/ Loss	76.505.433	354.657.634	-	-	49.414.034	956.050.492	89.845.167	-	13.744.003	1.540.216.763
	Sub jumlah/ Sub total	164.256.033	905.406.301	-	-	109.830.934	5.873.631.874	1.476.656.256	-	162.285.903	8.692.047.301
10	Makassar										
	Lancar/ Current	1.168.162.462	2.049.715.684	71.875.000	50.000.400	489.154.716	24.437.034.859	6.132.122.190	77.083.800	588.115.827	35.063.264.938
	Kurang Lancar/ Substandard	74.924.227	-	-	-	-	299.259.345	134.223.600	-	47.213.888	555.620.060
	Diragukan/ Doubtful	-	-	-	-	-	149.160.548	66.666.800	-	-	215.827.348
	Macet/ Loss	158.844.267	241.972.408	-	-	-	1.233.000.899	874.183.262	-	15.701.699	2.523.702.535
	Sub jumlah/ Sub total	1.401.930.956	2.291.688.092	71.875.000	50.000.400	489.154.716	26.118.454.651	7.207.195.852	77.083.800	651.031.414	38.358.414.881

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MENURUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
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CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2019 and
For the Year then Ended
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Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2018 (Tidak Diaudit) (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (Unaudited)
(continued)

11	Malang	Lancar/																
		Kurang Lancar/ Substandar	1.295.248.855	1.256.252.620	56.437.800	-	108.331.900	16.012.100.404	46.694.653.885	-	335.535.667	65.759.059.131						
		Diragukan/ Doubtful	-	-	-	-	184.318.440	120.843.700	-	-	305.162.140							
		Mace/	20.908.733	28.564.750	-	10.000.000	656.396.125	1.417.335.046	-	-	2.131.204.654							
		Sub Jumlah/ Sub total	1.316.555.588	1.282.817.370	56.437.800	118.331.900	16.852.814.969	48.232.832.631	-	335.535.667	68.195.425.925							
12	Mandao	Lancar/																
		Kurang Lancar/ Substandar	720.817.318	1.366.668.445	-	-	186.505.794	12.098.199.350	3.269.805.649	-	245.207.322	17.887.203.878						
		Diragukan/ Doubtful	85.332.000	141.666.668	-	-	1.307.490.430	573.570.495	-	93.716.300	2.201.775.893							
		Mace/	-	-	-	-	14.161.480	19.775.000	-	-	161.389.800							
		Sub Jumlah/ Sub total	211.966.429	325.022.300	-	-	975.260.689	553.423.275	-	20.083.900	2.085.756.593							
			1.018.115.747	1.833.357.413	-	186.505.794	14.522.565.269	4.416.574.419	-	359.007.522	22.336.126.164							

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LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 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, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

**Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2018 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (Unaudited)**
(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
13	Medan										
	Lancar/ Current	571.802.759	1.701.828.263	-	72.916.700	200.000.400	11.154.301.021	4.272.774.085	-	148.245.800	18.121.869.028
	Kurang Lancar/ Substandard	41.665.322	60.416.900	-	-	-	242.037.000	-	-	-	344.119.222
	Diragukan/ Doubtful	-	-	-	-	-	68.750.100	-	-	-	68.750.100
	Macet/ Loss	104.190.658	117.768.867	-	-	-	314.861.174	273.319.156	-	146.727.866	956.867.721
	Sub jumlah/ Sub total	717.658.739	1.880.014.030	-	72.916.700	200.000.400	11.779.949.295	4.546.093.241	-	294.973.666	19.491.606.071
14	Padang										
	Lancar/ Current	1.155.974.300	655.972.178	-	-	28.889.000	7.562.262.361	1.112.459.344	-	102.083.156	10.617.640.339
	Kurang Lancar/ Substandard	-	-	-	-	-	163.334.734	99.712.000	-	11.110.800	274.157.534
	Diragukan/ Doubtful	15.179.000	-	-	-	-	19.622.224	-	-	-	34.801.224
	Macet/ Loss	191.508.046	69.015.867	-	-	-	566.082.522	565.316.680	-	-	1.391.923.115
	Sub jumlah/ Sub total	1.362.661.346	724.988.045	-	-	28.889.000	8.311.301.841	1.777.488.024	-	113.193.956	12.318.822.212

Lampiran/Appendix 2

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**PROGRAM KEMITRAAN DAN BINA LINGKUNGAN
PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENUMURUT WILAYAH DAN
SEKTOR EKONOMI PROGRAM KEMITRAAN
Tanggal 31 Desember 2019 dan
Untuk Tahun yang Berakhir pada Tanggal Tersebut
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PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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PARTNERSHIP PROGRAM'S COLLECTIBILITY
CLASSIFIED BY REGIONAL AND ECONOMIC SECTOR
As of December 31, 2019 and
For the Year then Ended
(Expressed in Rupiah)**

Laporan Kualitas Piutang Pinjaman menurut Wilayah dan Sektor Ekonomi
Program Kemitraan Tahun 2018 (Tidak Diaudit) (lanjutan)

Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (Unaudited)
(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, Transportasi, 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	1.036.711.206	1.432.721.460	-	91.944.300	109.166.700	13.212.609.468	3.269.903.718	-	337.164.920	19.490.221.772
		Kurang Lancar/ Substandard	-	11.110.800	-	-	-	305.930.098	20.583.000	-	-	337.623.898
		Diragukan/ Doubtful	-	-	-	-	-	64.583.500	41.773.200	-	-	106.356.700
		Macek/ Loss	480.101.886	109.951.166	-	-	-	766.239.490	375.363.898	-	3.975.518	1.735.631.938
		Sub jumlah/ Sub total	1.516.813.072	1.553.783.426	-	91.944.300	109.166.700	14.349.362.556	3.707.623.816	-	341.140.438	21.669.894.308
16	Pekanbaru	Lancar/ Current	245.141.400	580.348.200	-	-	68.750.000	6.149.589.289	2.469.450.891	-	217.482.655	9.730.762.435
		Kurang Lancar/ Substandard	3.334.160	-	-	-	-	-	-	-	-	3.334.160
		Diragukan/ Doubtful	-	-	-	-	-	51.875.643	31.178.490	-	-	83.054.133
		Macek/ Loss	1.766.200	57.962.133	-	-	-	435.907.572	44.034.400	-	-	539.670.305
		Sub jumlah/ Sub total	250.241.760	638.310.333	-	-	68.750.000	6.637.372.504	2.544.663.781	-	217.482.655	10.356.821.033

Lampiran/Appendix 2

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk
LAPORAN KUALITAS PIUTANG PINJAMAN
MENURUT WILAYAH DAN
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Program Kemitraan Tahun 2018 (Tidak Diaudit) (lanjutan)**

**Statement of Loan Receivables Partnership Program's Collectibility
Classified by Regional and Economic Sector Year 2018 (Unaudited)
(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
17	Semarang										
	Lancar/ Current	1.066.966.056	923.356.800	-	30.000.100	44.306.301	17.118.072.762	6.246.737.783	-	437.167.400	25.866.607.202
	Kurang Lancar/ Substandard	-	-	-	-	23.332.600	53.299.900	267.718.981	-	-	344.351.481
	Diragukan/ Doubtful	-	42.860.000	-	-	-	-	79.014.682	-	-	121.874.682
	Macet/ Loss	83.511.463	179.870.601	-	-	412.123.193	180.763.783	-	-	-	856.269.040
	Sub jumlah/ Sub total	1.150.477.519	1.146.087.401	-	30.000.100	67.638.901	17.583.495.855	6.774.235.229	-	437.167.400	27.189.102.405
18	Surabaya										
	Lancar/ Current	993.196.308	1.420.714.926	10.417.700	-	322.639.200	15.338.729.185	4.474.938.114	-	620.798.282	23.181.433.715
	Kurang Lancar/ Substandard	18.750.900	14.164.393	-	-	-	523.250.293	6.073.903	-	2.777.400	565.016.889
	Diragukan/ Doubtful	-	-	-	-	-	47.917.100	3.916.519	-	-	51.833.619
	Macet/ Loss	288.526.100	144.653.000	-	-	-	1.316.381.704	727.546.539	-	37.249.900	2.514.357.243
	Sub jumlah/ Sub total	1.300.473.308	1.579.532.319	10.417.700	-	322.639.200	17.226.278.282	5.212.475.075	-	660.825.582	26.312.641.466

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PT BANK RAKYAT INDONESIA (PERSERO) Tbk
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(continued)

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19	Yogyakarta										
	Lancar/ Current	2.374.341.750	1.992.906.781	48.333.100	46.944.000	397.361.300	27.169.300.308	12.736.215.122	-	197.491.600	44.962.893.961
	Kurang Lancar/ Substandard	68.750.100	106.292.100	-	-	-	371.094.800	281.419.635	-	-	827.556.635
	Direguler/ Doubtful	12.374.000	38.422.200	-	-	-	56.083.600	37.500.000	-	-	144.379.800
	Mercel/ Loss	28.912.132	342.267.284	-	-	-	2.160.462.356	691.253.719	-	64.159.400	3.508.044.891
	Sub Jumlah/ Sub total	2.705.377.982	2.479.888.365	48.333.100	46.944.000	397.361.300	29.756.931.064	13.746.388.476	-	281.651.000	49.442.875.287
	Jumlah/Total	19.707.613.794	28.183.358.155	231.786.400	598.044.617	2.831.748.965	264.188.808.092	133.155.391.421	125.694.900	6.392.165.156	455.412.611.500



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