

INFORMATION DISCLOSURE
TO THE SHAREHOLDERS OF PT BANK RAKYAT INDONESIA (PERSERO) TBK.
In Complying with Bapepam- LK Regulation No. IX.E.1 Transaction with Affiliated Parties and Conflict of Interest on Certain Transaction

THIS INFORMATION DISCLOSURE, MADE IN ORDER TO COMPLY WITH THE PROVISION OF FINANCIAL SERVICES AUTHORITY (“**OJK**”) AS REGULATED IN REGULATION NO. IX.E.1 ATTACHMENT OF DECREE OF THE CHAIRMAN OF BAPEPAM AND LK NO. KEP-412/BL/2009 DATED NOVEMBER 25 2009 CONCERNING TRANSACTION WITH AFFILIATED PARTIES AND CONFLICT OF INTEREST ON CERTAIN TRANSACTION (“**REGULATION NO. IX.E.1**”) IN CONNECTION TO THE CONDITIONAL SALE AND PURCHASE AGREEMENT DATED 20 JUNE 2019 RELATED WITH THE PLAN TO TAKE OVER SHARES OF PT ASURANSI BRINGIN SEJAHTERA ARTAMAKMUR WHICH WILL BE SOLD BY DANA PENSIUN BANK RAKYAT INDONESIA TO THE COMPANY, AS MUCH AS 28.035 (TWENTY-EIGHT THOUSAND THIRTY-FIVE) SHARES OR REPRESENT 90% (NINETY PERCENT) FROM THE ENTIRE ISSUED AND PAID-UP SHARES BY DANA PENSIUN BANK RAKYAT INDONESIA IN PT ASURANSI BRINGIN SEJAHTERA ARTAMAKMUR (“**TRANSACTION**”).

THIS OF INFORMATION DISCLOSURE AND INFORMATION CONTAINED IN IT IS AN IMPORTANT UNITY OF INFORMATION TO BE READ AND WATCHED BY THE COMPANY’S SHAREHOLDERS.



Melayani Dengan Setulus Hati

PT BANK RAKYAT INDONESIA (PERSERO) Tbk.

Domiciled in Central Jakarta, Indonesia
 (“**Company**”)

Main Business Activity:

Banking

Head Office:

BRI 1 Building

Jl. Jenderal Sudirman Kav. 44-46, Jakarta 10210, Indonesia

Phone (021) 5752019; Fax. (021) 5700916

Website: www.bri.co.id

THE BOARD OF DIRECTORS OF THE COMPANY DELIVER THE COMPANY AS ATTACHED IN THIS INFORMATION DISCLOSURE WITH THE INTENTION TO PROVIDE INFORMATION OR DETAILED ILLUSTRATION TO THE SHAREHOLDERS OF THE COMPANY REGARDING THE TRANSACTION AS A PART OF THE COMPANY COMPLIANCE ON REGULATION NO. IX.E.1.

THE BOARD OF DIRECTORS AND THE BOARD OF COMISSIONERS HEREBY DECLARE THAT ALL MATERIAL INFORMATION HAS BEEN DISCLOSED IN THIS INFORMATION DISCLOSURE AND THE INFORMATION IS TRUE AND NOT MISLEADING.

I. INTRODUCTION

In order to comply with Regulation No. IX.E.1, the Company's Board of Directors announces this Information Disclosure with the intention of providing information to the Company's Shareholders that the Company intends to carry out the Transaction which is an Affiliated Transaction due to the existence of an Affiliation as defined in Law No. 8 of 1995 concerning the Capital Market ("**Capital Market Law**") between the Company and Dana Pensiun Bank Rakyat Indonesia ("**DAPEN BRI**") as the majority shareholder of PT Asuransi Bringin Sejahtera Artamakmur ("**BRINS**"). The Affiliation is the relationship between the Company as the founder of DAPEN BRI and DAPEN BRI as described further in Part II Information Regarding the Transaction Plan number 4 of this Information Disclosure.

In connection with the Transaction, before the Company enter into sale and purchase agreement, the Company requires approval in accordance with the Company's Articles of Association and the provisions of the prevailing laws and regulations.

In addition, the Company has also appointed Public Appraisal Services Office Suwendho Rinaldy & Partners ("**SRR**") as an Independent Appraiser to provide fairness opinions on the Transaction mentioned above.

Furthermore, the value of the Transaction does not exceed more than 20% (twenty percent) of the Company's equity, thus the Transaction is not a Material Transaction as referred to in Regulation No. IX.E.2 Attachment to the Decree of the Chairman of Bapepam and LK No. KEP-614/BL/2011 28 November 2011 concerning Material Transactions and Changes in Main Business Activities.

In accordance with the provisions of the applicable legislation, specifically the provisions of Regulation No. IX.E.1, the Company's Board of Directors intends that this Information Disclosure provides information to the Company's shareholders regarding the Transaction to be carried out by the Company.

The Company in carrying out the Transaction will always pay attention to the provisions stipulated in Regulation No. IX.E.1.

II. INFORMATION REGARDING THE TRANSACTION

A. DESCRIPTION OF THE TRANSACTION

1. Object of Transaction

Object of Transaction is shares owned by DAPEN BRI in BRINS that will be sold by BRI DAPEN to the Company, as much as 28.035 (twenty eight thousand thirty five) shares with nominal value per share of Rp10.000.000,- (ten million Rupiah) or representing 90% (ninety percent) of all issued and paid-up shares in BRINS.

2. Value of Transaction

The total value of the Transaction is Rp1.041.000.000.000,- (one trillion forty one billion Rupiah) for 28.035 (twenty eight thousand thirty five) shares or representing 90% (ninety percent) of all issued and paid-up shares in BRINS.

3. Transaction Parties

a. Company

General Information

The Company is a state-owned enterprise in the form of a public limited company established under the law of the Republic of Indonesia and domiciled in Central Jakarta. The company was established and began commercial operations based on Law No. 21 of 1968 on 18 December 1968. Based on Government Regulation of the Republic of Indonesia No. 21 of 1992 dated 29 April 1992, the form of the Company's legal entity was changed to a Limited Liability Company (Persero) as referred in the Deed of Limited Liability Company (Persero) of PT Bank Rakyat Indonesia No. 133 dated 31 July 31 1992, executed before Muhani Salim, S.H., Notary in Jakarta and has obtained the approval of the Minister of Justice of the Republic of Indonesia as stated in his Decision Letter No. C2-6584.HT.01.01.Th.92 dated 12 August 1992 and has been registered in the register at the Central Jakarta District Court Office under No. 2155/1992 dated 15 August 1992 and is published in Supplement No. 73, State Gazette of the Republic of Indonesia No. 3A dated 11 September 1992.

The Articles of Association of the Company have undergone several amendments and the latest amendments of the Articles of Association as set out in the Deed of Resolution of the Annual General Meeting of Shareholders of the Company (Persero) PT Bank Rakyat Indonesia Tbk. No. 5 dated 3 December 2018, executed before Fathiah Helmi, S.H., Notary in Jakarta and has been received and registered in the Database of the Administration System for Legal Entities (*Sistem Administrasi Badan Hukum*) ("**SABH**") No. AHU-AH.01.03-0272183 dated 6 December 6 2018 and has been registered in the Company Registry under No. AHU-0165575.AH.01.11.Tahun 2018 dated 6 December 6 2018.

Capital Structure and Share Ownership

As set out in the Deed of Minutes of the Extraordinary General Meeting of Shareholders of PT Bank Rakyat Indonesia Tbk. No. 54 dated 27 October 2017, drawn up before Fathiah Helmi, S.H., Notary in Jakarta and has been received and registered in the SABH No. AHU-AH.01.03-0187521 dated 3 November 3 2017 and has been registered in the Company Registry under No. AHU-0139372.AH.01.11.Tahun 2017 dated 3 November 2017 and the Register of Shareholders of the Company dated 31 May 2019, issued by PT Datindo Entrycom as the Company's Securities Administration Bureau, the capital structure and shareholders are as follows:

Description	Nominal Value Rp50, - per share		
	Total Shares	Total Nominal Value (Rupiah)	Percentage (%)
Authorized Capital			
<i>A Series Dwiwarna Shares</i>	1	50,-	-
<i>B Series Shares</i>	299.999.999.999	14.999.999.999.950,-	
Name of Shareholders:			
<i>A Series Dwiwarna Shares</i>			
Republic of Indonesia	1	50,-	-
<i>B Series Shares</i>			
Republic of Indonesia	69.999.999.999	3.499.999.999.950,-	56,76
Public	53.345.810.000	2.667.290.500.000,-	43,24
Paid-Up Capital	123.345.810.000	6.167.290.500.000,-	100,00
Shares in Portfolio	176.654.190.000	8.832.709.500.000,-	

Business Activity

The main activity of the Company is to collect public funds and channel these funds by providing loans in the form of credit facilities and other banking activities in accordance with the Articles of Association and the prevailing laws and regulations.

The Company is located in BRI 1 Building, Jenderal Sudirman Street Kav. 44–46, Central Jakarta 10210. As of 31 December 2018, the Company has 19 Regional Offices, 468 branches, 609 sub-branches, 5.381 Micro Outlet, 964 Cash Offices, 2.069 BRI Teras, 136 Mobile Teras and 22.684 ATM's throughout Indonesia.

Composition of the Board of Commissioners and Board of Directors

Board of Commissioners

President Commissioner	: Andrinof A. Chaniago
Deputy President Commissioner	: Wahyu Kuncoro ⁾
Commissioner	: Nicolaus Teguh Budi Harjanto
Commissioner	: Hadiyanto
Independent Commissioner	: Rofikoh Rokhim
Independent Commissioner	: Hendrikus Ivo ⁾
Independent Commissioner	: A. Sony Keraf
Independent Commissioner	: A. Fuad Rahmany

Board of Directors

President Director	: Suprajarto
Deputy 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 Rumahorbo
Director	: Ahmad Solichin Lutfiyanto
Director	: Handayani

⁾ *Effective after obtaining approval from the Financial Services Authority through the fit and proper test.*

b. DAPEN BRI

General Information

DAPEN BRI is a Pension Fund established under the law of the Republic of Indonesia and domiciled in Central Jakarta. DAPEN BRI is a continuation of the Yayasan Dana Pensiun Bank Rakyat Indonesia which was established under the name "Dana Pensiun Bank Rakyat Indonesia" as set out in the Dana Pensiun Bank Rakyat Indonesia Deed No. 15 dated 25 July 1969, executed before Raden Imam Soesatyo Prawirokoesoemo, Notary in Jakarta and has obtained the approval of the Minister of Finance of the Republic of Indonesia as stated in his Decision Letter No. S-10/MK.6/1978 dated 13 January 1978. DAPEN BRI has adjusted to the Law No. 11 of 1992 concerning the Pension Fund and has obtained the approval of the Minister of Finance of the Republic of Indonesia as stated in his Decision Letter No. KEP-315/KM.17/1994 dated 10 November 1994.

DAPEN BRI Regulation have undergone several amendments and the latest amendments of the DAPEN BRI Regulation as set out in Decision Letter No.

S.908-DIR/KHC/11/2018 dated 15 November 2018 has obtained the approval of the Financial Services Authority as stated in its Decision Letter No. KEP-69/NB.1/2018 dated 27 December 2018.

Founder

PT Bank Rakyat Indonesia (Persero) Tbk.

Business Activity

Based on DAPEN BRI Regulation, the purposes and objectives of establishing DAPEN BRI is to hold a Defined Benefit Pension Program with the aim of maintaining income continuity in the old days so that it will create work security and increase the motivation of the Workers which is a conducive climate for increased productivity.

DAPEN BRI has domiciled at Gedung Dana Pensiun BRI Jl. Veteran II No. 15, Level 2, RT 05/RW 03, Gambir, Jakarta 10110.

Board of Management

Supervisory Board

Chairman	: R. Sophia Alizsa
Vice Chairman	: Busrul Iman
Member	: Bambang Suwito
Member	: Ruslina Harsono

Board of Directors

President Director	: Mudjiharno M. Sudjono
Director	: Hartono Sukiman
Director	: Wahyuni Marhaenis Windaharyati
Director	: Sutardjo
Director	: Saptono Siwi

c. BRINS

General Information

BRINS is a limited liability company established under the law of the Republic of Indonesia and domiciled in South Jakarta. The company was established under the name "PT Asuransi Bringin Sejahtera Artamakmur " as set out in the PT Asuransi Bringin Sejahtera Artamakmur No. 121 dated 17 April 1989, executed before Muhani Salim, S.H., a Notary in Jakarta and has obtained the approval of the Minister of Justice of the Republic of Indonesia in accordance with his Decision Letter No. C2-4160.HT.01.01.Th.89 dated 3 May 1989 and has been registered in the register at the Central Jakarta District Court Office under No. 911/1989 dated 11 May 1989 and is published in Supplement No. 1299, State Gazette of the Republic of Indonesia No. 55 dated 11 July 1989.

The Articles of Association of BRINS have undergone several amendments and the latest amendments of the Articles of Association as set out in the Deed of Meeting Decision of PT Asuransi Bringin Sejahtera Artamakmur No. 72 dated 27 April 2018, drawn up before Eddy Muljanto, S.H., Notary in Jakarta and has been received and registered in the SABH No. AHU-AH.01.03-0169415 dated 27 April 2018 and has been registered in the Company Registry under No. AHU-0060439.AH.01.11.Tahun 2018 dated 27 April 2018.

Capital Structure and Share Ownership

Prior to the Transaction and as set out in the Deed of Minutes of Meeting No. 118 dated 30 December 2015, drawn up before Eddy Muljanto, S.H., Notary in Jakarta and has obtained the approval of the Minister of Law and Human Rights of the Republic of Indonesia as stated in his Decision Letter No. AHU-0001640.AH.01.02.Tahun 2016 dated 20 January 2016 and has been received and registered in the SABH No. AHU-AH.01.03-0006602 dated 20 January 2016 and has been registered in the Company Registry under No. AHU-0011079.AH.01.11.Tahun 2016 dated 20 January 2016, the capital structure and shareholders are as follows:

Description	Nominal Value Rp10.000.000, - per Share		
	Total Share	Total Nominal Value (Rupiah)	Percentage (%)
Authorized Capital	50.000	500.000.000.000,-	-
Name of Shareholders:			
1. DAPEN BRI	28.035	280.350.000.000,-	90
2. Yayasan Kesejahteraan Pekerja Bank Rakyat Indonesia	3.115	31.150.000.000,-	10
Paid-Up Capital	31.150	311.500.000.000,-	100
Shares in Portfolio	18.850	188.500.000.000,-	-

Business Activity

Based on the Articles of Association of BRINS, the purposes and objectives of BRINS was to run a business in the insurance sector.

To achieve the purpose and objective above, BRINS can carry out business activities, namely running a loss insurance business: making and closing agreements of all insurance, including agreements, reinsurance, except life insurance.

BRINS has domiciled at Graha BRINS, Jl. Mampang Prapatan Raya No. 18, RT 04 / RW 06, South Jakarta 12790.

Composition of the Board of Comissioners and Board of Directors

Board of Commissioners

President Commissioner : Siswanto
Independent Commisioner : Alfonso Napitupulu
Independent Commisioner : Imam Sundoro⁾

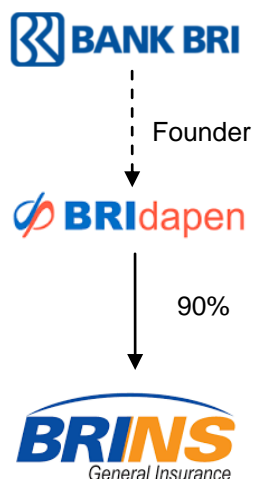
Direksi

President Director : Tri Wintarto⁾
(Executing Official) President Director : Achmad Chumaidi
Director : Adi Setyanto⁾
Director : Sutarno
Director : Ade Zulfikar⁾

⁾ Effective after obtaining approval from the Financial Services Authority through the fit and proper test.

4. Nature of Affiliation of Affiliated Parties

The nature of Affiliation of Affiliated Parties can be show in the following illustration:



The role of each Party in the Transaction Plan is as follows:

- The Company as Investor/Purchaser candidate;
- DAPEN BRI as Seller candidate; and
- BRINS as Investee candidate.

This Affiliated Transaction does not contain Conflict of Interest as referred to in Regulation IX.E.1 because there is no difference in the economic interests of the Company and the personal economic interests of members of the Board of Directors, members of the Board of Commissioners or major shareholders that may harm the Company. This is supported by a Fairness Opinion Report from an Independent Appraiser which is explained further in Section III concerning Summary of Fairness Opinion Report of the Transaction in this Information Disclosure.

III. SUMMARY OF FAIRNESS OPINION REPORT OF THE TRANSACTION

SRR is an official Public Valuation Firm with a Business License No. 2.09.0059 based on the Decree of the Minister of Finance No. 1056/KM.1/2009 dated August 20, 2009 and registered as capital market supporting profession in the Indonesia Financial Services Authority (*Otoritas Jasa Keuangan* or OJK) with a Letter of Registration as Capital Market Supporting Profession (*Surat Tanda Terdaftar (STTD) Profesi Penunjang Pasar Modal*) No. STTD.PB-05/PM.2/2018 dated 24 May 2018 (Business Valuation).

The Company has appointed SRR as an independent appraiser to conduct a valuation of 90% of the shares of BRINS ("**BRINS Shares**") and prepare a fairness opinion on Affiliated Transaction.

As an independent appraiser, SRR states that it has no affiliation, directly or indirectly, as defined in the Capital Market Law, with the Company.

A. Summary of Share Valuation Report

The following is the summary of BRINS Shares valuation report No. 00137/2.0059-02/BS/07/0457/1/VI/2019 dated 10 June 2019 prepared by SRR ("**BRINS Shares Valuation Report**"):

1. The related parties in the Affiliated Transaction
The related parties in the Affiliated Transaction is Company and DAPEN BRI.

2. Valuation Object
The valuation object is BRINS Shares, representing 90% of total issued and fully paid shares of BRINS.
3. Objective of Valuation
The objective of BRINS Shares valuation is to provide opinion on the fair market value of BRINS Shares, on 31 December 2018, denominated in Rupiah and/or its equivalent. The purpose of the valuation is to provide an overview of the fair market value of BRINS Shares which will then be used by the Company as a reference in the Affiliated Transaction.
4. Assumptions and Limiting Conditions
 - a. The BRINS Shares Valuation Report is a non-disclaimer opinion.
 - b. SRR has reviewed the documents used in the valuation process.
 - c. Data and information are obtained from sources that can be trusted for their accuracy.
 - d. SRR uses the adjusted financial projections that reflect the fairness of the financial projections made by management with the ability to accomplish (fiduciary duty).
 - e. SRR is responsible for the valuation process and fairness of financial projections.
 - f. The BRINS Shares Valuation Report is open to public, unless there is confidential information that may affect BRINS's operations.
 - g. SRR is responsible for the BRINS Shares Valuation Report and the final value conclusion
 - h. SRR has obtained information on the legal status of BRINS Shares from the Company.
5. Valuation Approaches and Methodology
The valuation approaches used in BRINS Shares valuation are income-based approach with discounted cash flows [DCF] method and market-based approach with listed companies comparison (guideline publicly traded company method).

The income approach with DCF method is used in the valuation considering that BRINS' operations in the future will still fluctuate according to estimates on its business development. In this method, BRINS' operation is projected according to the estimated business development. The future cash flows generated from the projection is discounted to present value at a discount rate corresponding to the risk level. The indicative value is the total present value of future cash flows.

The market approach with listed companies comparison method is used in the valuation because even though there is no information on companies with comparable scale of business and equivalent assets in the stock market, it is expected that data of existing listed companies can be used as a comparison to the value of BRINS Shares.

Furthermore, the values obtained from the aforementioned approaches are reconciled by weighting mechanism to get a conclusion on the value of BRINS Shares.

6. Conclusion
Based on analysis of all data and information received by SRR and considering factors that are closely related to the valuation, the fair market value of BRINS Shares on 31 December 2018 is Rp 1,089.01 Billion.

B. Summary of Fairness Opinion Report

The following is summary of the fairness opinion report of Affiliated Transaction No. 00140/2.0059-02/BS/07/0457/1/VI/2019 tanggal 20 Juni 2019 compiled by SRR ("**Fairness Opinion Report**"):

1. Affiliated Transaction Parties
The parties involved in the Affiliated Transaction is the Company and DAPEN BRI.
2. Object of Fairness Opinion
The object of fairness opinion is the Affiliated Transaction, which is the sale and purchase of BRINS Shares.
3. Objective of Fairness Opinion
The objective of the Fairness Opinion is to provide an overview on the fairness of the financial

aspects of the Affiliated Transaction to meet the Regulation No. IX.E.1.

4. Assumptions and Limiting Conditions

- a. The Fairness Opinion is a non-disclaimer opinion.
- b. SRR has reviewed the documents used in the Fairness Opinion preparation.
- c. Data and information are obtained from sources that can be trusted for their accuracy.
- d. The analysis in the preparation of the Fairness Opinion uses the adjusted financial projections that reflect the fairness of the financial projections made by management of the Company with the ability to accomplish (fiduciary duty).
- e. SRR is responsible for the preparation of the Fairness Opinion and the fairness of financial projections.
- f. The Fairness Opinion report is open to public, unless there is confidential information which could affect BRINS's operations.
- g. SRR is responsible for Fairness Opinion and conclusion of Fairness Opinion.
- h. SRR has obtained information on the terms and provisions of the agreements relating to the Affiliated Transaction from the Company.

5. Approaches and Procedures of Fairness Opinion Reporting

To evaluate the fairness of the Affiliated Transaction, SRR has conducted (a) a qualitative analysis of parties involved in Affiliated Transactions and their linkages, the industry, and the benefits and risks of Affiliated Transactions; and (b) a quantitative analysis, such as analysis of the Company's historical financial statements, the Company's financial performance analysis without and with Affiliated Transactions, and analysis of the financial impact on the Company's Affiliated Transaction.

6. Conclusion

Based on the analysis of the fairness of the Affiliated Transaction as described in the Fairness Opinion analysis above, SRR concludes that the Affiliated Transaction is **fair**.

IV. CONSIDERATION AND REASON FOR THE TRANSACTION

Participation of the Company in non-bank financial institutions is part of the Company's non-organic growth strategy as stipulated in the Company's Business Plan of 2019-2021.

One of the non-organic growths which have been planned by the Company is the participation in non-bank financial institutions with products/services that are complementary to the Company's products/services. This effort is one of the action to achieve the Company's aspirations to become an integrated financial service provider to the Company's customers.

The background and purpose of the participation in general insurance companies are as follows:

- Fulfilling the destination statement in the year of 2020, namely: Integrated Financial Solution
- Diversification of income sources

The selection of BRINS as an investee candidate, because BRINS has higher growth and return compare to the average general insurance and banking. On another note, BRINS is a company which affiliated with the Company so that it is easier to integrate with the Company's culture.

V. STATEMENT OF THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF THE COMPANY

The Board of Directors and the Board of Comissioners hereby declare that all material information has been disclosed in this Information Disclosure and the information is true and not misleading.

VI. ADDITIONAL INFORMATION

The shareholders of the Company who need further informations related to the Transaction, may contact the Company every working day and during the Company's business hours at the address below:

PT BANK RAKYAT INDONESIA (PERSERO) Tbk.
BRI 1 Building
Jl. Jenderal Sudirman Kav. 44-46, Jakarta 10210, Indonesia
Phone (021) 5752019; Fax. (021) 5700916
Website: www.ir-bri.com / www.bri.co.id

Up: *Investor Relation/Corporate Secretary*

Jakarta, 21 June 2019

Board of Directors

PT BANK RAKYAT INDONESIA (PERSERO) Tbk.