2018 AML-CTF Implementation
The application of the 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:
      1) Ensure BRI has the AML and CTF program policies and procedures;
      2) 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;
      3) 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;
      4) 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;
      5) 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;
   b. Active supervision by the Board of Commissioners, as follows:
      1) Provide approval for the policies and procedures of strategic AML and CTF Programs proposed by the Board of Directors;
      2) Supervise the implementation of the BOD’s responsibility towards the implementation of the AML and CTF Program; and
      3) 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.

2. Policies and Procedures of the AML and CTF Program Implementation
   a. The 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;

9) 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;
10) 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.
Anti Money Laundering & Counter Terrorism Financing Program

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 the AML and CTF program;
g. Reporting to PPATK.

3. Internal Control
a. Availability of adequate internal policies, procedures and monitoring;
b. A limit of authority and responsibility of the work unit related to the implementation of AML and CTF; and
c. The examination is carried out independently to ensure the effectiveness of the AML and CTF program implementation.

4. Management Information System (MIS)
The AML and CTF Program Supporting App
a. The 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);
b. Data availability app for an Integrated Service User Information System (SIPESAT) reporting,
c. Mutation account app that provides counterparty transaction information.
d. Profile recording and transaction appof Walk In Customer (WIC).
e. Reporting app for Suspicious Transaction Report (STR) and WIC Cash Transaction Report (CTR) online.
f. Integrated customer financial data search app.

5. Human Resources (HR) and Training
Human Sources (HR)
In order 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).

Training
a. Training can be done electronically (online base) or through face-to-face meetings.
b. 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 2018 the e-learning related to the Implementation of Customer Due Diligent (CDD) & Enhance Due Diligent Customers and e-learning related to the Introduction of Anti Money Laundering Systems has been implemented.
c. 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 accordance to the needs of employees, with detailed activities as follows:
1) AML-CTF In House Training in 2018 has been conducted in all BRI Regional Offices and Special Branch Offices. The schedule that has been implemented is as follows:
Partnership Program

The composition of Partnership Program Fund Disbursement per Sector as of December 2018 is as follows:

Partnership Program Fund Disbursement Development

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Realization (Rp in Million)</td>
<td>89,760</td>
<td>209,359</td>
<td>344,152</td>
</tr>
<tr>
<td>Mentoring Partners</td>
<td>1,634</td>
<td>3,070</td>
<td>5,470</td>
</tr>
</tbody>
</table>

Partnership Loan Disbursement Methods

Partnership Program fund disbursement to prospective mentoring partners is carried out by using banking approach methods structured as the bank lending process. Assessment of prospective mentoring partners is conducted from various aspects, including: introduction of superior products, creative process to add product values, availability and capability of taking local manpower.

The Mentoring Partners that have acquired Partnership Program funding for their business performance and development, will also obtain mentoring program grants funding. The grants are provided through entrepreneurship assistance and coaching from BRI or appointed third parties, free of charge. After this process, the mentoring partners are expected to have the capability to develop its business independently, and able to access banking financing with commercial schemes.
Partnership Coaching

To support and ensure the mentoring partner’s business growth and development, BRI also provide grants funding for partnership coaching aim for education, training, apprentice, marketing, promotion and other programs that may improve the productivity or business development of BRI Mentoring Partners.

With the funding support, the Mentoring Partners have the opportunity to acquire training and entrepreneurship competency improvement according to business types, expand insights and can participate in the exhibitions to open up marketing opportunity of its products.

The realization of grants funding of partnership coaching until December 2018 was Rp309 million. The funding was used for promotional activity of product marketing of mentoring partners through exhibitions and trainings organized at various venues.

Through participation in those events, in both trainings and exhibitions, the mentoring partners are expected to have the opportunity to expand its product market access and expand business network. Moreover, the mentoring partners are expected to attain information on the current market trends.

Exhibitions and Trainings Activities

<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Activities</th>
<th>Rp</th>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2 - 4 May 2018</td>
<td>Dhawafest 2018 Exhibition</td>
<td>5,225,000</td>
<td>Finance Ministry</td>
<td>Organized by Ministry of Finance</td>
</tr>
<tr>
<td>2</td>
<td>14 - 16 May 2018</td>
<td>Bazaar KBUMN</td>
<td>21,855,991</td>
<td>KBUMN</td>
<td>Organized by Ministry of SOE</td>
</tr>
<tr>
<td>3</td>
<td>22 -25 May 2018</td>
<td>Bazaar Ramadhan</td>
<td>9,002,500</td>
<td>BRI Tennis Field</td>
<td>Organized by IWABRI and BRI Cooperative</td>
</tr>
<tr>
<td>4</td>
<td>26 - 27 July 2018</td>
<td>Mentoring Partners Training of Denpasar Regional Office</td>
<td>87,237,900</td>
<td>Denpasar Business Division</td>
<td>Organized by Small and Partnership Business Division</td>
</tr>
<tr>
<td>5</td>
<td>22 - 23 November 2018</td>
<td>Mentoring Partners Training of Makassar Regional Office</td>
<td>186,000,000</td>
<td>Makassar Business Division</td>
<td>Organized by Small and Partnership Business Division</td>
</tr>
</tbody>
</table>
Corporate Social Responsibility Toward Consumers

Targets and Activities Planned by the Management in 2018
BRI strives to improve service quality to all customers that based on Customer Centric by enhancing communication network performance and revitalization of service standard. With these measures, it is expected that the ranking in the national banking will be continually increased. BRI performance in the last three years continue to improve. The performance improvement is followed by improved service quality. In 2018, the Company’s performance grew above the industry average.

<table>
<thead>
<tr>
<th>Service Monitoring Performance Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
</tr>
<tr>
<td>BRI Performance</td>
</tr>
<tr>
<td>Banking Industry</td>
</tr>
<tr>
<td>Source: Service Quality Index By CAREE</td>
</tr>
</tbody>
</table>

Activities Conducted and Quantitative Impact on Activities
To support service quality, BRI improves its service system in order to serve customer complaints properly, fastly and satisfactorily. The customer complaint handling is carried out by using appropriate technology with the customers complaint and handling standard that has been 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 satisfying results.

The following are activities conducted related to product responsibility to customers during 2018:

Developed Chatbot Artificial Intelligence named “Sabrina”
Sabrina is a Chatbot of artificial intelligence based that provide information services on product, promotional items, and event; location of ATM, Office and Top-up BRIIZI, and direct assistance by Contact Center Agent.

Sabrina aims to enable easy communication by the customers and obtain banking information.

Revitalization and Reinterpretation of Customer Centric based Service Standard
BRI has carried out strategic measures in order to improve service quality through transformation of two service strategy approaches to become “Customer Centric Service” namely:

1. Service Architecture which consists of:
   - Branch Service Design (Service Standard through Operating Units)
   - E-Channel Service Design (Service Standard through E Channel and E Banking)
   - Contact Center Service (Service Standard through Contact Center)

2. Service & Operational Quality which consists of People, Process, Product and Premises aspect to be more focus on external and internal customer.
Corporate Social Responsibility Toward Consumers

Service Standards Revitalization

As one of the Initiative Strategies that does not replace or negate existing quality standards, but rather to improve Quality according to Customer expectations covering various aspects hence integrating the quality standards starting from the People, Process, Product and Premises aspects that will provide a better experience.

For internal problems at Operating Unit related to systems and applications, recording process and escalation on such issues are carried out through BRI Solutions apps. The central function of helpdesk team in providing solutions and settlement of every systems and apps trouble, can be more effectively monitored to ensure its settlement through Service Level Agreement (SLA). With BRI Solutions apps, the Operating Unit can provide optimum customer service.

In the National Customer Day activities, BRI appreciates the customers by giving souvenirs such as chocolates, flowers, and others which was organized in all BRI Operating Units (Branch Office, Sub Branch Office, Cash Office and BRI Units) and appointment of contract employees with Frontliner positions that are outstanding employees to become permanent employees.

Developing an Integrated Complaint Handling System

An integrated complaint handling system at Bank BRI is implemented through the utilization of BRICare and BRI Solutions apps. BRICare apps is used to record, escalate, settle, and report customer complaint. BRICare apps is uses by every frontliner of Bank BRI including customer service in every Operating Unit as well as contact center agent. Through BRICare apps, customer complaints service becomes integrated and enable the customer to inform their complaint wherever and whenever they are. BRICare apps also connects the frontliner with back-office team that functions to settle every complaint received by Bank BRI. With an integrated customer complaint handling, the progress of customer complaint handling level can be monitored and supported Bank BRI efforts in improving customer service.

National Customer Day Celebration

As an appreciation for BRI customers for their loyalty in using BRI banking services and products and appreciation for outstanding employees, Bank BRI held a National Customer Day on September 4, 2018.

The National Customer Day is a commitment of all Board of Directors as the Mentor to realize excellent Customer Experience which oriented to BRI Core Values “Customer Centric” and momentum to create service awareness on the importance of service improvement in all Operating Unit.

Complaint Settlement Details

Throughout 2018, BRI recorded an increase of customer information request and complaint. From the total complaint received by BRI, the respond was carried out immediately in accordance with the set procedures standard. Based on the received data, until December 2018 the received information request and complaint reached 3,544,225 complaint, with the completion reaching 3,488,797 (98.4%).