

ANNUAL GENERAL MEETING OF SHAREHOLDERS 2019

MEETING MATERIALS



01 AGENDA 1

Approval of the Company Annual Report and the Ratification of the Company's 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, including the Accountability Report of The Use of Funds from Public Offering of the Revolving Bond and granting full release and discharge (volledig acquit et de charge) to the Board of Directors and Board of Commissioners from the management and supervisory actions carried out for the financial year ending December 2018.



AGENDA 1 EXPLANATION



- a. On this agenda, company proposed shareholders to approve and or report on the following concerns :
 - a. Approval of the Company Annual Report and the ratification of the Company's Consolidated Financial Statements, including the Board of Commissioners Supervisory Actions Report for the financial year of 2018 that has been audited by Public Accountant Firm Purwanto, Sungkoro & Surja.
 - b. Approval and the ratification of the Annual Report and Financial Report of Partnership and Community Development Program for the financial year of 2018 audited by Public Accountant Firm Purwanto, Sungkoro & Surja.
 - c. Presentation of the Accountability Report of Funds from Public Offering of the Revolving Bond.
 - d. Presentation of Recovery Plan Update.
 - e. Presentation of Statement of Financial Accounting Standards 71 implementation.
- b. With the approval of this agenda, will also granting full release 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 ending December 2018.
- c. Company's Annual Report of the financial year ended 2018 has been uploaded and available to download on company website (www.bri.co.id) and Indonesia Stock Exchange website (www.idx.co.id).

** This agenda need company's shareholders approval*

AGENDA 1 LAW AND REGULATIONS

a. Articles of Association

Article 18 paragraph (5)

The Annual Report signed by all members of the Board of Directors and All Members of the Board of Commissioners shall be submitted by the Board of Directors to the Annual General Meeting of Shareholders no later than 5 (five) months after the end of the Fiscal Year with due observance of the prevailing provisions.

Article 21 paragraph (2) letter a and paragraph (3)

The Board of Directors submit the annual report

The approval of the decree report including the breakdown of the financial statements and the report of the supervisory task of the Board of Commissioners conducted by the GMS, berate to provide full responsibility and waiver of responsibility to the members of the Board of Directors and the Board of Commissioners for the extinguishment and supervision carried out during the past financial year, are reflected in annual reports and financial statements except for embezzlement, fraud and other criminal acts.

b. Regulation of the Minister of SOE No.PER-02/MBU/7/2017 regarding the Second Change to the Regulation of the Minister of SOE No.PER-09/MBU/07/2015 and No.PER-03/MBU/12/2016 dated 16th December 2016 concerning on the SOE's Partnership and Community Development Program.

Article 18

The implementation of Partnership and Community Development Program was audited simultaneously with state owned enterprises supervisor financial report..

The ratification of Partnership and Community Development Program unite with the ratification of the related state owned enterprises supervisor's annual report.

The ratification of Partnership and Community Development Program will also granting full release and discharge (*acquite at de charge*) to the Board of Directors and Board of Commissioners of the Partnership and Community Development Program.



AGENDA 1 LAW AND REGULATIONS

- c. **Financial Services Authority Regulation Number 30/POJK.04/2015 dated 16 December 2015 concerning on the Accountability Report of The Use of Funds from Public Offering.**

Article 6 paragraph (1) and (2)

Public companies should be responsible for the accountability of the use of funds from public offering in every annual general shareholders meeting until all of the funds used has been realised.

The realization of the funds from public offering should be presented as one of the annual general shareholders meeting agenda.

Article 7 paragraph (1) and (2)

The accountability of the use of funds from public offering should be done on the first annual shareholders general meeting even that the fund realization are less than 1 (one) year of share's delivery date.

In terms of all of funds from public offering has been realized, the accountability of the last use of funds should be presented on the nearest annual general shareholders meeting.

- d. **Law of the Republic of Indonesia Number 9 of 2016 dated 15 April 2016 concerning on the Prevention and Handling of Financial System Crisis (PPKSK)**

Article 18 paragraph (1) letter b

Systemic Banks is mandatory to set the action plan and get approval by Financial Services Authority.



AGENDA 1 LAW AND REGULATIONS

e. **POJK No 14/POJK.03/2017 dated of 07 April 2017 concerning to the Recovery Plan of Systemic Banks**

Article 2

Systemic Bank must develop and submit a Recovery Plan to Financial Service Authority.

The Recovery Plan must be approved by General Meeting of Shareholders

In terms of the action plan submitted to the Financial Service Authority have not approve yet on the general shareholders meeting of shareholders, it is mandatory for systemic banks to ask for the approval on the next general meeting of shareholders.

Article 29

Systemic banks are mandatory to implement action plan when the stipulated trigger level has been fulfilled.

Article 31

Systemic banks are mandatory to update their action plan regularly at least once in a year.

Action plan update which include the changes (a) trigger level (b) recovery options and or (c) adequacy fulfillment and bond instrument feasibility or other investment owned by systemic banks should get approval on the General Meeting of Shareholders.

In terms of the updated action plan submitted to the Financial Service Authority have not approve yet on the general shareholders meeting of shareholders, it is mandatory for systemic banks to ask for the approval on the next general meeting of shareholders.

f. **Financial Service Authority Letter Number S-78/PB.11/2017 dated 08 September 2017 concerning on the implementation of Statement of Financial Accounting Standards 71 (IFRS 9).**

Statement of Financial Accounting Standards 71 – Financial instrument will effectively apply on 01 January 2020 with the early implementation is allowed. To prepare the implementation of those accounting standard, Financial Services Authority asked banks to prepare action plan based on the dedicated roadmap.

g. **Statement of Financial Accounting Standards 71 and International Financial Reporting Standards (IFRS) 9**



02 AGENDA 2

Approval of the use of the Company's Net Profit for the financial year of 2018



AGENDA 2 EXPLANATION

- a. In this agenda, company proposed the distribution of company's net profit for the financial year of 2018. Company's net profit (consolidated) that distribute to holding entity for the financial year of 2018 is Rp 32.4 Trilion which allocated for dividends and company's retained earning.
- b. The explanation related with net profit for the financial year of 2018 is available on the Company Annual Report 2018
- c. The proportion of distribution will be decide on the meeting.

** This agenda needs company's shareholders approval*



AGENDA 2 LAW AND REGULATIONS

a. Articles of Association

Article 21 paragraph (2) letter b

The Board of Directors shall submit the proposed use of Net Income, if the Company has a positive profit.

Article 26 paragraph (2)

The Board of Directors shall submit a proposal to the Annual GMS on the use of the unspecified net profit stated in the balance sheet and the profit and loss account submitted for approval of the Annual GMS, in which suggestions may be stated how such unspecified net income can be set aside for fund reserves and proposals concerning the amount of dividends to shareholders, or other distributions such as tantiem for members of the Board of Directors and members of the Board of Commissioners, bonuses for employees, reserves of funds and others that may be distributed, one by another without prejudice to the right of GMS to decide otherwise.

b. Company Law Number 40 of 2007

Article 70

Companies shall set aside a certain amount of the net profits each financial year as a reserve.

The mandatory setting aside as a reserve applies if the Company has a positive balance of profits.

Net profits shall be set aside until the reserve reaches at least 20% (twenty per cent) of the total subscribed and paid up capital.

Article 71

The use of net profits including the determination of the amount to be set aside for reserves as contemplated in Article 70 paragraph (1) shall be decided by the GMS.

All net profits after the deduction to be set aside as reserves as contemplated in Article 70 paragraph (1) shall be allocated to the shareholders as dividends unless determined otherwise in the GMS.

The dividends contemplated in paragraph (2) may only be allocated if the Company has a positive balance of profits.

03 AGENDA 3

Approval on the salary of the Board of Directors, honorarium, and allowance for the Board Commissioners, as well as the facilities and other benefits for all members of the Boards of Directors and Board of Commissioners of the Company for the year 2018 and tantiem for the year 2018



AGENDA 3 EXPLANATION

In accordance to the company's articles of association, basically the amount of salary or honorarium and other allowances for the board of directors and board of commissioners are stipulated by General Meeting of Shareholders, and such authority may be delegated to the Board of Commissioners

** This agenda needs company's shareholders approval*



AGENDA 3 LAW AND REGULATIONS

a. Articles of Association

Article 11 paragraph (19)

The members of the Board of Directors may be paid the following salaries and/or other benefits including post-employment benefits in the amount determined by the GMS and such authority may be delegated to the Board of Commissioners.

Article 14 paragraph (26)

Members of the Board of Commissioners shall be given honorarium and allowances / facilities including Tantiem and post-employment benefits of a type and amount determined by the GMS with due regard to the prevailing rules and regulations.

Article 26 paragraph (2)

The Board of Directors shall submit a proposal to the Annual GMS on the use of the unspecified net profit stated in the balance sheet and the profit and loss account submitted for approval of the Annual GMS, in which suggestions may be stated how such unspecified net income can be set aside for fund reserves and proposals concerning the amount of dividends to shareholders, or other distributions such as tantiem for members of the Board of Directors and members of the Board of Commissioners, bonuses for employees, reserves of funds and others that may be distributed, one by another without prejudice to the right of GMS to decide otherwise.



AGENDA 3 LAW & REGULATIONS

b. Law Concerning Limited Liabilities Companies Number 40 of 2007

Article 96

Provisions concerning the amount of the salary and allowances for members of Boards of Directors shall be stipulated by GMS resolutions.

The authority of the GMS may be delegated to the Board of Commissioners

In the event that the authority of the GMS is delegated to the Board of Commissioners, the amount of the salary and allowances shall be stipulated by resolution of a meeting of the Board of Commissioners.

Article 113

Provisions concerning the amount of salaries or honoraria and allowances for members of Board of Commissioners shall be stipulated by GMS.

c. Regulation of the Minister of SOE Number PER-04/MBU/2014 on 10 March 2014 jo. Regulation of the Minister of SOE Number PER-02/MBU/06/2016 dated 20 June 2016 jo Regulation of the Minister of SOE Number PER-04/MBU/06/2018 dated 10 March 2018 concerning of the Guidance of remuneration for Board of Directors, Boards of Commissioners, and SOE supervisory council.

Attachment Chapter I letter E Number 1 and 4

Salary and allowances for Boards of Directors and Board of Commissioners shall be stipulated by General Meeting of Shareholders.

The stipulation of salary and allowances in a form of variable bonus or incentive (merit rating) are decided by considering the performance, company's financial capacity and other relevant factors.



04 AGENDA 4

The appointment of Public Accountant Firm to audit the Company's Financial Report 2019 and Financial Report on the Partnership and Community Development Program for the Financial Year of 2019



AGENDA 4 EXPLANATION

- a. **The appointment of Public Accountant Firm to audit the Company's Financial Report 2019 and Financial Report on the Partnership and Community Development Program for the Financial Year of 2019**
- b. In terms of the Public Accountant Firm appointment, there are several criterias used such as audit methodology, effectivity, and audit activities, Public Accountant Firm experiences, as well as auditors and their willingness to spare their time.

** This agenda needs company's shareholders approval*



AGENDA 4 LAW AND REGULATIONS

a. Articles of Association

Article 21 paragraph (2) letter c

The appointment of a Public Accountant Firm registered with the Financial Services Authority as proposed by the Board of Commissioners to audit the Company's Financial Statements for the current year, including audit of internal control over financial reporting; in accordance with the applicable provisions of the capital market authority in the place where the Company's shares are registered and / or registered.

b. Financial Services Authority Regulation Number 32/POJK.04/2014 dated 08 December 2014 jo. Financial Services Authority Regulation Number 10/POJK.04/2017 concerning on the planning and organizing of General Shareholders Meeting for Public Listed Companies.

Article 36A paragraph (1)

The appointment and dismissal of public accountant which will provide audit services of the historical annually financial information should be decide on the Shareholders General Meeting of public listed companies by considering the proposal from board of commissioners.

c. Financial Services Authority Regulation Number 6/POJK.03/2015 dated 08 August 2016 concerning transparency and Publication of Bank Reports

Article 6

Financial statements for the position of end of December that are announced quarterly and annually should be audited by a Public Accountant Firm registered in the Financial Services Authority.



05 AGENDA 5

Changes of the member of the Company's Board of Commissioners and/or Board of Directors



AGENDA 5 EXPLANATION

- a. Members of the Board of Commissioners and Board of Directors are appointed and dismissed by the General Meeting of Shareholders.
- b. Shareholders of series A Dwiwarna have a right to be submit the nominee, approving the appointment and dismiss the members of directors and or board of commissioners
- c. Tasks distribution and the authority between director members will be based on the Annual General Meeting of Shareholders

** This agenda needs company's shareholders approval*



AGENDA 5 LAW AND REGULATION

a. Articles of Association

Article 11 Paragraph (10)

Members of the Board of Directors are appointed and dismissed by the GMS, in which the GMS is attended by the shareholders of Series A Dwiwarna and the resolutions of such meeting shall be approved by the shareholders of series A Dwiwarna with due observance of the provisions of this Articles of Association.

The Board of Directors shall be appointed by the General Meeting of Shareholders of the nominee submitted by the shareholders of series A Dwiwarna, whose nomination shall be binding as General Meeting of Shareholders.

This provision shall also apply to the GMS held in order to revoke or strengthen the decision of temporary dismissal of members of the Board of Directors.

Article 14 paragraph (12)

The members of the Board of Commissioners shall be appointed and dismissed by the general meeting of shareholders, which in the GMS is attended by the shareholders of series A Dwiwarna and the decision of such meeting shall be approved by the shareholders of series A Dwiwarna.

The members of the Board of Commissioners are appointed by the GMS of the nominee submitted by the shareholders of the A Dwiwarna series, which nominations are binding for the GMS.

b. Company Law No 40 of 2007

Article 94 paragraph (1)

Members of Board of Directors shall be appointed by the General Meeting of Shareholders.

Article 111 paragraph (1)

Members of Board of Commissioners shall be appointed by the General Meeting of Shareholders.

Article 92 paragraph (5) and (6)

In the event that the Board of Directors consists of 2 (two) or more members of the Board of Directors, the delegation of management tasks and authority between the members of the Board of Directors shall be determined by a General Meeting of Shareholders resolution.

In the event that the General Meeting of Shareholders contemplated in paragraph (5) does not make any determination, the division of the tasks and authority of the members of the Board of Directors shall be determined by a resolution of the Board of Directors.



AGENDA 5 LAW AND REGULATION

- c. **Financial Service Authority Regulation No.33 /POJK.04/2014 on 8 December 2014 concerning the Board of Directors and the Board of Commissioners of the Public Companies**

Article 3

Members of the Board of Directors are appointed and dismissed by General Meeting of Shareholders.

Article 7

Proposals for the appointment, dismissal, and/or replacement of members of the Board of Directors to General Meeting of Shareholders shall consider the recommendations from the Board of Commissioners or a committee which carries out the nomination functions.

Article 26

Proposals for the appointment, dismissal, and/or replacement of members of the Board of Directors to General Meeting of Shareholders as referred to in Article 7 are mutatis mutandis of those of members of the Board of Commissioners

- d. **Regulation of the Minister of SOE Number: PER-03/MBU/02/2015 dated February 17, 2015 regarding Requirements and Procedures for Appointment and Dismissal of the Members of the Board of Directors of SOEs**

Chapter III.B.2

Specific for public State Owned Enterprises, prospective candidates from the State Owned Enterprises must be nominated by the Board of Commissioners. If the Minister views that there are other candidates who have the potential to become members of the Board of Directors, but not included in the list of names proposed by the Board of Commissioners, the Minister can ask the Board of Commissioners to assess the person concerned and if they meet the requirements, Board of Commissioners will proposed to the Minister.

Chapter III.E.4

For public State Owned Enterprise, the curriculum vitae of prospective members of the Board of Directors that nominated in the General Meeting of Shareholders must be available and announced at the Meeting prior to the final decision to elect a new member of the Board of Directors.

AGENDA 5 LAW AND REGULATION

- e. **Regulation of the Minister of SOE Number: PER-02/MBU/02/2015 dated February 17, 2015 regarding Requirements and Procedures for Appointment and Dismissal of the Members of the Board of Commissioners and Board of Supervisors of State-Owned Enterprises.**

Bab III.C.11

Specific for state-owned banks, candidates nominated in the General Meeting Shareholders are assessed by a team formed by the Minister by involving the Chair of the Board of Commissioners who performs the Nomination function. If the Chairperson of the Board of Commissioners as intended is absent, it can be replaced by a Committee member from the Independent Commissioner who performs the nomination function.

Bab III.D.4

For public State Owned Enterprise, the curriculum vitae of prospective members of the Board of Commissioners that nominated in the General Meeting of Shareholders must be available and announced at the Meeting prior to the final decision to elect a new member of the Board of Commissioners.



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THANK YOU

