

Corporate Governance

CORPORATE GOVERNANCE COMMITMENT

The Board of Commissioners ("BOC"), the Board of Directors ("BOD") and all employees of BRI at all working levels committed to apply the Good Corporate Governance ("GCG") principles in performing each roles and responsibilities as well as to comply with prevailing provisions and regulations.

BRI awares on the importance of GCG implementation as foundation in order to achive its vision and sustainable mission. Therefore, BRI always ehance the quality of GCG process and structure in each level of organization to maintain the business sustainability as well as ensure

better GCG outcome in providing value added for shareholders as well as stakeholders of BRI including the customers and government.

The achivement through increment of company assets as well as profit during the last decade is an outcome manifestation of successful GCG implementation. The achievement is inseparable from BRI commitment in applying the GCG principles at every level of organization in carrying out the Bank's business activities and operation.

To actualize the Company's objectives in GCG quality improvement, the commitment of all BRI personnels can be described as follows:



The Board of Commissioners

The Board of Commissioners (BOC) is collectively responsible to perform oversight function on the management policy, general management of the Company and business by 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 Letter 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 Bank Indonesia No. 8/4/PBI/2006 regarding Good Corporate Governance Implementation for Commercial Banks and its amendment, Regulation of Bank Indonesia No. 8/14/ PBI/2006.
- h. Regulation of Ministry of State Owned Enterprises No. PER-02/MBU/02/2015 regarding the Requirements and Procedures for the Appointment and Dismissal of Members of the Board of Commissioners and Board of Trustees of SOEs.
- i. Financial Services Authority Regulation No: 1 / POJK.03 / 2019 January 28, 2019 Regarding the Implementation of Internal Audit Functions for Commercial Banks.

Criteria, Appointment, Dismissal And Resignation of BOC Members

Criteria

Criteria of the BRI Board of Commissioners are compiled based on POJK number 55 /POJK.03/2016 concerning Implementation of Governance for Commercial Banks, POJK No.27 / 03.POJK / 2016 concerning Capability and Compliance Evaluation for Main Institutions of Financial Services Institutions, as well as internal provisions of the Board of Commissioners BRI Board of Commissioners Nokep: 07-KOM / BRI / 07/2015 concerning Nomination Policy for Members of the Board of Commissioners and Directors, including the following:

1. Any individuals that are legally competent, except within five (5) years prior to his/her appointment:
 - 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:
 - 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 BOC are only allowed to hold concurrent position as:
 - a. Member of the BOC, Directors, or Executives in one (1) non-financial institution/ company, or
 - b. Member of the BOC, Directors, or Executives that has a supervisory function in 1 (one) non-bank subsidiary company that are controlled by the Bank.

The Board of Commissioners

5. Not considered as concurrent position, in the event where:
 - a. Non-independent members of the BOC 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 BOC 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. The above general qualifications may be proven by among others a written statement of the relevant Candidate.

In particular, all members of the BOC have fulfilled the following requirements:

1. Fulfillment of PBI No. 12/23/2010 on Fit and Proper Test, whereby The BOC is obliged to obtain the predicate of passing the fit and proper test conducted by OJK (formerly Bank Indonesia) which includes integrity requirements.
2. Financial Services Authority Circular Number 39 / SEOJK.03 / 2016 concerning Capability and Compliance Assessment for Prospective Controlling Shareholders, Prospective Members of the Board of Directors, and Prospective Members of the Board of Commissioners of the Bank as follows:
 - a. Adequate knowledge in the field of banking, relevant to his/ her position;
 - b. Experience and expertise in banking and/or finance; and
 - c. Strategic management skills to develop a healthy bank.

Internally, all members of the Board of Commissioners have signed the Integrity Statement documented by BRI.

Nomination Procedures

The nomination system and procedures of members of the BOC is regulated as follows:

1. The Nomination and Remuneration Committee searches the Prospective Candidate member of the BOC that are meeting the set qualifications.

2. The qualified Prospective Candidate member of the BOC 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 BOC is discussed in the Nomination and Remuneration Committee meeting to stipulate the chosen Prospective Candidate member of the BOC.
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 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 BOC
6. The selected member of the BOC is stipulated in the BOC Meeting that at the same time serve as recommendation basis of the Board of Commisisoners to the GMS through Shareholders Serie 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 BOC) 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 BOC 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 Member of the Board of the Board of Commisisoners of the Bank.

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Appointment Procedures

Appointment of members of the BOC of the Company are stipulated in the General Meeting of Shareholders (GMS). In the event that the appointed member of the BOC 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.

In order to obtain approval for members of its BOC, the Company submits an application to OJK to conduct 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 BOC of the Company that has not received OJK approval, the respective candidate is prohibited from performing duties as a member of the BOC in the activities of the Bank and or other activities that have a significant influence on the Bank's financial policies and condition, even though it has been approved and appointed by the GMS.

Dismissal Procedure

The terms of office of the BOC shall ended if:

- a. Passed away
- b. End of tenure
- c. Dismissed pursuant to the GMS
- 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 BOC 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, A member of BOC has the right to resign from his position by written notification to BRI ad BRI must convene a GMS to decide the proposed resignation of respective BOC member at the latest sixty (60) days after acceptance of resignation letter.

Members of the BOC 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 BOC upon Financial Criminal Crime Act

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 BOC

Based on the POJK Number 27/POJK.03/2016 on the Fit and Proper Test for Main Party of Financial Services Institutions, the candidates of Controlling Shareholders, members of the Board of Directors and members of the BOC shall obtain OJK approval prior to carrying out their actions, duties and functions Main Parties. The BOC of the Company is required to meet the requirements of integrity, financial reputation, and competence.

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Members of the BOC who have passed fit and proper test without notes and have received approval from the Financial Services Authority, indicate that each member of the BOC has adequate integrity, competence and financial reputation, can be seen through the table below:

No	Commissioner	Title	Effective Date based on OJK Letter	Fit And Proper Test Implementer	Result
1	Andrinof A. Chaniago	President Commissioner/ Independent	19 July 2017	OJK	Pass
2	Gatot Trihargo	Vice President Commissioner	10 June 2015	OJK	Pass
3	A. Fuad Rahmany	Independen Commissioner	26 May 2017	OJK	Pass
4	A. Sonny Keraf	Independen Commissioner	10 June 2015	OJK	Pass
5	Mahmud	Independen Commissioner	28 February 2017	OJK	Pass
6	Rofikoh Rokhim*	Independen Commissioner	31 January 2018	OJK	Pass
7	Hadiyanto**	Commissioner	21 September 2018	OJK	Pass
8	Vincentius Sonny Loho***	Commissioner	05 September 2012	OJK	Pass
9	Jeffry J. Wurangian****	Commissioner	19 July 2017	OJK	Pass
10	Nicolaus Teguh Budi Harjanto	Commissioner	19 July 2017	OJK	Pass

*) Declared passed by OJK Fit & Proper in 2018 based on OJK Letter No.:SR-18/PB.12/2018 dated 31 January 2018

***) Declared passed by OJK Fit & Proper in 2018 based on OJK Letter No SR-194/PB.12/2018 dated 21 September 2018

****) Effective serving until March 22, 2018

*****) Effective serving until September 20, 2018

BOC CODE OF CONDUCT

In carrying out its duties, authorities, obligations and responsibilities, the Board of Commissioners has a guideline in the form of the Board of Commissioners' Code of Conduct that have been updated and ratified through the Board of Commissioners Decree Nokep:09-KOM/11/2018 dated 01 November 2018. The Structure of Guideline for the Board of Commissioners is in accordance with the prevailing laws and regulations:

DUTIES AND RESPONSIBILITIES

The BOC is collectively performing oversight to the management function of the Company. The roles of the BOC include the provision of advice and direction to the Board of Directors on the implementation of policies, the Company's policies in conducting the business activities based on strategy and objectives of BRI.

Duties of the Board of Commissioners

The BOC has the duty to supervise the management policy, the general management of the Company and the Company's business and provide commitment to the Board of Directors including supervision of the implementation of the Company's Long Term Plan, Company Work Plan and Budget as well as the Articles of Association and Shareholders Resolution, as well as prevailing law and regulations, for the benefit of the Company and in accordance with the purposes and objectives of the Company.

The Board of Commissioners

President Commissioner

- a. Lead the BOC meetings and the meetings with the Board of Directors.
- b. Lead the General Meeting of Shareholders (GMS).
- c. Coordinate and monitor the implementation of the work program of the BOC.
- d. Coordinate the activities of the Board of Commissioners to supervise the implementation of the tasks and responsibilities of the Board of Directors.

Responsibilities of the BOC

Each member of the BOC 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:

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.

BOC Authorities

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 BOC meetings;
6. Appoint and dismiss a Secretary of the BOC, 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;
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.

The Board of Commissioners

Obligations

1. To advise the BOD in conducting the management of the Company;
2. Provide an opinion and approval of the Company's work plan consisting of:
 - a. Long Term Plan of the Company (RJPP);
 - b. Business Plan Bank (RBB); c
 - c. Work Plan and Budget of Company (RKAP), and
 - d. Other work plans prepared by the BOD 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;
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. Making 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. To 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 BOC which is an integral part of the Company's Annual Work Plan and Budget prepared by the BOD;
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:
 - 1) Approve and evaluate the General Policy of Risk Management in accordance with applicable provisions;
 - 2) Evaluate the responsibility of the BOD on the implementation of risk management policies in accordance with applicable regulations.
 - 3) 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 Conglomeration;

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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. To guide the growth of culture and awareness of Risk Management, Compliance and Anti Fraud at all levels of Bank organization;
23. Monitor Bank Soundness, and take necessary steps to maintain and / or improve Bank Soundness by applying prudential principles and risk management in conducting business activities; 2
24. Direct, monitor and evaluate the Information Technology Strategic Plan and Company policy regarding the use of Information Technology and evaluate the BOD accountability for the application of risk management in the use of Information Technology;
25. Ensure that the BOD 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;
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 BOC

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 the Work Unit.

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.

Good Corporate Governance

The BOC 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 BOC is responsible among others to:

- a. Propose the appointment of a Public Accountant to the GMS.
- b. Report the results of monitoring conducted to the GMS.
- c. 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.

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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 BOC is also responsible to maintain and monitor the Bank's health level and take the steps necessary to maintain and improve the health level of the Bank.
Compliance	Notify regulators of violation to legislation arising in the field of finance and banking, and/or a condition or potential condition that could endanger the Company's business, which is not or was not yet reported by the Company and/ or by the Director of Compliance to the regulators and evaluate the implementation of the Bank's Compliance Function.

3. Utilizing the Company for personal, family, and/ or other interests that may harm or reduce the Company's profits.
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 BOC.
5. Affected by others in carrying out duties and decisionmaking 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.

Prohibition of the Board of Commissioners

In accordance with the Board Charter, the BOC is prohibited from taking the following actions:

1. 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.
2. Takes multiple positions as:
 - a. Members of the Board of Directors in BUMN, BUMD, private owned enterprises.
 - b. 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;

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.

The Board of Commissioners

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.

ASSESSMENT CRITERIA OF THE BOC PERFORMANCE

1. Performance Evaluation of the Board of Commissioners

The Board of Commissioners makes a work plan 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 2018 can be implemented 100% according to the targets set.

2. 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.

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In 2018, the Board of Commissioners has determined the aspects that become the main performance indicators, as follows:

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)		
1	Learning & Growth Perspective	Organization of the Board of Commissioners	a Organization of the Board of Commissioners in accordance with the provisions	Organization of the Board of Commissioners in accordance with applicable regulations	2,00		
			b Organ Organizations of the Board of Commissioners in accordance with the provisions	Organ organizations under the Board of Commissioners in accordance with applicable regulations	2,00		
		Competency Development of the Board of Commissioners	a New Board of Commissioners orientation program	The entire Board of Commissioners has just taken part in the 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 the MR Certification in accordance with the provisions	2,00		
			c Educational programs / training / seminars to improve competence	Each Commissioner must participate at least once	2,00		
		Sub Total					10,00
		2	Internal Procces	Implementation	a Ratification of the Board of Commissioners' Work Plan and Budget	The RKAP (Company Budget Work Plan) of the Board of Commissioners is ratified prior to the implementation of the current year the RKAP is valid (December 31 at the latest)	2,50
b Bank Business Plan (RBB) endorsement and / or revised RBB on time	The RBB is validated before November 30 and the RBB Revision is authorized by the Board of Commissioners before 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 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	5,00		
	b Board of Commissioners' meetings are carried out in accordance with the provisions 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			a. Letter of Recommendation for Company Management Candidates submitted to Dwi Warna Series A Shareholders b. Company Nomination Policy	2,50		

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No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)
			d Develop remuneration policies and remuneration structure for Board of 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 Board of Directors is conveyed to the Dwi Warna Series A Shareholders	2,50
			e Appointment of Public Accountant Office on the Company's Financial Report	Recommendations from the KAP (Public Accounting Firm) that will carry out an audit of the company's financial statements are given before 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
			Implementation of internal control review	Review of SKAI Annual Audit Planning (PAT) and evaluation of internal audit implementation	2,50
			b Review the 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
			c Review the Internal Audit Examination Report and follow-up on the results of the external audit	Review external Audit Examination Results Report and follow-up of findings found in accordance with the provisions and on time as targeted	2,50
			d Review of Financial Statements	Review financial statements carried out in accordance with the provisions and on time according to the target	2,50
Sub Total					50,00

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No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)		
3	Compliance Perspective	Implementation of corporate activities in accordance with Good Corporate Governance	a Implementation of GCG Self Assessment	GCG Self Assessment is conducted every Semester in accordance with the provisions and on time as targeted	2,50		
			b Implementation of Integrated Governance Self Assessment	GCG Self Assessment is conducted every Semester in accordance with the provisions and on time as targeted	2,50		
			c Public Accountant's opinion on the Company's Financial Report	Public Accountant Opinion Unqualified Fairness	5,00		
			d CGPI score is better than the previous year	CGPI rating scores fit the target	2,50		
		Implementation of the function of Supervision of Risk Management	a Implementation of a review of the Risk Profile Report.	The review of the Risk Profile Report every 3 months in accordance with the provisions and on time as targeted	10,00		
			b Implementation of compliance function	Self assessment assessment score Implementation of compliance function is implemented every Semester	2,50		
			c Implementation of a review of the Risk Profile Report and Compliance Function and the soundness of the bank.	The review of the Compliance function and the soundness of the bank is carried out every Semester in accordance with the provisions and on time according to the target	2,50		
			d Review of the adequacy of Integrated Internal Control, Integrated Risk Profile, Implementation of Integrated Governance, and Annual Report of Integrated Governance.	The review of the adequacy of Integrated Internal Control, Integrated Risk Profile, Implementation of Integrated Governance, and Integrated Corporate Governance Annual Report is conducted every Semester in accordance with the provisions and on time as targeted	2,50		
			Sub Total				30,00

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)
4	Financial Perspective	Assessment of aspects of profitability and capital	a Net profit	Achieving net profit target in accordance with RKAP (Company Budget Work Plan)	2,50
			b Asset	Achieving Asset target according to RKAP (Company Budget Work Plan)	2,50
			c NPL	Achieving target NPLs according to RKAP (Company Budget Work Plan)	2,50
			d CAR	Achieving target CAR according to RKAP (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

3. Mechanism of the Assessment Process

The Board of Commissioners conducts self assessment of the achievement of the Board of Commissioners' Main Performance Indicators. Assessment is carried out by the Board of Commissioners in the Board of Commissioners Internal Meetings and the results are the basis for taking steps to improve the performance of members of the Board of Commissioners and Committees under the Board of Commissioners.

4. Review / Result 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 2018 scores 100.27 with the criteria of "Very Good" with the achievement of each indicator as follows:

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)		
1	Learning & Growth Perspective	Organization of the Board of Commissioners	a	Organization of the Board of Commissioners in accordance with the provisions	The Board of Commissioners compliance organization with the applicable provisions	2,00	
			b	Organ Organizations of the Board of Commissioners in accordance with the provisions	Organ organizations under the Board of Commissioners in accordance with applicable regulations	2,00	
		Competency Development of the Board of Commissioners	a	New Board of Commissioners orientation program	All members of the Board of Commissioners joined the Board of Commissioners 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 the MR Certification in accordance with the provisions	2,00	
			c	Educational programs / training / seminars to improve competence	Each member of Board of Commissioner must participate at least once	2,00	
		Sub Total					10,00
		2	Internal Procces	Planning	a	Ratification of the Board of Commissioners' Work Plan and Budget	The RKAP of the Board of Commissioners is ratified prior to the validation of RKAP current year implementation (December 31 at the latest)
b	RBB endorsement and / or revised RBB on time				The RBB is validated before November 30th and the RBB Revision is authorized by the Board of Commissioners before June 30th 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 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	5,00	
	b			Board of Commissioners' meetings are carried out in accordance with the provisions 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	

The Board of Commissioners

Target	Achievement	Score	Final Score
The organization of the Board of Commissioners is in accordance with the provisions of POJK, KBUMN and Regulators	In accordance with the Board of Commissioners Nokep: 09-KOM / 11/2018 November 1, 2018 The Board of Commissioners' organization complies with the provisions	1,00	2,00
Organ Organizations under the Board of Commissioners are in accordance with the provisions of POJK, KBUMN and Regulators		1,00	2,00
Each newly appointed Board of Commissioners receives an orientation program for the Board of Commissioners	During 2018 there was one new Member of the Board of Commissioners Mr. Hadiyanto and had attended the Board of Commissioners orientation program	1,00	2,00
8 (Eight) 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 provisions	8 (Eight) 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 provisions	1,00	2,00
All members of the Board of Commissioners must attend at least one training or seminar in one year	All Members of the Board of Commissioners have conducted training at least once a year	1,00	2,00
			10,00
The RKAP of the Board of Commissioners is ratified prior to the validation of RKAP current year implementation (December 31 at the latest)	The Board of Commissioners RKAP 2019 was authorized on December 28, 2018	1,00	2,50
The Board of Commissioners gives approval and response to the proposed RBB to the Board of Directors no later than November 30, 2018	The Board of Commissioners has given approval for the BRI RBB 2019-2021 and 2019 RKAP through a letter from the Board of Commissioners Number: R.76-KOM / 11/2018 November 21, 2018	1,00	5,00
The Board of Commissioners responds to requests for approval of corporate actions or actions of the Board of Directors that require Board of Commissioners approval in accordance with the provisions	During 2018, there were 40 responses and approvals submitted by the Board of Commissioners for all requests submitted by the Board of Directors	1,00	5,00
The Board of Commissioners must at least hold a monthly meeting and a minimum Board of Commissioners and Directors Meeting every 4 months.	During 2018 there were 55 Board of Commissioners and Directors Meetings and 45 Committee Meetings under the Board of Commissioners	1,00	10,00

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)
c			Arrange 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 Shareholders b. Company Nomination Policy	2,50
d			Prepare 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 The remuneration structure for the Board of Commissioners and Directors is conveyed to the Dwi Warna Series A Shareholders	2,50
e			Appointment of Public Accountant Office on the Company's Financial Report	Recommendations from the KAP that will carry out an audit of the company's financial statements are given before the Company's Annual GMS	5,00
a	Supervision		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

The Board of Commissioners

Target	Achievement	Score	Final Score
<p>a. The Board of Commissioners submits a Nomination Letter to the Company's Management no later than Week III March 2018.</p> <p>b. The Company's Nomination Policy is available according to the provisions</p>	<p>a. The proposal of the BRI Company Management is submitted through the Service Note of the KNR No. : R.07- KNR / 03/2018 March 21, 2018.</p> <p>b. The Board of Commissioners has established a Nomination Policy for Members of the Board of Commissioners and the Board of Directors with NOKEP Decree: 07-KOM / BRI / 07/2015, July 28 2015</p>	1,00	2,50
<p>a. There are provisions of the Board of Commissioners regarding the Remuneration Policy of the Board of Directors and the Board of Commissioners.</p> <p>b. Recommendations on the structure of remuneration for the Board of Commissioners and Directors submitted to holders of Series Dwi A Shares are submitted no later than I Week of June 2018</p>	<p>a. The Board of Directors and Board of Commissioners Remuneration Policy are available as follows:</p> <ol style="list-style-type: none"> 1. Decree of the Board of Commissioners No.01-KOM / 01/2015 dated January 20, 2015. 2. Board of Commissioners Decree No: 09-KOM / 09/2015 September 8, 2015 3. Board of Commissioners Decree No: 09-KOM / 09/2017 November 30, 2017 concerning Remuneration Governance Policy 4. Board of Commissioners Decree No: 09-KOM / 11/2017 November 30, 2017 concerning Remuneration Governance Policy 5. Board of Commissioners Decree No: 04-KOM / 09/2018 September 12, 2018 concerning Implementation of Deferred Remuneration 6. Decree of the Board of Commissioners Number: SR.12-KOM / 05/2018 dated May 8, 2018 concerning Recommendation of the NRC on the proposed income of the Directors and the Board of Commissioners in 2018 and the tantiem for the performance of 2017 	1,00	2,50
<p>Recommendations from the KAP that will carry out an audit of the company's financial statements are given before the Company's Annual GMS on March 22, 2018</p>	<p>The proposal of the KAP to carry out the general audit of the consolidated financial statements and financial statements of the BRI PKBL for fiscal year 2018 is submitted through a Letter of the Board of Commissioners Number: R.29-KOM / 03/2018 on March 6, 2018</p>	1,00	5,00
<p>The Board of Commissioners carried out a working visit to 19 Regional Offices</p>	<p>During 2018 the Board of Commissioners carried out work visits 26 times to 19 Regional Offices</p>	1,00	7,50

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)
			Implementation of internal control review	Review on SKAI Annual Audit Planning (PAT) and evaluation of internal audit implementation	2,50
			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 provisions and on time as targeted	2,50
			c Review of Internal Audit Examination Report and follow-up of external audit results	Review external Audit Examination Results Report and follow-up of findings found in accordance with the provisions and on time as targeted	2,50
			d Implementation of Review of Financial Statements	Review financial statements carried out in accordance with the provisions and on time according to the target	2,50
		Sub Total			50,00
3	Compliance Prespective	Implementation of corporate activities in accordance with Good Corporate Governance	a Implementation of GCG Self Assessment	GCG Self Assessment is conducted every Semester in accordance with the provisions and on time as targeted	2,50

The Board of Commissioners

Target	Achievement	Score	Final Score
Review on SKAI Annual Audit Planning (PAT) and evaluation of the implementation of internal audits carried out according to the set time target.	Review of SKAI Annual Audit Planning (PAT) and evaluation of the implementation of internal audits delivered through Letter of the Board of Commissioners B.77-KOM / 05/2018 concerning Evaluation of the BRI SKAI Annual Audit Planning for 2018	1,00	2,50
The Board of Commissioners' recommendations for internal audit results and follow-up of findings are carried out in accordance with the provisions 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: <ol style="list-style-type: none"> Letter of the Board of Commissioners R.22-KOM / 02/2018 concerning Report of Audit Results for Semester II of 2018 Letter of the Board of Commissioners Number R.11-KA / 05/2018 concerning 2018 First Quarter Audit Results Report Letter of the Board of Commissioners Number: R.62-KOM / 08/2018 concerning Audit Report for Quarter II of 2018 Letter of the Board of Commissioners Number: R.82-KOM / 12 / concerning Audit Report for Quarter III of 2018 	1,00	2,50
Board of Commissioners' recommendations on external audit results and follow-up of findings are carried out in accordance with the provisions and on time as targeted	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through letter Number: B.142-KOM / 08/2018 concerning follow-up management letter	1,00	2,50
The financial statements are carried out in accordance with the provisions and on time according to the target	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	1,00	2,50
			50,00
GCG Self Assessment is conducted twice a year	The Board of Commissioners has carried out GCG self assessment and provided written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a letter of the Board of Commissioners Number: B.03-Sekkom / 01/2018 Implementation of GCG Self Assessment II Semester 2017 and letter of the Board of Commissioners Number: B.40 -Sekkom / 07/2018 concerning the Implementation of GCG Self Assessment for the first semester of 2018	1,00	2,50

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)	
			b	Implementation of Integrated Governance Self Assessment	Integrated GCG Self Assessment is conducted every Semester in accordance with the provisions and on time according to the target	2,50
			c	Public Accountant's opinion on the Company's Financial Report	Opinion of Unqualified Public Accountants	5,00
			d	Corporate Governance Perception Index (CGPI) score value	CGPI score is in accordance with the target	2,50
		Implementation of the function of Supervision of Risk Management	a	Implementation of Review of the Risk Profile Report	Review implementation of the Risk Profile Report every 3 months in accordance with the provisions and on time as targeted	10,00
			b	Implementation of compliance function	a. The review of BRI compliance functions is conducted every semester. b. Self assessment Assessment Implementation of compliance function is carried out every Semester	2,50
			c	Review of the Risk Profile and Compliance Function and the soundness of the bank.	The implementation of the Review on the Compliance function and the soundness of the bank is carried out every Semester in accordance with the provisions and on time according to the target	2,50

The Board of Commissioners

Target	Achievement	Score	Final Score
Integrated GCG Self Assessment is conducted every Semester	Integrated GCG Self Assessment is conducted twice in one year	1,00	2,50
Opinion of Unqualified Public Accountants	Opinion of Unqualified Public Accountants	1,00	5,00
The score value target of the CGPI is higher than the previous year 87.74	CGPI score 89.06	1,00	2,50
There is a written recommendation in the form of opinions and suggestions from the Board of Commissioners for the Implementation of a Review on the Risk Profile Report every 3 months during 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Directors through: a. Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the 2017 Quarterly Risk Profile Report 2017 b. Letter of the Board of Commissioners Number: B.94 - KOM / 06/2018 concerning 2018 First Quarter Risk Profile Report c. Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester 1 Risk Profile Report d. Letter of the Board of Commissioners Number B.267 / KOM / 12/2018 regarding the Quarterly III Profile Profile Report of 2018	1,00	10,00
Compliance risk rating is still in good standing ie ranking 2 (Low to Moderate) according to the OJK assessment	Compliance risk is still in good standing ie Rank 2 (Low to Moderate)	1,00	2,50
There is a written recommendation from the Board of Commissioners on the review of the compliance function and the level of bank health carried out every semester during 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors on the Compliance function and the soundness of the bank through: a. Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning 2017 Quarter IV Risk Profile Report, Compliance Function Implementation Report b. Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester 1 Risk Profile Report	1,00	2,50

The Board of Commissioners

No	Assessment Perspective	Assessment Aspect	Indicator	Parameter	Weight (%)	
			d	Review of Adequacy of Integrated Internal Control, Integrated Risk Profile, Implementation of Integrated Governance, and Annual Report of Integrated Governance	Review of 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 provisions and on time as targeted	2,50
		Sub Total			30,00	
4	Financial Perspective	Assessment of aspects of profitability and capital	a	Net profit	Achieving net profit target in accordance with RKAP	2,50
			b	Asset	Achieving Asset target according to RKAP	2,50
			c	NPL	Achieving target NPLs according to RKAP	2,50
			d	CAR	Achieving target CAR according to RKAP	2,50
		Sub Total			10,00	
		TOTAL			100,00	

External Assessment of the Board of Commissioners

1. Performance Evaluation of the Board of Commissioners by the GMS

The procedure for evaluating the performance of the Board of Commissioners is carried out by the Shareholders at the Annual GMS when submitting the Board of Commissioners' supervisory report to the GMS in the Company's annual report, where based on the report the AGM states and provides full exemption (acquit et de charge) to the Board of Commissioners for supervisory actions conducted in the fiscal year ending at the end of the year.

The Board of Commissioners

Target	Achievement	Score	Final Score
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 in the form of opinions and suggestions from the Board of Commissioners to the Board of 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: <ul style="list-style-type: none"> a. Letter of the Board of Commissioners Number: B.83-KOM / 05 / concerning Report on Implementation of 2017 Semester Integrated Compliance Task. b. Letter Number: B.98-KOM / 06/2018 concerning 2017 Integrated Semester Risk Profile Report c. Letter of the Board of Commissioners Number: B.81-KOM / 05/2018 concerning the Report on the Implementation of the Integrated Internal Audit of Semester II of 2017. d. Letter of the Board of Commissioners Number: B.129-KOM / 08/2018 concerning Report on Implementation of the Integrated Semester I Compliance Task for 2018. e. Letter of the Board of Commissioners Number: B.219-KOM / 11/2018 concerning 2018 Integrated Semester I Risk Profile Report 	1,00	2,50
			30,00
31,61	31,7	1,0029	2,51
1.213	1.234	1,02	2,54
2,35%	2,14%	1,10	2,75
21,39%	21,21%	0,99	2,48
			10,27
			100,27

Criteria for Evaluating the Performance of the Board of Commissioners by the GMS

The performance of the Board of Commissioners during 2018 is reflected in the achievement of the 2018 Work Program / Annual Work Plan of the Board of Commissioners which was all achieved on time and in accordance with applicable regulations.

Parties Who Conduct Assessment

The performance of the Board of Commissioners is carried out by Shareholders at the General Meeting of Shareholders.

The Board of Commissioners

Results of the Board of Commissioners Performance Assessment by the GMS

The Board of Commissioners' performance during 2018 was reflected in the achievement of the 2018 Annual Work Program / Board of Commissioners' Work Plan which was entirely achieved, which was based on the State Minister of State Regulation Number PER-09 / MBU / 2012 dated 6 July 2012 concerning Amendments to the Regulation of the Minister of State State-Owned Enterprises Number PER-01 / MBU / 2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises, the Board of Commissioners must prepare an annual Work Plan and Budget (RKA) of the Board of Commissioners which is an integral part of Annual RKA of the Company. In addition, in the BRI Articles of Association, it is also regulated by the Board of Commissioners' obligation to develop work programs that are an integral part of the Company's Work Plan and Budget compiled by the Board of 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 work 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 provisions. 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).

GCG Self Assessment Evaluation Criteria 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

GCG Self Assessment Assessment The Board of Commissioners is conducted by the Board of Commissioners and Committee Members under the Board of Commissioners.

GCG Self Assessment Results by the Board of Commissioners

The results of the Board of Commissioners' GCG self-assessment in 2017 are as follows:

Assessment Aspect	Implementation Rating*
Governance Structure	1
Governance Process	1
Governance Outcome	1
Average	1 (Very Good)

*) These results represent the Board of Commissioners' self-assessment

3. Board of Commissioners Performance Assessment Based on Independent Institutions

One mechanism for evaluating Board of Commissioners' external performance is through an assessment of the implementation of Good Corporate Governance. The Company is the Indonesian Institute for Corporate Governance (IICG) through a research program implementing GCG: Corporate Governance Perception Index (CGPI).

The Board of Commissioners

Procedures & Implementation Criteria for Board of Commissioners Performance Assessment Through the Corporate Governance Perception Index (CGPI)

The implementation of the Corporate Governance Perception Index (CGPI) assessment was carried out through 4 (four) assessment stages, namely 1) Self assessment, 2) Documentation Assessment, 3) Paper Assessment, and 4) Observation of Interviews on Governance Structure aspects, Governance Process, and BRI Outcome Governance.

Parties Who Conduct Assessment

The party that assesses the performance of the Board of Commissioners based on the Corporate Governance Perception Index (CGPI) is the Indonesian Institute for Corporate Governance (IICG).

Board of Commissioners Performance Assessment Results Through the Assessment Corporate Governance Perception Index (CGPI)

Based on the independent party's assessment, the Company's assessment score falls into the Very Trusted category with 89.06 total points (Governance Structure: 22.90, Governance Process: 38.16, and Governance Outcome: 28.00). This value increases when compared to the assessment of the previous year with a total point of 87.74.

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 BOC shall put into account on diversity of the composition of the BOC.

The diversity of the composition of the BOC 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 BOC 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 BOC, 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.

The Board of Commissioners

The diversity of BOC members of for 2018 is as follows:

Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
Andrinof A. Chaniago	President Commissioner/ Independent	56	Male	<ul style="list-style-type: none"> · Bachelor of Political Science, University of Indonesia · Fu Hsing Kang College Diploma, Taipei, Taiwan · Master of Planning and Public Policy at the University of Indonesia 	<ol style="list-style-type: none"> 1. Executive Director of CIRUS Surveyors Group (CGS) 2. Minister of National Development Planning / Head of Bappenas 3. President Commissioner of Angkasa Pura I 4. Lecturer in Political Science, University of Indonesia 	Social Sciences, Economics & Politics
Gatot Trihargo	Vice President Commissioner	58	Male	<ul style="list-style-type: none"> · Diploma, State Accounting College (STAN) · Diploma IV, State College of Accountancy · Masters in Accounting and Financial Information Systems, Ohio State University Ohio - USA · S3 Doctor of Strategic Management, Padjadjaran University 	<ol style="list-style-type: none"> 1. Assistant Deputy for Information and Administration of the Ministry of BUMN 2. Commissioner of PT Adhi Karya (Persero) 3. Commissioner of PT Jiwasraya (Persero) 4. Assistant Deputy for Strategic Industry and Manufacturing Business II Ministry of BUMN 5. Commissioner of PT Telkom 6. Deputy for Services Business, Ministry of BUMN 7. Commissioner of PT Pertamina 8. Deputy of the Financial Services Business, Other Construction and Service Services of the Ministry of BUMN. 9. Deputy of Financial Services, Survey Services and Consultants, Ministry of BUMN 	<ol style="list-style-type: none"> 1. Accounting 2. Risk Management 3. Audit 4. Finance 5. Strategic Management

The Board of Commissioners

Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
A. Fuad Rahmany	Independent Commissioner	64	Male	<ul style="list-style-type: none"> · S1 Economics, University of Indonesia · S2 Master of Art, Duke University, Durham, North Carolina, USA · S3 Economics, Vanderbilt University, Tennessee, USA 	<ol style="list-style-type: none"> 1. Commissioner of PT Danareksa (Persero) 2. Head of Center for Government Bond Management, Ministry of Finance 3. Commissioner of PT Bank Internasional Indonesia 4. Director of Management of Government Securities, Ministry of Finance 5. Deputy of Finance and Funding of the Aceh-Nias Rehabilitation and Reconstruction Agency, Ministry of Finance 6. Chairman of the Capital Market and Financial Institution Supervisory Agency (Bapepam) 7. Ex officio Commissioner of the Deposit Insurance Corporation 8. Director General of Tax, Ministry of Finance 9. Member of the Non-Executive Board of Directors of the Indonesian Export Financing Agency 10. Commissioner of PT Indonesia Asahan Aluminiun (Persero) 	<ol style="list-style-type: none"> 1. Economics 2. Macro 3. Fiscal 4. Market 5. Financial

The Board of Commissioners

Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
A. Sonny Keraf	Independent Commissioner	60	Male	<ul style="list-style-type: none"> · S1 Sekolah Tinggi Filsafat Driyarkara · S2 The Higher Institute of Philosophy, Catholic University of Leuven, Belgium · S3 The Higher Institute of Philosophy, Catholic University of Leuven, Belgium 	<ol style="list-style-type: none"> 1. Professional Lecturer in Business Ethics & Accounting Ethics, Atmajaya University 2. Member of the National Energy Council 3. Commissioner of PT Gorontalo Sejahtera Mining 4. Republic of Indonesia Minister of Environment 5. RI DPR Member Commission VIII DPR RI 	<ol style="list-style-type: none"> 1. Business Ethics 2. Living Environment 3. Philosophy 4. Political science 5. Legislation 6. Energy and Mineral Resources
Mahmud	Independent Commissioner	65	Male	<ul style="list-style-type: none"> · S1 Corporate Economics, Diponegoro University · S2 Financial Management, Padjadjaran University 	<ol style="list-style-type: none"> 1. Pekanbaru BI leader 2. Deputy Leader of BI Surabaya 3. Director of DPIP Bank Indonesia 4. Head of the DPIP Department 5. Head of Kpw Makassar Bank Indonesia 6. Head of Department of DPB1, BI Jakarta 7. Head of Department of DPB1, Financial Services Authority 8. Senior Advisor, Strategic Support Group of the Board of Commissioners, Financial Services Authority 	<ol style="list-style-type: none"> 1. Banking & 2. Risk Management 3. Finance

The Board of Commissioners

Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
Rofikoh Rokhim*)	Commissioner	47	Female	<ul style="list-style-type: none"> · S1 Ekonomi Manajemen UII Yogyakarta · S1 Public Administration Universitas Gadjah Mada · S2 Public Finance French Prime Minister, Institute International d' Administration Publique (IIAP)-Ecole National d' Administration (ENA), Paris · S2 gelar D.E.A (M.Phil) bidang International and Development Economics dari Université de Paris 1 Panthéon Sorbonne, Paris · S3 EcoNomics (Applied Macro and Micro EcoNomics, Development Studies in Finance) Université de Paris 1 Pantheon-Sorbonne, Paris 	<ol style="list-style-type: none"> 1. Head of Business Indonesia Intelligence Unit 2. Audit Committee and Risk Committee, PT. Indonesian post 3. Oil and Gas Satgas, Ministry of Energy and Mineral Resources 4. Village Task Force, Ministry of Village, Transmigration and Disadvantaged Areas 5. President Commissioner, PT Hotel Indonesia Natour (Persero) 6. Lecturers and Researchers, EkoNomi and Business Faculty, University of Indonesia 	<ol style="list-style-type: none"> 1. Economy 2. Management 3. Public Administration 4. Finance 5. Research
Nicolaus Teguh Budi Harjanto	Commissioner	46	Male	<ul style="list-style-type: none"> · S1 International Relations, Gadjah Mada University · Masters in Political Science, Ohio University, Athens, Ohio, USA · S3 in Political Science, Northern Illinois University, USA 	<ol style="list-style-type: none"> 1. Executive Director of Populi Center (Public Opinion & Policy Research) 2. Public Opinion Survey Association (PERSEPSI) 3. Commissioner of PT Permodalan Nasional Madani 4. Secretary General of the Indonesian Political Science Association (API) 5. Special Staff Minister of State for Political Communication and Institutions of the State Secretariat of the Republic of Indonesia 	<ol style="list-style-type: none"> 1. International Relations 2. Social Sciences 3. Public Communication

The Board of Commissioners

Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
Hadiyanto**)	Commissioner	56	Male	<ul style="list-style-type: none"> · Bachelor of Laws, University of Padjadjaran · Masters of Law (LL.M) Harvard University Law of School · Doctoral Degree in Law Science, Padjadjaran University 	<ol style="list-style-type: none"> 1. The Supervisory Board of Harapan Kita Heart and Vascular Hospital 2. Commissioner of PT. Telkom Indonesia 3. Secretary General of the Ministry of Finance of the Republic of Indonesia 4. Chairperson of the Supervisory Board of the Hospital Dr. Cipto Mangunkusumo 5. Supervisory Board of Education Fund Management Institutions 	<ol style="list-style-type: none"> 1. Legal studies 2. Human Capital Management 3. State finances
Vincentius Sonny Loho***)	Commissioner	60	Male	<ul style="list-style-type: none"> · D3 Accounting State College of Accounting · D4 Accounting State College of Accounting · S2 Public Policy and Management, Carnegie Mellon University, Pittsburgh, USA 	<ol style="list-style-type: none"> 1. Head of Sub Directorate of Consolidation and Financial Reporting, Directorate General of Treasury, Ministry of Finance 2. Director of Financial Development for Public Services, Directorate General of Treasury, Ministry of Finance 3. Director General of State Assets, Ministry of Finance 4. IAI Consultant Public Sector Compartment Member 	<ol style="list-style-type: none"> 1. State finances 2. Public Management 3. Asset and Investment Management

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Name	Position	Age (yrs)	Gender	Education	Working Experience	Expertise
Jeffry J. Wurangian****)	Commissioner	64	Male	<ul style="list-style-type: none"> · S1 Development Economics, Sam Ratulangi University · M.Sc S2., Agricultural Economics, Oklahoma State University, Oklahoma, USA. · S2 MBA., European University, Belgium, Joined Program with IEU School of Business · S3 Doctor of Economics, Merdeka University, Malang. · S3 Ph.D program, Ag. Economics, all coursework completed, Oklahoma State University, Oklahoma, USA 	<ol style="list-style-type: none"> 1. Managing Director of PT. Bank Sulut 2. Marketing Director of PT. Bank Sulut 3. Vice President of Saseka Finance 4. Operations Director of Bank Mitra Niaga 5. Deputy General Chairperson of BUMN Cooperation Development 6. Indonesian Chamber of Commerce and Industry (KADIN Indonesia) 	Banking

*) Effective starting February 1, 2018

**) Effective starting September 21, 2018

***) Effective until March 22, 2018

****) Effective until September 20, 2018

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BOC COMPOSITION AND CHANGES IN 2018

The number of members of the BOC 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 Company.

In addition, the size of BOC 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.

Thus, the excessive number of BOC members can potentially disrupt the effectiveness of the implementation of the BoC functions.

The number and composition of the BOC of BRI during 2018 is as follows:

BOC composition from 1 January 2018 - 22 March 2018

No	Commissioner	Title	Age	Legal Basis of Appointment
1	Andrinof A. Chaniago	President Commissioner/ Independent	56	AGMS 15 March 2017
2	Gatot Trihargo	Vice President Commissioner / Commissioner	58	AGMS 19 March 2015
3	A. Fuad Rahmany	Independent Commissioner	64	AGMS 19 March 2015
4	A. Sonny Keraf	Independent Commissioner	60	AGMS 19 March 2015
5	Mahmud	Independent Commissioner	60	AGMS 15 March 2016
6	Rofikoh Rokhim	Independent Commissioner	47	RUPSLB 18 October 2017
7	Vincentius Sonny Loho	Commissioner	60	AGMS 28 March 2012
8	Jeffry J. Wurangian	Commissioner	64	AGMS 19 March 2015
9	Nicolaus Teguh Budi Harjanto	Commissioner	46	AGMS 15 March 2017

The composition of the BOC from 22 March 2018 to 20 September 2018

Based on the resolution of the AGMS dated 22 March 2018, the GMS appointed Mr. Hadiyanto as Commissioner replacing Mr. Vincentius Sonny Loho, hence the composition of the BOC of BRI from 22 March 2018 to 20 September 2018 is as follows:

No	Commissioner	Title	Age	Legal Basis of Appointment
1	Andrinof A. Chaniago	President Commissioner/ Independent	56	AGMS 15 March 2017
2	Gatot Trihargo	Vice President Commissioner / Commissioner	58	AGMS 19 March 2015
3	A. Fuad Rahmany	Independent Commissioner	64	AGMS 19 March 2015
4	A. Sonny Keraf	Independent Commissioner	60	AGMS 19 March 2015
5	Mahmud	Independent Commissioner	60	AGMS 15 March 2016
6	Rofikoh Rokhim	Independent Commissioner	47	RUPSLB 18 October 2017
7	Jeffry J. Wurangian	Commissioner	64	AGMS 19 March 2015
8	Nicolaus Teguh Budi Harjanto	Commissioner	46	AGMS 15 March 2017
9	Hadiyanto	Commissioner	56	AGMS 23 March 2018



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The composition of the BOC from 20 September 2018 to 31 December 2018

Based on the decision on resignation letter of Mr. Jeffry J. Wurangian on 20 September 2018, the composition of the BOC of BRI from 20 September 2018 until 31 December 2018 as follows:

No	Commissioner	Title	Age	Legal Basis of Appointment
1	Andrinof A. Chaniago	President Commissioner/ Independent	56	AGMS 15 March 2017
2	Gatot Trihargo	Vice President Commissioner / Commissioner	58	AGMS 19 March 2015
3	A. Fuad Rahmany	Independent Commissioner	64	AGMS 19 March 2015
4	A. Sonny Keraf	Independent Commissioner	60	AGMS 19 March 2015
5	Mahmud	Independent Commissioner	60	AGMS 15 March 2016
6	Rofikoh Rokhim	Independent Commissioner	47	EGMS 18 October 2017
7	Nicolaus Teguh Budi Harjanto	Commissioner	46	AGMS 15 March 2017
8	Hadiyanto	Commissioner	56	AGMS 23 March 2018

SEGREGATION OF BOC DUTIES

For effective implementation of the duties of each member of the BOC, the BoC stipulates the division of duties of each member of the BOC during 2018 as follows:

	KNR	KPMR	KTKT	KA
Chairman	Andrinof A. Chaniago	Mahmud	Mahmud	A. Fuad Rahmany
	Gatot Trihargo	Andrinof A. Chaniago	Andrinof A. Chaniago	A. Sonny Keraf
	Mahmud	A. Fuad Rahmany	Gatot Trihargo	Rofikoh Rokhim
	A. Fuad Rahmany	Nicolaus Teguh Budi Harjanto	Hadiyanto	
Member	A. Sonny Keraf			
	Rofikoh Rokhim			
	Nicolaus Teguh Budi Harjanto			
	Hadiyanto			

INDEPENDENCY OF BOC

Based on the provisions of POJK No: 55 / POJK.03 / 2016 on Governance Implementation in Commercial Banks, the BOC 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 BOC, The Independent Commissioner must submit a Statement of Independency of Independent Commissioner in the governance implementation report.

The working relationship of the BOC and the 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 progress and health of the Bank.

The BOC and the Board of Directors of the Company do not hold concurrent positions as Commissioners, Directors or Executive Officers at other Banks / Institutions, and have no family relationship with other members of the Board of Directors and or with members of the BOC up

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to the second degree. Under such conditions, the members of the BOC and the Board of Directors of the Company are always acting independently, in the sense that they have no conflict of interest, which may impair their ability to perform their duties independently.

DISCLOSURE ON BOC AFFILIATED RELATIONSHIP

1. Financial Relations

There is no financial relationship between members of the BOC with either other members of the BOC or with members of the Board of Directors of the Company and Controlling Shareholders of the Company.

2. Family Relationship

There is no family relationship between members of the BOC either with other members of the BOC or with members of the Board of Directors of the Company and Controlling Shareholders of the Company.

That in accordance with the Articles of Association of the Company, Members of the Board of Directors and Board of Commissioners are not permitted to have family relations up to the third degree, either in a straight line or side line or a relationship / family relationship arising from marital ties, including daughter-in-law or brother-in-law. The data can be explained in the table below:

Relations of Members of the Board of Directors with the BOC and Controlling Shareholders

Name	Financial Relationship with						Family Relationship with					
	BOC		BOD		Controlling Shareholder		BOC		BOD		Controlling Shareholder	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Board of Commissioners (BOC)												
Andrinof A. Chaniago	√			√		√		√		√		√
Gatot Trihargo	√			√	√			√		√		√
A. Fuad Rahmany	√			√		√		√		√		√
A. Sonny Keraf	√			√		√		√		√		√
Mahmud	√			√		√		√		√		√
Rofikoh Rokhim ^{*)}				√		√		√		√		√
Nicolaus teguh Budi Harjanto	√			√		√		√		√		√
Hadiyanto ^{**)}					√			√		√		√
Vincentius Sonny Loho ^{***)}				√	√			√		√		√
Jeffry J. Wurangian ^{****)}				√		√		√		√		√

*) Effective 1 February 2018 – 31 December 2018

***) Effective 21 September 2018 – 31 December 2018

****) Effective 1 January 2018 – 22 March 2018

*****) Effective 1 January 2018 – 20 September 2018



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BOC CONCURRENT POSITION

The concurrent position held by member of the BOC of BRI refers to and therefore comply with the Financial Services Authority Regulation No. No. 55/POJK-03/2016 regarding the Board of Directors and the Board of Commissioners of Issuers or Public Company, i.e. not holding concurrent position as a member of the Board of Directors, BOC or Executive Officers at:

1. Financial institution or financial company, whether bank or non bank;
2. More than 1 (one) non-financial institution or non-financial company, both domiciled within and outside the country.

The following is the BOC concurrent positions as of 31 December 2018:

No	Name	Title	Period	Concurrent Title	Company/ Institution
1	Andrinof A. Chaniago	President Commissioner/ Independent Commissioner	2006 – present	Lecturer in Political Science Department, Social and Political Faculty	Universitas Indonesia
2	Gatot Trihargo	Vice President Commissioner	July 2015 - present	Deputy of Financial Services, Survey and Consultancy Services	SOE Ministry
			2014 – present	Board Member of National Management	Ikatan Akuntan Indonesia (IAI)
			2010 – present	President of Association	Certified <i>Fraud</i> Examiner (CFE) - Indonesia Chapter
			2010 - present	Honorary Board Member	Ikatan Komite Audit Indonesia (IKAI)
			2009 - present	Board Member of Examiner	<i>Certified Professional Management Accountant</i> (CPMA)
			2009 - present	Board Member of Examiner	<i>Center for Sustainability Reporting</i> (NCSR)
			2016 - present	Chairman	Ikatan Akuntan Manajemen Indonesia (IAMJ)
3	A. Fuad Rahmany	Independent Commissioner	None		
4	A. Sonny Keraf	Independent Commissioner	1998 - present	Lecturer of Business Ethics and Accounting Profession Ethics	Universitas Atma Jaya Jakarta
			2014 - present	Member	National Energy Board
			2016 - present	Independent Commissioner	PT Gorontalo Sejahtera Mining
5	Mahmud	Independent Commissioner	None		
6	Rofikoh Rokhim ^{*)}	Independent Commissioner	2006 - present	Lecturer and Researcher, Economics and Business Faculty	Univesitas Indonesia

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No	Name	Title	Period	Concurrent Title	Company/ Institution
7	Nicolaus Teguh Budi Harjanto	Commissioner	2015 - Present	Special Staff of State Secretary Minister of Political Communication and Institution	State Secretary Ministry
8	Hadiyanto ^{**})	Commissioner	2015-present	Secretary General	Ministry of Finance of Republic of Indonesia
			2016-present	Chairman of Supervisory Board	RS Dr. Cipto Mangunkusumo
			2015-present	Supervisory Board	Lembaga Pengelola Dana Pendidikan
9	Vincentius Sonny Loho ^{***})	Commissioner	2014 - present	Consultative Board Member	IAI Public Sector Accounting Compartment
10	Jeffry J. Wurangian ^{****})	Commissioner	2015 - present	Vice Chairman of SOE Corporation Development	Kamar Dagang Industri Nasional (KADIN)

^{*)} Effective 1 February 2018 – 31 December 2018

^{**)} Effective 21 September 2018 – 31 December 2018

^{***)} Effective 1 January 2018 – 22 March 2018

^{****)} Effective 1 January 2018 – 20 September 2018

2018 SHARES OWNERSHIP BY THE COMPANY

Members of the BOC of BRI 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 Board Charter.

In line with the independency of BOC members of the Company, as of 31 December 2017, none of the BOC members of the Company has 5% or more shares ownership either in the Company or other company or other bank or other nonbanking financial institutio.

No	Commissioner	Share ownership more than 5%			
		BRI	Other Banks	Non- Bank Financial Institution	Other Company
1	Andrinof A. Chaniago	-	-	-	-
2	Gatot Trihargo	-	-	-	-
3	A. Fuad Rahmany	-	-	-	-
4	A. Sonny Keraf	-	-	-	-
5	Mahmud	-	-	-	-
6	Rofikoh Rokhim ^{*)}	-	-	-	-
7	Nicolaus teguh Budi Harjanto	-	-	-	-

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No	Commissioner	Share ownership more than 5%			
		BRI	Other Banks	Non- Bank Financial Institution	Other Company
8	Hadiyanto ^{**})	-	-	-	-
9	Vincentius Sonny Loho ^{***})	-	-	-	-
10	Jeffry J. Wurangian ^{****})	-	-	-	-

^{*)} Effective 1 February 2018 – 31 December 2018

^{**}) Effective 21 September 2018 – 31 December 2018

^{***}) Effective 1 January 2018 – 22 March 2018

^{****}) Effective 1 January 2018 – 20 September 2018

CONFLICT OF INTEREST MANAGEMENT

Each member of the Company's BOC with 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 2018 there are no BRI corporate transactions or actions containing conflict of interest.

BOARD OF COMMISSIONERS ORIENTATION AND DEVELOPMENT PROGRAM

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 needed.

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 are relevant and appropriate to the orientation program requirements.
 - e. Introduction of Bank BRI's business processes and consolidated business structure.

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Orientation Program of BOC

The Orientation Program is held for each new member of the BOC of the Company. The Orientation Program is a corporate recognition program organized by the Corporate Secretary to new members of the BOC. 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 BOC's 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 BOC in accordance with its field and business development of BRI;
8. Support the implementation of tasks and responsibilities supported by knowledge of educational outcomes.

The Orientation Program for the Board of Commissioners in 2018:

Participant	Venue and Date of Implementation	Presenter	Material
Hadiyanto Commissioner	Ruang Rapat Sekjen, Gedung Djuanda I lantai 4 Kompleks Kementerian keuangan RI, 04 April 2018	1. Risk Management Division 2. Corporate Secretariat Division 3. Corporate Development and Strategy Division 4. BOC Secretariat 5. Compliance Division	1. Briefing on Risk Management for the BRI BOC. 2. Knowledge of the company, including Vision and Mission, Strategy and Medium and long-term Plan, performance and finance. 3. Understanding of duties and responsibilities as BOC members, authority, working hours, BOC meeting, relation with the Board of Directors, relevant rules / provisions. 4. Company provisions on GCG, Code of Ethic, Corporate Culture and other GCG related provision as supporting areas of the BOC duties. 5. Relevant company policies and requirements for orientation programs, 6. Introduction of BRI's business processes and consolidated business structure; 7. Rights and Obligations of the BOC.

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BOC Training and Competency Development

BRI has the policy on competency development of BOC members with the objective to increase the competency as well as skill of each BOC in performing their duties.

The competency development aims to:

1. Increase the insight and knowledge of the BOC in accordance with their fields and business development;
2. Add network and relationship with stakeholders;
3. Support the implementation of duties and responsibilities supported by knowledge of educational results;
4. Developing professional knowledge, competence and leadership capabilities of the BOD and BOC in line with the latest development in the industry and good corporate governance.
5. Increase awareness on educational programs, orientation and development for the BOC are important part of the learning process and developing the company in addition to strengthening the structure and corporate governance.

The implementation of BOC competency development in 2018 are as follows :

Commissioner	Venue	Date	Providers	Material
Andrinof A. Chaniago	Xiamen, Tiongkok	27 -29 April	Persatuan Pelajar Indonesia Tiongkok	Speaker
	New York & Boston, Amerika	25-31 August	Harvard Business School	Business Trip to BRI New York and participate in Leadership Coaching
Gatot Trihargo	Davos - Klosters, Switzerland	23-26 January	World Economic Forum	World Economic Forum Annual Meeting 2018 : Creating a Shared Future in a Fractured World
A. Fuad Rahmany	Brunei Darussalam	7-8 November 2018	ASEAN Bankers Association	48th ASEAN Banking Council Meeting
A. Sonny Keraf	New York, USA	16-20 April	SRW & Co.	ASEAN Global Leadership Program : Transforming ASEAN Organizations, The Leadership Imperative
	Dusseldorf - Frankfurt, Germany	02-09 July	LPPI	Executive Risk Management Refreshment Program : Risk Management as Performance Enabler
Mahmud	Dusseldorf - Frankfurt, Germany	02-09 July	LPPI	Executive Risk Management Refreshment Program : Risk Management as Performance Enabler

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Commissioner	Venue	Date	Providers	Material
Rofikoh Rokhim*	Philadelphia, USA	23 -26April	Wharton - University of Pennsylvania	Wharton's Introduction to Brain Science for Business MBA Course : leveraging Neuroscience for Business Impact
	San Francisco, Amerika	19-24 Agust	Stanford Business School	Training : People, Culture and Performance - Strategies from Silicon Valley
Nicolaus TB Harjanto	Roma, Milan, Italy	06-14 October	LPPI - IBI	International Risk Management & Treasury Dealer Refreshment Program for Executives
Hadiyanto**	During 2018 there was no training program executed			
Jeffrey J. Wurangian***	Boston, USA	11-17 March	Harvard Business School	<i>Executive Education Finance : Launching New Ventures</i>
*) Effective 1 February 2018 **) Effective 21 September 2018 ***) Effective 1 January 2018 – 22 March 2018 ****) Effective 1 January 2018 – 20 September 2018				

Risk Management Certification

In order to support the implementation of Risk Management for the Bank's business activities, the BOC must have competence and expertise in the field of Risk Management in accordance with the minimum standard requirements in accordance with the provisions of Bank Indonesia Regulation No. 11/19 / PBI / 2009 dated June 4, 2009 on Risk Management Certification for Management and Officials of Commercial Banks and amendment to the 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 a BOC in addition to participating in various training and conferences, the BOC of the Company always equipped with risk management certification that support their duties the Company's Supervisor. The certification followed by the Company's BOC is as follows:

Name	Title	Certification/Refreshment MR		
		Certification Agency	Level	Date
Andrinof A. Chaniago	President Commissioner/ Independent	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	LSPP	Level 2	2 May 2015
Mahmud	Independent Commissioner	BSMR	Level 5	7 February 2017
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

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Board of Commissioners Recommendation in 2018

In addition to carrying out the oversight and monitoring functions of the implementation of the Board of Directors' policies, the Board of Commissioners also provided various recommendations and input to management based on routine management reports to the Board of Commissioners and based on events or policies carried out by management. During 2018, the Board of Commissioners has provided recommendations on the following:

Date	Reference Number	Subject
16-Jan-18	B.06-KOM/01/2018	Development of Bank Assurance products and / or bank products with third parties
19-Jan-18	B.10-KOM/01/2018	Fraud events have a significant negative impact and / or have the potential to become a public concern in the fourth quarter of 2017
19-Jan-18	B.13-KOM/01/2018	Imposing sanctions to pay by regulators in quarter IV / 2017
31-Jan-18	B.17-KOM/01/2018	Direction for the 2018 partnership and community development program budget plan
02-Mar-18	B.29-KOM/03/2018	Review of the draft internal audit charter draft
09-Mar-18	B.35-KOM/03/2018	Imposition of False sanctions on SID / SILK reports and failed settlement of treasury activation by Bank Indonesia
15-Mar-18	B.41-KOM/03/2018	Risk profile report for the fourth quarter of 2017, report on the implementation of compliance functions, anti-money laundering and prevention of terrorist funding (AML & CTF) programs in semester II 2017, 2017 semester II bank soundness report, 2017 II anti-fraud strategy implementation report 2017
08-May-18	B.75-KOM/05/2018	Loan portfolio Guidelines 2018
08-May-18	B.81-KOM/05/2018	Report on the implementation of integrated internal audit assignments in semester II 2017
15-May-18	B.84-KOM/05/2018	Findings of the results of the working visit of the BRI Board of Commissioners for the first quarter of 2018
28-May-18	B.90-KOM/05/2018	Board of Commissioners' supervisory report on BRI's performance in the first quarter of 2018
04-Jun-18	B.94-KOM/06/2018	Report on risk profile for quarter I 2018
21-Jun-18	B.98-KOM/06/2018	Review of integrated risk profiles in semester II of 2017
26-Jun-18	B.101-KOM/06/2018	Evaluasi implementasi tata kelola DPLK BRI
17-Jul-18	B.113-KOM/07/2018	Fraud events have a significant negative impact and / or have the potential to become a public concern in quarter II / 2018
07-Aug-18	B.129-KOM/08/2018	Assessment of the implementation of integrated governance in semester I 2018
16-Aug-18	B.132-Kom/08/2018	Evaluation of the implementation of BRI DPLK governance
29-Aug-18	B.142-KOM/08/2018	Follow-up management letter for the 2017 financial statement general audit

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Date	Reference Number	Subject
20-Sep-18	B.165-KOM/09/2018	2018 first semester risk profile report, implementation of compliance function report, semester I anti-money laundering (AML) and Prevention (CTF) program in 2108, first semester bank soundness report 2018, and anti fraud strategy implementation report first semester of 2018
12-Nov-18	B.219-KOM/11/2018	Review of integrated risk profile in semester I 2018
27-Feb-18	SR.04-KOM/01/2018	Performance Evaluation of Directors of PT BRI Persero Tbk
29-Mar-18	SR.07-KOM/03/2018	Proposed control matrix of company deputy placement in subsidiaries or joint ventures of SOEs
08-May-18	SR.12-KOM/05/2018	Recommendation of the NRC on income proposals
09-Jan-18	R.04-KOM/01/2018	Implementation of GCG self-assessment in the second semester of 2017
15-Jan-18	R.08-KOM/01/2018	Assessment of the implementation of integrated governance in the second semester of 2017
06-Feb-18	R.11-KOM/02/2018	The 2nd semester of 2017 DPLK BRI investment evaluation report
06-Feb-18	R.12-KOM/02/2018	Credit Consultation
13-Feb-18	R.13-KOM/02/2018	Financial performance and investment in BRI DPLK in 2017
13-Feb-18	R.14-KOM/02/2018	BRI compliance report of semester II / 2017 to OJK
27-Feb-18	R.22-KOM/02/2018	Reports of principal results of the audit of the second semester of 2017
27-Feb-18	R.25-KOM/02/2018	Board of Commissioners supervision report on the performance of BRI in semester II 2017
27-Feb-18	R.26-KOM/02/2018	Board of Commissioners' oversight report on the performance of BRI in the 4th quarter of 2017
08-Jun-18	R.44-KOM/06/2018	Evaluation of Reports on the results of the first quarter of Audit results in 2018
08-Jun-18	R.45-KOM/06/2018	Evaluation report of the BRI Audit Committee on the implementation of audit services for historical financial information for the financial year 2017 & KAP PSS (EY)
26-Jun-18	R.46-KOM/06/2018	BRI Audit Committee Evaluation Report on the implementation of Audit service provision for historical financial information of BRI DPLK for 2018 & KAP NSS
26-Jun-18	R.47-KOM/06/2018	Evaluation of audited financial and investment performance of BRI DPLK 2017
30-Jul-18	R.50-KOM/07/2018	Performance evaluation report of BRI Semester I DPLK Investment 2018
30-Jul-18	R.52-KOM/07/2018	Credit restructuring and non-performing loans for the medium and corporate business segments
30-Jul-18	R.53-KOM/07/2018	Audit Result Report (LHA) online loan collateral insurance application audit (A3KOL)
21-Aug-18	R.59-KOM/08/2018	Revision of PT BRI (Persero) Tbk's remuneration policy
23-Aug-18	R.60-KOM/08/2018	Credit Consultation
23-Aug-18	R.61-KOM/08/2018	Evaluate reports on audit results for the second quarter of 2018
24-Aug-18	R.62-KOM/08/2018	Board of Commissioners supervision report on the performance of PT BRI in the second quarter of 2018
24-Aug-18	R.63-KOM/08/2018	Board of Commissioners supervision report on the performance of PT BRI in semester I 2018
27-Nov-18	R.77-KOM/11/2018	Board of Commissioners supervision report on the performance of PT. BRI (Persero) Tbk quarter III of 2018
04-Dec-18	R.79-KOM/11/2108	Submission of proposals for candidates for BRI SKAI heads

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BOARD OF COMMISSIONERS OVERSIGHT WORK PROGRAMS

Realization of the BOC Work Programs The BOC work programs are developed with due observance to the duties, obligations and responsibilities of the BOC.

The BOC work programs are developed in a document called Work and Budget Plan of the Board of Commissioners prepared at every beginning of fiscal year. In implementing the Work and Budget Plan, the Board of Commissioners is assisted by the Audit Committee, Nomination and Remuneration Committee, and Integrated Governance Committee. For effective implementation of duties, obligation and responsibilities, the BOC uses all resources, including all members of the BOC, Committee Members of Non Commissioners, as well as the Board of Commissioners' Secretary, to support the achievement of such work programs.

Herewith the work programs realization of the BOC in 2018:

1. Nomination by BRI Directors

In accordance with the Financial Services Authority Regulation, POJK Number 5.5 / POJK.03 / 2016 dated December 7, 2017 concerning Implementation of Good Corporate Governance for Commercial Banks, each proposal to appoint and / or replace members of the Board of Commissioners and / or Directors by the Board of Commissioners must pay attention to recommendation of the NRC. The Nomination process that occurs during 2018 is as follows:

- a. Nomination at the 2018 Annual GMS.
The Nomination and Remuneration Committee has carried out the process of nominating candidates for Directors and Commissioners from the Internal Board of Commissioners which will be proposed to the Board of Commissioners for further submission to the holders of Dwiwarna Series A Shares to be resolved at the Company's Annual GMS 2018

The implementation of the Directors Nomination Process activities and the NRC Recommendations are as follows:

No	Subject	Time Realization	Output
1	Board of Directors Nomination Proposal	21 March 2018	Proposals for candidates for the President Director and prospective members of the BRI Board of Directors are submitted through the Service Note KNR No. : R.07- KNR / 03/2018 March 21, 2018

b. Nomination at the EGM 2019

The Nomination and Remuneration Committee has nominated the Candidates for Directors who will be proposed to the Board of Commissioners for further submission to the Series A Dwiwarna Shareholders to be stipulated at the EGM on January 3, 2019 in accordance with the SOE Ministry letter No.SR-742 / MBU / 11/2019 Date 05 November 2018, one of the agendas is a change in the Company's Management.

No	Subject	Time Realization	Output
1	Changes in Management of BRI at the 2019 EGMS	28 December 2018	<ol style="list-style-type: none"> 1. Top Talent Update Proposal by PT. BRI (Persero) Tbk submitted through the Directors' Letter No. SR.24-KOM / 12/2018 dated 28 December 2018 2. Changes in PT. BRI (Persero) Tbk. proposal submitted through the Directors' Letter No. SR.25-KOM / 12/2018 dated 28 December 2018

The Board of Commissioners

2. Nomination of Candidates for Commissioners and Directors in Subsidiaries or Company Representatives placed in Subsidiaries or Related Parties

Based on the provisions in the BRI Articles of Association, one of the actions of the Board of Directors that requires the approval of the Board of Commissioners and Holders of Series A Dwiwarna Share is to propose Company Representatives

to become candidates for Directors or Board of Commissioners in subsidiaries that make a significant contribution to the company and / or strategic value. Noting this, during the 2018 Nomination and Remuneration Committee the Board of Commissioners carried out the Nomination process for the prospective deputy representatives proposed by the Board of Directors to be placed in subsidiaries and related Parties as follows:

No	Subject	Time Realization	Output
1	Nomination of Prospective Commissioners and Directors of PT BRIsyariah	04 January 2018	Approval of the Prospective Commissioner and Director of PT BRIsyariah is submitted in the Board of Commissioners' Letter No. : SR.02-KOM / 01/2018
2	Nomination of Candidates for BRI Agroniaga Commissioners and Directors	29 March 2018	Candidates for BRI Agroniaga Board of Commissioners and Board of Directors are presented in the Board of Commissioners' Letter No. : SR.08-KOM / 04/2018
3	Nomination of Prospective President Director of PT Bahana Artha Ventura	17 April 2018	Approval of the Candidate for President Director of PT Bahana Artha Ventura delivered in the Letter of the Board of Commissioners No. : SR.09-KOM / 04/2018
4	Nomination of BRI Life Commissioners and Directors Candidates	7 June 2018	Approval of BRI Life Candidates and Directors is submitted in the Board of Commissioners' Letter No. : SR.14-KOM / 06/2018
5	Nomination of Indonesian Multifinance BRI Commissioners and Directors (BRI Finance) Nominations	24 July 2018	Approval of the Candidates and Directors of the Indonesian Multifinance BRI (BRI Finance) is submitted in the Board of Commissioners' Letter No. : SR.16-KOM / 07/2018

3. Directors Performance Evaluation

In accordance with the provisions of the Minister of SOE Regulation Number PER-03 / MBU / 02/2015 concerning Requirements, Procedures for Appointment, and Dismissal of Members of the Board of Directors of State-Owned Enterprises and the Articles of Association of PT Bank Rakyat Indonesia

(Persero) Tbk, the Nomination and Remuneration Committee must evaluate towards the achievement of the Directors' performance in accordance with the Directors' KPI. The objectives of the Board of Directors' evaluation included evaluating the performance of the Directors and reviewing the competencies of each of the Directors.

Implementation of activities of the Company's Directors is as follows:

Subject	Time Realization	Output
Evaluation of Directors' Performance per Field	27 February 2018	Written letter of the Board of Commissioners through a letter of the Board of Commissioners SR04-KOM / 01/2018 Evaluation of the Directors of PT BRI (Persero) Tbk

The Board of Commissioners

4. Making of the Remuneration Policy / Provisions of the Board of Directors and the Board of Commissioners

In order to ensure the governance of the provision of remuneration to encourage prudent risk taking by Bank Officials in accordance with the Financial Services Authority (OJK) Regulation No. 45 / POJK.03 / 2015 dated 23 December 2015 concerning Implementation of Governance in the Provision of Remuneration for Commercial Banks, banks must have a remuneration governance policy..

Based on these provisions, the NRC has compiled a policy on BRI's Remuneration Governance Policy which has been established through a 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 Letter dated 30 November 2017 concerning Remuneration Governance Policy of PT Bank Rakyat Indonesia (Persero) Tbk.

In order to implement the remuneration policy for the Board of Directors and the Board of Commissioners and encouraging prudent risk taking, as a manifestation of improved governance, part of the variable remuneration is deferred for a certain period of time, in 2018 the NRC has devised Deferred Variable Remuneration Provisions PT Bank Rakyat Indonesia (Persero) Tbk.

Subject	Time Realization	Output
Provisions for the Implementation of Variable Remuneration Provisioned by PT. Bank Rakyat Indonesia (Persero) Tbk.	12 September 2018	Board of Commissioners Decree No. : 04-KOM / 09/2018 dated 12 September 2018 concerning Provisions for the Implementation of Variable Remuneration which is Suspended Bank Rakyat Indonesia (Persero) Tbk.

5. Review of the Remuneration Structure of the Board of Directors and the Board of Commissioners

Based on the results of the 2018 AGMS decision, the AGMS authorized the Board of Commissioners to determine the structure and amount of remuneration for the Board of Directors and the Board of Commissioners to the Board of Commissioners after obtaining approval from Series A Dwiwarna shareholders.

Based on the decision, the NRC submitted a review and proposal for the remuneration of the Board of Directors and the Board of Commissioners to the Board of Commissioners which included proposals for honorarium / salaries of the Board of Commissioners and Directors, allowances and facilities for 2018, proposed bonuses for the performance of 2017 Fiscal Year to be subsequently submitted to Series A Shareholders Dichromatic.

The implementation of review and proposed remuneration of the Directors and Board of Commissioners are as follows:

Subject	Time Realization	Output
Review of the Remuneration of the Board of Directors and the Board of Commissioners	8 May 2018	Written proposal by the Board of Commissioners to Series A Dwiwarna Shareholders through a Letter of the Board of Commissioners Number SR.12-KOM / 05/2018 dated May 8, 2018 concerning Recommendation of the NRC on the proposed income of Directors and Board of Commissioners in 2018 and bonuses for 2017 performance.

In formulating the remuneration proposal for the NRC assisted by Independent Consultant Willis Towers Watson, a review was carried out by conducting a survey survey based on benchmarks with world-class companies in the country or Southeast Asia in accordance with Permen No.06 / MBU / 2017 which among others had business scale criteria considered equal, has a similar core business or the same complexity of business, and can be known the performance indicators and can be known the costs of the Board of Directors and Board of Commissioners in the company.

The Board of Commissioners

6. Review of the Implementation of Labor Policy

The NRC presented recommendations regarding the results of the Review on the Implementation of Labor Policy to the Board of Commissioners. The recommendations are material for the Board of Commissioners in order to provide opinions and suggestions to the Board of Directors to ensure

that 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.

The implementation and realization of reviews on the implementation of Workers' remuneration and Employment Policy are as follows:

Subject	Time Realization	Output
Review of Employment Policy	18 December 2018	The written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors are conveyed in a Letter of the Board of Commissioners to the Board of Directors Number: R.85-KOM / 12/2018 dated 18 December 2018 concerning Recommendations on Labor Policy and Remuneration of BRI Workers.

Matters that are a concern of the NRC and the Board of Commissioners related to BRI's Human Capital policies and management include the following:

- a. Develop innovative programs to reach the best talents and encourage BRI to be the first choice for the best talent to work.
- b. Develop an integrated Talent Management System (ITMS) in an integrated manner both at BRI and with Subsidiaries as well as assess employee career paths to strengthen long-term performance and career relationships.
- c. Management's strategies and plans in managing HR face the era of digital banking and fintech.
- d. Redesign performance assessments to ensure a fair and transparent process.
- e. Re-align the remuneration mechanism to reward employees and work distribution that is fair.
- f. Review the structure of employee remuneration, specifically the amount of remuneration received each month, so that it is more attractive for the best talent to join BRI.
- g. Remuneration for workers at every level of position is comparable with industry, which encourages worker productivity.

- h. Acceleration of structural positions formation fulfilling, management is expected to relax by giving trust to good and affirmative young talents for workers in the region to be able to fulfill the position formation.
- i. Develop strategies and design training in conglomeration with subsidiaries that support workers' knowledge and capabilities in a conglomeration manner.

7. Review of Company's Vision / Mission and Approval of Long-Term Plans (Corporate Plans), Bank Business Plans (RBB) and Corporate RKA

Review of the company's Vision / Mission is carried out periodically along with the preparation of the Long Term Plan (CPR), while reviewing the company's strategy is carried out together with the preparation of the Bank Business Plan (RBB).

In order to direct the bank's operational activities according to its vision and mission, the bank needs to set strategic objectives and a set of corporate values that are further elaborated in the business plan. Based on the Financial Services Authority Regulation No. 5 / POJK.03 / 2016 Regarding the Bank's Business Plan, the Board of Directors is obliged to prepare a Business Plan and must obtain approval for the Company's Business plan.

The Board of Commissioners

Before approving the bank's business plan, the Board of Commissioners reviews the proposed Business Plan to ensure that the plan has been prepared carefully and realistically based on prudential principles and the application of risk management, and takes into account internal and external aspects with

comprehensive coverage and banking principles. Besides giving approval, the Board of Commissioners supervises the Realization of the Company's Business Plan which will be submitted to the Financial Services Authority no later than two months after the reporting period.

The discussion and approval of the Business Plan carried out by the Board of Commissioners during 2018 are as follows:

No	Subject	Time Realization	Output
1	Approval of Revision of 2018-2020 RBB and 2018 RKAP	6 June 2018	Letter of the Board of Commissioners of BRI Number: R.43-KOM / 06/2018 concerning Approval of the 2018-2022 BRI Long-Term Plan
2	Approval of 2019-2021 RBB and 2019 RKAP	21 November 2018	Letter of the Board of Commissioners of BRI Number R.76-KOM / 11/2018 concerning Approval of the 2019-2021 RBB and 2019 RKAP

8. Review of Financial Statements

The Board of Commissioners reviews the financial statements that will be published by the Company including quarterly and annual financial reports. The results of the review can be in the form of responses

to the Board of Directors for improvement or improvement of the report before publication.

Review's realization of the financial statements 2018 is as follows::

No.	Study Material	Time Realization	Financial Statement Review Results
1.	Final Financial Report 2017	18 January 2018	There are no matters that are of concern to KAP that cause KAP to believe that the consolidated financial information does not present fairly, in all material respects, the financial performance and consolidated cash flow of PT. BRI (Persero) Tbk. and its subsidiaries for the six-month period ending December 31, 2017, in accordance with Indonesian Financial Accounting standards. Review and discussion are stated in minutes of meeting No. : B.02-KA / 01/2018.
2.	2018 First Quarter Financial Report	17 April 2018	Based on the review and discussion of the Internal Audit Unit and the Audit Committee, there was 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. TW I Year 2018. Review and discussion are set forth in minutes of meeting No. : 10 - KA / 04/2018

The Board of Commissioners

No.	Study Material	Time Realization	Financial Statement Review Results
3.	Financial Statements of Quarter II of 2018	27 July 2018	There were no matters of concern to the KAP that caused KAP to believe that the interim consolidated financial information did not present fairly, in all material respects, the financial performance and consolidated cash flows of PT. BRI (Persero) Tbk. and its subsidiaries for the six-month period ended June 30, 2018, in accordance with Indonesian Financial Accounting standards. Review and discussion are set forth in minutes of meeting No. : 12 - KA / 07/2018 16-KA / 10/2018
4.	Third Quarter Financial Report 2018	23 October 2018	Based on the review and discussion of the Internal Audit Unit and the Audit Committee, there was 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. TW III of 2018. Review and discussion are set forth in minutes of meeting No. : 16-KA / 10/2018

9. Evaluation of Adequacy of Internal Control

The Board of Commissioners through the Audit Committee has evaluated the planning and implementation of audits as well as monitoring the follow-up of audit results in order to assess the adequacy of internal controls and monitoring follow-up findings by management.

This activity is the implementation of Board of Commissioners' function in order to monitor the follow-up of audit findings. The purpose of this

monitoring is to ensure that the Board of Directors has made improvements in accordance with the commitments and suggestions submitted by the Public Accounting Office, OJK, BI, BPK and the Internal Audit Unit or other regulators. The monitoring is carried out in conjunction with regular meetings with the Internal Audit Unit and if deemed necessary it will invite the relevant Directors / Divisions or related work units.

The realization of the Board of Commissioners' evaluation and approval of 2018 Annual Audit Planning and monitoring of the follow-up of audit results is targeted as follows:

No	Subject	Time Realization	Output
1	Evaluation and approval of the Board of Commissioners for Annual Audit Planning for 2018	08 May 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors in a letter of the Board of Commissioners B.77-KOM / 05/2018 concerning Evaluation of the BRI SKAI Annual Audit Planning for 2018
2	Review of Results of Internal Audit Examination in Semester II 2017	27 February 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors R.22-KOM / 02/2018 concerning the 2018 Semester II Audit Results Report

The Board of Commissioners

No	Subject	Time Realization	Output
3	Review of 2018 Internal Audit First Quarter Audit Report	8 June 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors Number R.11-KA / 05/2018 concerning 2018 First Quarter Audit Results Report
4	Review of the Second Quarter Quarterly Internal Audit and Integrated Audit Results Report 2018	21 August 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors Number: R.62-KOM / 08/2018 concerning Audit Report for Quarter II of 2018
5	Review of the Report of the Third Quarter Internal Audit Examination in 2018	11 December 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors Number: R.82-KOM / 12 / concerning Audit Report for Quarter III of 2018

10. Evaluation of the implementation of general audits of the BRI DPLK Financial Statements and Investment Performance and BRI DPLK Performance Evaluation

Evaluation of the implementation of general audits of the BRI DPLK Financial Statements and Investment Performance and BRI DPLK Performance Evaluation. The Board of Commissioners as the DPLK Supervisor of BRI will supervise the implementation of general audits of the BRI DPLK Financial Statements and Investment Performance and BRI DPLK Performance Evaluation.

The realization of the supervision in 2018 is as follows:

No	Subject	Time Realization	Output
1	Evaluation of the implementation of the general audit of Financial Statements and Performance of BRI's DPLK 2017 financial year.	26 June 2018	Letter of the Board of Commissioners No. R.46-KOM / 06/2018 concerning the Audit Committee Evaluation Report of BRI on the implementation of the provision of Audit services on the financial information of the BRI DPLK for the 2018 year book & KAP NSS.
2	Evaluation of DPLK BRI Investment Performance 2nd Semester 2017	13 February 2018	Letter of the Board of Commissioners to DPLK Management No: R.13-KOM / 02/2018 concerning 2017 Financial Performance and DPLK investment
3	Evaluation of DPLK BRI Investment Performance 1st Semester 2018	30 July 2018	Letter of the Board of Commissioners to DPLK Management No. R.50-KOM / 07/2018 concerning performance evaluation report for DPLK BRI Investment in 1st Semester 2018

11. Review of Bank Assessment Rating Report

In accordance with POJK No.4 / POJK.03 / 2016 dated January 26, 2016 concerning the Assessment Rating of Commercial Banks, the Board of Commissioners is responsible for maintaining and monitoring the Bank's Assessment Rating and taking steps necessary to maintain and / or improve Bank Assessment Rating. Self-assessment results of the Bank's rating

assessment every semester that have received Board of Directors approval must be submitted to the Board of Commissioners.

The Board of Commissioners evaluates the Rating Assessment Report which includes the risk profile assessment (risk profile), Good Corporate Governance (GCG), profitability (earnings), and capital (capital).

The Board of Commissioners

Evaluation of the 2018 Bank Assessment Rating Report is as follows:

No	Subject	Time Realization	Output and Recommendation	Description
1	Assessment Rating Report July - December 2017	14 March 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the Risk Profile Report for Quarter IV of 2017, Report on Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) 2017 Semester II, 2017 Semester II Bank Soundness Report, Report on Implementation of Anti-Fraud Strategy for Semester II 2017.	Based on the composite self-assessment results and based on the criteria set, the rating of BRI's semester II 2017 Assessment rating is ranked 2 (healthy) with the following details: <ul style="list-style-type: none"> · Risk Profile: Rating 2 (healthy) · GCG: Rank 2 (healthy) · Rentability: Rank 1 (very healthy) · Capital: Rating 1 (very healthy) The condition of BRI in the second semester of 2017 is generally healthy so that it is considered capable of facing significant negative effects from changes in business conditions and other external factors
2	Assessment Rating Report January-June 2018	20 September 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester I Risk Profile Report, Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) First semester of 2018, 2018 Semester I Bank Soundness Report, 2018 Anti Fraud Strategy Implementation Report	Based on the composite self-assessment results and based on the criteria set, the rating of the first semester of 2018 BRI Health Level is ranked 2 (healthy) with the following details: <ul style="list-style-type: none"> · Risk Profile: Rating 2 (healthy) · GCG: Rank 2 (healthy) · Rentability: Rank 1 (very healthy) · Capital: Rating 1 (very healthy) The condition of BRI in the first semester of 2018 period was generally healthy so that it was considered capable of facing significant negative effects from changes in business conditions and other external factors.

12. Policy Evaluation and Implementation of MPA Governance

In accordance with POJK No 16 / POJK.05 / 2016, regarding the Pension Fund Management Guidelines, the Supervisory Board makes periodic monitoring reports containing performance evaluations of financial reports, investments, application of GPFG / GCG.

The implementation and review of DPLK's 2018 performance and policies and Governance are as follows:

No	Subject	Target	Output
1.	Evaluation of the governance implementation of BRI DPLK	26 June 2018	Letter of the Board of Commissioners to DPLK Management No: B.101-KOM / 06/2018 concerning Evaluation of the implementation of BRI DPLK governance

The Board of Commissioners

13. Review and Evaluation of Compliance Function's implementation

In line with the development of the Company's business, it is necessary to support the application of the precautionary principle to ensure that all business activities and policies have been carried out by complying with all applicable laws and regulations, both regulations stipulated by Bank Indonesia and other authorized authorities.

The Board of Commissioners reviews and evaluates the Compliance Function Implementation Report, especially in compliance with applicable regulations concerning the implementation of the precautionary principle, including the Minimum Capital Adequacy Requirement (CAR), LLL, Net Open Position (NOP), Derivative Transactions, GWM of Rupiah and Foreign Exchange, and the Problematic Credit Level (NPL). If the Board of Commissioners' monthly review results

are found to be non-compliance with the applicable provisions, the Board of Commissioners will provide advice and opinions no later than two weeks after the report is received.

In addition, the Board of Commissioners also reviews and evaluates Semester Reports on the Implementation of the Compliance Director's Tasks as stipulated in PBI No. 1/6 / PBI / 1999 dated September 20, 1999 concerning Assignment of Compliance Director and Implementation of Standards for Implementation of Commercial Bank Internal Audit Functions, in accordance with POJK 46 / POJK.03 / 2017 dated July 12, 2017 concerning Implementation of Compliance Function of Commercial Banks.

Review and evaluation of the implementation of the compliance function in 2018 are as follows:

No	Subject	Realization	Output	Description
1.	Review and Evaluation of Compliance Function's implementation for 2nd Semester 2017	14 March 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the Risk Profile Report for Quarter IV of 2017, Report on Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF 2017 Semester II, 2017 Semester II Bank Soundness Report, Report on Implementation of Anti-Fraud Strategy for Semester II 2017.	<ul style="list-style-type: none"> · In 2nd Semester of 2017 there were 266 tests of the precautionary principle towards Credit and Non-Credit Decisions, Cooperation Agreements in the Field of Credit and Non-Credit and Credit and Non-Credit Policies. · 145 Providing responses to Compliance and Implementation of Internal Policy Review. · 85 Resume & Impact Analysis · The consolidation of the implementation of prudential regulations covering CAR, LLL, NPL, NOP, Derivative transactions and LCR does not violate the applicable provisions. · Complaint risk is still within good limits, which is ranked 2 (Low to Moderate) according to OJK assessment.

The Board of Commissioners

No	Subject	Realization	Output	Description
2.	Review and Evaluation of Compliance Function's implementation for 1st Semester II 2018	20 September 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester I Risk Profile Report, Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) First semester of 2018, 2018 Semester I Bank Soundness Report, 2018 Anti Fraud Strategy Implementation Report	<ul style="list-style-type: none"> • In the first semester of 2018 there were 163 tests of the precautionary principle on Credit and Non-Credit Decisions, Credit and Non-Credit Policy Cooperation Fields. • 119 Provision of response to Compliance and Implementation of Internal Policy Review. • 44 Resume & Impact Analysis • The consolidation of the implementation of prudential regulations covering CAR, LLL, NPL, NOP, Derivative transactions and LCR does not violate the applicable provisions. • Complaint risk is still within good limits, which is ranked 2 (Low to Moderate) according to OJK assessment.

14. Risk Profile Review and Evaluation

The Board of Commissioners reviews and evaluates the risk profile assessment conducted by taking into account the level of risk inherent in the Company's business activities (inherent risk) that has the potential to affect the Company's financial position.

The review and evaluation of the risk profile assessment is as follows:

No	Subject	Realization	Output	Description
1.	Risk Profile Report for Quarter IV of 2017	14 March 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the Risk Profile Report for Quarter IV of 2017, Report on Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) 2017 Semester II, 2017 Semester II Bank Soundness Report, Report on Implementation of Anti-Fraud Strategy for Semester II 2017.	Risk Profile Rank in Quarter IV of 2017 in composite at rank 2 (two) or Low to Moderate.

The Board of Commissioners

No	Subject	Realization	Output	Description
2.	2018 First Quarter Risk Profile Report	4 June 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a letter from the Board of Commissioners Number: B.94 - KOM / 06/2018 concerning 2018 First Quarter Risk Profile Report	Rank Risk profile in 2018 Quarter I composite is fixed at 2 (two) or Low to Moderate.
3.	Second Quarter 2018 Risk Profile Report	20 September 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester I Risk Profile Report, Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) First semester of 2018, 2018 Semester I Bank Soundness Report, 2018 Anti Fraud Strategy Implementation Report	Ranking The risk profile in the second quarter of 2018 is composite still in the rank 2 (two) or Low to Moderate.
4.	Risk Profile Report for Quarter III of 2018	18 December 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a letter of the Board of Commissioners Number B.267 / KOM / 12/2018 concerning the Quarterly III Profile Profile Risk Report 2018	Ranking Risk profiles in Quarter III of 2018 are composite stays at rank 2 (two) or Low to Moderate.

15. Review of Report on the Application of Anti-Fraud Strategies

In accordance with Circular Number 13/28 / DPNP dated 9 December 2011 concerning the Implementation of Anti-Fraud Strategies for Commercial Banks that banks are required to build 4 (four) pillars of fraud control strategies that are interrelated with each other, namely:

- Prevention;
- Detection;
- Investigation, reporting and sanctions;
- Monitoring, evaluation and follow-up.

In order to control the risk of fraud, BRI is required to implement risk management where the active supervision of the Board of Commissioners is an important aspect of risk management. KPMR will conduct regular evaluations regarding the application of four pillars of fraud control strategies at BRI.

Implementation of review and evaluation of the Report on the Implementation of the Anti-Fraud Strategy in 2018 is as follows:

No	Subject	Realization	Output
1.	Report on the Implementation of Anti-Fraud Strategy for Semester II 2017	14 March 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the Risk Profile Report for Quarter IV of 2017, Report on Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF 2017 Semester II, 2017 Semester II Bank Soundness Report, Report on Implementation of Anti-Fraud Strategy for Semester II 2017.

The Board of Commissioners

No	Subject	Realization	Output
2.	Report on the Implementation of Anti-Fraud Strategy for Semester I 2018	20 September 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester I Risk Profile Report, Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) First semester of 2018, 2018 Semester I Bank Soundness Report, 2018 Anti Fraud Strategy Implementation Report

16. Review the AML CTF Program Implementation Report

Based on Article 4 of the Financial Jaka Authority Regulation Number 12 / POJK.01 / 2017 dated March 16, 2017 concerning the Application of anti money laundering and prevention of terrorism funding programs for commercial banks that Banks are required to implement the AML CTF program. Paragraph (1) Article 5 states that the AML CTF program is part of the application of Bank risk management. Furthermore, in paragraph (2) article 5 it is stated that the application of the AML CTF program includes active supervision of the Board of Commissioners.

Periodic review of the 2018 AML CTF Program Implementation is as follows:

No.	Subject	Realization	Output
1.	Report on the Implementation of AML CTF Semester II 2017 Program	14 March 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.41-KOM / 03/2018 concerning the Risk Profile Report for Quarter IV of 2017, Report on Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF 2017 Semester II, 2017 Semester II Bank Soundness Report, Report on Implementation of Anti-Fraud Strategy for Semester II 2017.
2.	Report on the Implementation of the First Semester Year PPT PPT Program	20 September 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a Letter of the Board of Commissioners Number: B.165 - KOM / 09/2018 concerning 2018 Semester I Risk Profile Report, Implementation of Compliance Function, Anti Money Laundering and Prevention of Terrorist Funding (AML and CTF) First semester of 2018, 2018 Semester I Bank Soundness Report, 2018 Anti Fraud Strategy Implementation Report

17. Report on the Implementation of Good Corporate Governance (GCG)

GCG factor assessment is an assessment of the quality of bank management on the implementation of the GCG principles, taking into account the significance or materiality of a problem with the implementation of GCG at the Bank.

The self assessment is carried out comprehensively and structurally integrated into 3 (three) aspects of governance, namely governance structure, governance process and governance outcome, as a continuous process.

The governance structure assessment aims to assess the adequacy of the Bank's governance structure and infrastructure so that the process of implementing GCG principles produces outcomes that are in line with the expectations of Bank stakeholders.

The governance process assessment aims to assess the effectiveness of the GCG principle implementation process which is supported by the adequacy of the Bank's governance structure and infrastructure so as to produce outcomes that are in line with the expectations of Bank stakeholders.

The Board of Commissioners

Governance outcome assessment aims to assess outcome quality that meets the expectations of Bank stakeholders which are the result of the process of implementing GCG principles that are supported by the adequacy of the Bank's governance structure

and infrastructure. The results of the assessment of governance outcomes also reflect the extent to which the implementation of governance processes and adequate support from governance structure.

Review of the 2018 GCG Implementation implemented by the Company's Board of Commissioners is as follows:

No	Subject	Realization	Output	Description
1.	Self assessment in 2017 Second Semester	08 January 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a letter from the Board of Commissioners Number: B.03-Sekkom / 01/20198 Implementation of the Second Semester GCG Self Assessment 2017	BRI's GCG in Semester II of 2017 was ranked 1 (Very Good) through BRI's GCG self assessment, but there was a value adjustment by OJK to rank 2 (Good).
2.	Self assessment in the first semester of 2018	3 July 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners to the Board of Directors through a letter from the Board of Commissioners Number: B.40-Sekkom / 07/2018 concerning Implementation of First Semester GCG Self Assessment 2018	Bank BRI's GCG in Semester I 2018 ranked 2 (Good) according to BRI GCG self assessment and OJK assessment.

18. Review of Audit Implementation by the Public Accountant Office

In accordance with POJK No.13 / POJK.03 / 2017 dated March 27, 2017 concerning the use of Public Accountant Services and Public Accounting Firms in financial service activities. Bank Rakyat Indonesia as a party to Implement Financial Services is required to submit a Audit Committee Evaluation Report on the Implementation of Audit Services for Annual Historical Financial Information by Public Accountants (AP) and / or Public Accounting Firms (KAP) to the Financial Services Authority, the longest audit 6 (six) months after the book year ends.

The scope of evaluation activities carried out on KAP includes:

1. Conformity of audit implementation by AP and / or KAP with applicable audit standards;
2. sufficient time for field work;
3. Assessment of coverage of services provided and adequacy of quotation tests;
4. Recommendations for improvements given.

The Board of Commissioners

The Audit Implementation Evaluation Activities by the Public Accountants Office carried out in 2018 included Evaluation of the Implementation of Audit Services for historical financial information 2017 by KAP Purwanto Sungkoro Surja (KAP PSS EY) and Evaluation of the implementation of Audit Services for the BRI DPLK Historical Financial Information The 2017 Financial Year by KAP Noor Salim, Sursehan & Sinarahardja (KAP NSS) with the following details:

No	KAP Evaluation	Evaluation			Recommendations for improvements given.
		Conformity of Audit Implementation by KAP and / or KAP with Applicable Audit Standards	Adequacy of Field Work Time	Assessment of coverage of services provided and adequacy of quotation tests	
1	Evaluation of the Implementation of Service Providing Audit of historical financial information 2017 financial year by KAP Purwanto Sungkoro Surja (KAP PSS EY)	The audit by KAP PSS EY is carried out in accordance with the applicable audit standards. Audit standards are used as a reference, among others, the Audit Standards established by the Indonesian Institute of Certified Public Accountants and the Financial Services Authority Regulation [POJK].	KAP PSS Has had an audit time table to carry out its work in accordance with the scope of the audit. In its implementation, KAP PSS has completed all work agendas according to the deadline set in the audit time table. In conducting audits based on the audit time table, KAP PSS has completed accounting issues found in the field, including estimates and significant judgments that occurred. The availability of data from the work units at BRI that are needed by the PSS Public Accountant Office in a timely manner has supported the implementation of the audit in accordance with the agreed time table audit.	Based on discussions with PSS KAP. The Audit Committee believes that Audit risk (Identification of inherent risk and control risk and minimizing detection risk) can be minimized through the planning and implementation of identified audit procedures that are sufficient to detect miss statement material in the Company's consolidated financial statements, whether caused by errors. As such, the Audit Committee believes that KAP PSS has tested the transaction with an adequate number of Pick Tests.	Recommendations are submitted in the Board of Commissioners' Letter Number: R.45 -KOM / 06/2018 dated June 8, 2018

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No	KAP Evaluation	Evaluation			
		Conformity of Audit Implementation by KAP and / or KAP with Applicable Audit Standards	Adequacy of Field Work Time	Assessment of coverage of services provided and adequacy of quotation tests	Recommendations for improvements given.
2	Evaluation of the implementation of Audit Services for the Financial Information of DPLK BRI for the Financial Year 2017 by KAP Noor Salim, Sursehan & Sinarahardja (KAP NSS).	The audit by the NSS KAP is carried out in accordance with the applicable audit standards that are used as a reference, among others, are audit standards set by the Indonesian Institute of Certified Public Accountants and the Financial Services Authority Regulation (POJK)	Availability of data required by the NSS Public Accountant Office according to the agreed time table audit.	The Audit Committee ensures that the scope of services provided to the NSS Public Accountant Office is in accordance with the applicable standards, there is no insurance and non-insurance assignments carried out simultaneously.	Recommendations are submitted in the Board of Commissioners' Letter Number: R.46 -KOM / 06/2018 dated June 26, 2018

Based on the Evaluation of the above KAP, the Audit Committee believes that the audit of the Company's consolidated financial statements for the Fiscal Year 2017 by the PSS KAP has been carried out and the Audit of the Financial Year Financial Information DPLK BRI for the 2017 Year by KAP Noor Salim, Sursehan & Sinarahardja (KAP NSS) in accordance with the standards applicable audits.

19. Monitoring of Follow-Up Audit Findings

This activity is the implementation of the functions of the Board of Commissioners in order to monitor the follow-up of audit findings. The purpose of this monitoring is to ensure that the Board of Directors has made improvements in accordance with the commitments and suggestions conveyed by the Public Accounting Office, OJK, BI, BPK and Internal Audit. The monitoring is carried out in conjunction with regular meetings with the Internal Audit Unit and if deemed necessary it will invite the relevant Directors / Divisions or explore the relevant work units.

The follow-up monitoring of audit findings is as follows:

No	Subject	Date	Output
1.	Management Letter for 2017 financial statements general audits	22 August 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through letter Number: B.142-KOM / 08/2018 concerning follow-up of the general audit management letter on the financial statements of BRI for the 2017 financial year by KAP Purwantoro, Sungkoro, and Surya (EY)

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Based on the monitoring of the follow-up above, the Board of Commissioners has submitted recommendations to Management, including the following:

- a. Improve the competence of Human Resources (HR) and risk awareness culture (risk culture) in each BRI work unit, especially in credit and operational activities, so that there is a uniform understanding of business processes in order to minimize the occurrence of human error;
- b. Each leader of the BRI Work Unit must ensure that the inherent control function, namely the function of "worker, checker, and signer" in every business process and activity has been running effectively;
- c. The implementation of credit restructuring must pay attention to the principle of prudence including complying with rules and regulations both internally and externally;
- d. Ensuring that the development of LAS Trade Finance applications and their implementation has been implemented properly and effectively so that reconciliation and recording of L / C, Bank Guarantee, and SBLC transactions become more accurate;
- e. Improving and developing administration and filing systems in all BRI Work Units so that the administration of documents can be carried out quickly and completely in order to facilitate audit trail and function as an effective alert system to avoid potential loss of BRI;
- f. The Internal Audit Unit along with Regional Internal Audit (AIW) must ensure that the commitment / action plan with the status of "Completed" has been in accordance with the agreed commitments, including the commitments and improvements that have been carried out properly and effectively by the relevant Work Unit so that they are not found repeat in the future;
- g. Follow up on commitments and follow-up actions (status plan) that are still "Monitor" and ensure that all of the commitments or action plans can be completed in accordance with the time target that has become a commitment.

20. Recommend the Public Accounting Firm (KAP) in the Audit Audit of BRI Financial Statements.

Procurement of Public Accounting Firm (KAP) Audit Services in the Framework of General Audit of Consolidated Financial Statements and Financial Statements of PT Bank Rakyat Indonesia (Persero) Tbk Partnership and Community Development Program. The 2018 Book Year is carried out under the coordination of the BRI Board of Commissioners through the Audit Committee by using the provisions and procedures for the procurement of goods and services applicable at BRI.

This is in accordance with the Minister of SOE Regulation No. : PER-01 / MBU / 2011 concerning the Implementation of Good Corporate Governance in State-Owned Enterprises, that the BUMN Annual Financial Report is audited by an external auditor appointed by the GMS / Minister from candidates submitted by the Board of Commissioners / Supervisory Board; and the Board of Commissioners / Supervisory Board through the Audit Committee conducts the process of appointing prospective external auditors in accordance with the provisions for the procurement of goods and services. This is also in accordance with the Financial Services Authority Regulation Number 55 / POJK.04 / 2015 dated 23 December 2015 concerning the Establishment and Work Guidelines of the Audit Committee, that one of the duties of the Audit Committee is to provide recommendations to the Board of Commissioners regarding the appointment of accountants based on independence, scope of assignment, and service fees.

The Board of Commissioners has conducted the KAP selection and appointment process as follows:

- a. Based on the Decree of the Board of Commissioners NOKEP: 01-KOM / BRI / 01/2018 dated 25 January 2018 it is stipulated that the process of procurement of KAP Audit Services is carried out by the Technical Team, Self Estimating Team (HPS) and Procurement Team under the coordination of the Audit Committee.
- b. The Technical Team, which is the team in charge, among others, makes the scope, submits the KAP service procurement budget allocation, prepares the Terms of Reference (TOR) and conducts the technical assessment of

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- the KAP candidates to be appointed based on the technical criteria and experience of each KAP and requests the Procurement Team to carry out the procurement process.
- c. The HPS Compilation Team in charge included preparing and analyzing the Own Estimate Price of KAP Service Procurement of BRI Financial Statements and proposing to the Board of Commissioners through the Audit Committee.
 - d. The Procurement Team is a work unit tasked with carrying out the service procurement process in accordance with applicable provisions, including among others proposing estimated prices
 - e. Based on the reports and recommendations submitted by the Audit Committee related to the process of procuring audit services for Public Accountants in the framework of the General Audit of Consolidated Financial Statements and the Company's PKBL Financial Statements for 2018, the Board of Commissioners has decided and determined Purwantono, Sungkoro and Surja KAPs (Ernst & Young) as KAP that will carry out the task with a Work Order B.284.P-PBJ / PJN / 03/2018 dated 9 March 2018. The scope of the Audit Implementation by the appointed KAP includes the following:
 1. General audit and provide opinions on the consolidated financial statements of the Company and subsidiaries in 2018 compiled based on Financial Accounting Standards;
 2. General audit and provide opinions on the Company's PKBL financial statements prepared based on the Financial Accounting Standards for Entities without Public Accountability (SAK-ETAP).

21. Review of the adequacy of Integrated Internal Control, Integrated Compliance Function and Integrated Risk Profile

In line with the development of the Company's business, it needs to be supported by internal controls to ensure that all business activities and policies have been carried out with the principle of prudence, attention to the risks that may occur and the completion of the action plan for all risks and violations of internal control.

Review and evaluation of the Implementation of the Integrated Internal Control Function is conducted in Semester by taking into account the Company's Compliance Director and LJK Semester Report of the Company conglomerate submitted to the Board of Commissioners and also by obtaining an explanation through the presentation of each LJK member of the Board of Commissioners Integrated Management.

In addition, the Board of Commissioners through KTKT reviews and evaluates Semester Reports on the Implementation of the Compliance Director's Tasks as stipulated in PBI No. 1/6 / PBI / 1999 dated September 20, 1999 concerning the Assignment of Compliance Director and Implementation of Standards for Commercial Bank Internal Audit Function Implementation, hereinafter amended by Financial Services Authority Regulation Number 46 / POJK.03 / 2017 concerning Implementation of Compliance Function of Commercial Banks.

The review of the adequacy of integrated internal controls and integrated compliance functions are as follows:

Subject	Realization	Output
Review Results of 2017 2nd Semester Integrated Compliance Results Report 2017	11 May 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a letter of the Board of Commissioners Number: B.83-KOM / 05 / regarding the Report on Implementation of 2017 Semester Integrated Compliance Tasks.
Review results of the Integrated Risk Profile for 1st Semester 2017	21 June 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners through letter Number: B.98-KOM / 06/2018 concerning 2017 Integrated Semester Risk Profile Report

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Subject	Realization	Output
Review result of 2017 2nd Semester Integrated Audit Results Report	8 May 2018	Written recommendations in the form of opinions and suggestions of the Board of Commissioners through letter Number: B.81-KOM / 05/2018 concerning the Integrated Internal Audit Task Implementation Report of Semester II 2017
Results of review of 2018 Integrated Semester I Compliance Results Report	7 August 2018	The written recommendation is in the form of opinions and suggestions of the Board of Commissioners to the Board of Directors through a letter from the Board of Commissioners Number: B.129-KOM / 08/2018 concerning the Report on the Implementation of the Integrated Semester I Compliance Task 2018.
Review results of the 2018 Integrated Semester I Profile	12 November 2018	Written recommendations in the form of opinions and suggestions from the Board of Commissioners through letter Number: B.219-KOM / 11/2018 concerning 2018 Integrated Semester I Profile Report

22. Approval of Corporate Action in Subsidiaries

Every corporate action that includes additional capital in subsidiaries, participation / acquisition of other companies, divestment of subsidiaries and other strategic plans must be approved as stipulated in the Articles of Association of the Company must be approved by the Board of Commissioners.

Corporate Action Agreement in the form of additional capital in subsidiaries, participation / acquisition of other companies, divestment of subsidiaries and other strategic plans during 2018 are as follows:

No	Subject	Realization	Output
1	Additional Capital to PT Bank BRIsyariah amounted to Rp1 Trillion	8 January 2018	Letter of the Board of Commissioners No. R.02-KOM / 01/2018 concerning Approval of Equity Participation in PT Bank BRIsyariah
2	Additional Capital at PT Bank BRIsyariah amounted to IDR 600 billion	20 February 2018	Letter of the Board of Commissioners No. R.17-KOM / 02/2018 concerning Approval of Equity Participation in PT Bank BRIsyariah
3	BRIsyariah's Initial Public Offering	23 April 2018	Letter of the Board of Commissioners No. R.39-KOM / 04/2018 concerning Approval of BRIsyariah's Initial Public Offering
4	Additional Capital to BRI Agro in 2018 and BRI Agro MESOP program plan by: <ol style="list-style-type: none"> 1. Execution of warrants worth Rp69,954,770,210, -; 2. Preemptive Rights worth Rp.975 Billion; 3. MESOP BRI Agro has 350,000,000 shares. 	8 May 2018	Letter of the Board of Commissioners No. R.41-KOM / 05/2018 concerning Approval of Equity Participation in PT Bank BRIsyariah

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No	Subject	Realization	Output
5	Equity Participation in PT Sarana East Nusa Tenggara Ventura by: <ol style="list-style-type: none"> Purchase of NTT Ventura shares as much as 97.61% with a value of Rp3,090,096,336, - Adding equity participation in NTT Ventura of Rp 200 billion 	26 September 2018	Letter of the Board of Commissioners No. R.67-KOM / 09/2018 concerning Approval of Equity Participation in PT Sarana Nusa Tenggara Timur Ventura
6	Equity Participation in PT Danareksa Sekuritas amounting to 67% with a fair price value	27 September 2018	Letter of the Board of Commissioners No R.68-KOM/09/2018 concerning Approval of Participation in Danareksa Sekuritas
7	Equity Participation In PT Danareksa Investment Management amounting to 35% with a fair price value.	27 September 2018	Letter of the Board of Commissioners No. R.69-KOM / 09/2018 concerning Approval of Participation in Danareksa Investment Management

23. Approval of Provision of Fund Provision Facility to Related Parties

The Board of Commissioners reviews and approves credit facilities given to Subsidiaries or other Related Parties with the Company as stipulated in the Articles of Association of the Company and or Circular of the Board of Directors of the Company.

Approval of the provision of facilities for providing funds to subsidiaries or related parties in 2018 is as follows:

No	Subject	Realization	Output
1.	Provision of funds to related parties. PT. BRINS	9 January 2018	Letter of the Board of Commissioners No: R.03-KOM / 01/2018 concerning Approval of Providing funds to related parties. PT. BRINS
2.	Provision of funds to parties related to A. Fuad Rahmany	3 July 2018	Letter of the Board of Commissioners No: R.48-KOM / 07/2018 concerning Approval of Providing funds to related parties. A Fuad Rahmany
3.	Provision of funds to parties related to A. Fuad Rahmany	13 November 2018	Letter of the Board of Commissioners No: R.73-KOM / 10/2018 concerning Approval of Providing funds to related parties. A Fuad Rahmany

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24. Credit Consultation of Directors to the Board of Commissioners

The Board of Commissioners has provided opinions on each credit award that fulfills the credit criteria that must be consulted by the Board of Directors to the Board of Commissioners as stipulated in the Circular of the Company's Board of Directors. Credit consultation can be carried out before or after a credit decision is made by the Board of Directors.

During 2018 there have been 3 times Credit Consultations with details as follows:

No	Subject	Realization	Output
1	Credit Consultation for 6 Debtors	6 February 2018	Letter of the Board of Commissioners No: R.12-KOM / 02/2018 concerning Credit Consultation
2	Credit Consultation for 4 Debtors	3 August 2018	Letter of the Board of Commissioners No: R.55-KOM / 08/2018 concerning Credit Consultation
3	Credit Consultation for 4 Debtors	23 August 2018	Letter of the Board of Commissioners No: R.60-KOM / 08/2018 concerning Credit Consultation

25. Business Trip

The business trip of the Board of Commissioners is intended to gain an understanding of the operational activities and implementation of the Company's policies in the work unit. The operational activities of the work units that are evaluated principally cover all activities or operational activities in the work unit

concerned, such as credit, funding, services, human resources, information technology and other aspects. The results of business trip can be used as material for the Board of Commissioners in formulating recommendations for improvement and / or in order to improve the performance of the Company.

Business trip during 2018 are as follows:

No.	Work Unit	Commissioner	Date	Trip's Report
1	Pekanbaru Kanca Batam Nagoya, Kanca Batam Center, Kanca Singapore	Andrinof A Chaniago	26-28 March	B.04-KOM/04/2018
2	Padang Kanwil Padang, Unit Tarusan, Kanca Painan	Andrinof A Chaniago	20 - 22 April	
3	Lampung Kanca Bengkulu, Kanca Curup, Unit Kembang Seri	Andrinof A Chaniago	24-26 June 5-6 July	B.12-KOM/07/2018
4	Hongkong BRI Remittance	Andrinof A Chaniago	29 April - 1 May	B.09-KOM/05/2018
5	Jakarta 1 Kanwil Jakarta 1	Gatot Tri Hargo	23-Feb	
6	Jakarta 3 Kanca Mempawah, Kanca Singkawang	Gatot Tri Hargo	30 Aug - 1 Sep	B.15-KOM/09/2018
7	Bandung 1. Kanwil Bandung, 2. Kanca Purwakarta, 3. Kanca Subang, 4. Sendik Bandung	A. Fuad Rahmany	12 - 13 April	B.07-KOM/04/2018
8	Banda Aceh KCP Sabang	A. Fuad Rahmany		B.22-KOM/10/2018
9	Surabaya Kanca Mojokerto, Kanca Jombang	Rofikoh Rokhim	10 - 12 May	B.10-KOM/05/2018
10	Makassar 1. Kanca Ambon, 2. Unit Kairatu 3. Kanca Masohi	Rofikoh Rokhim	12 - 14 April	B.06-KOM/04/2018
11	1. Atambua 2. Timor Leste	Rofikoh Rokhim	9-11 September	B.17-KOM/09/2018

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No.	Work Unit	Commissioner	Date	Trip's Report
12	Jayapura Kanca Manokwari, Nabire, wamena	A. Sonny Keraf		B.19-KOM/09/2018
13	Banjarmasin Kanca Balikpapan, Tanah grogor, Sanggata	A. Sonny Keraf		B.20-KOM/10/2018
14	Denpasar 1. Kanwil Denpasar, 2. Kanins Denpasar, 3. Kanca Negara, Bangli 4. Kanca Singaraja, 5. KCP BRI Unit	A. Sonny Keraf	7-9 March	B.01-KOM/03/2018
15	Semarang Kanwil Semarang	Mahmud		B.25-KOM/11/2018
16	Pekanbaru Kanwil Pekanbaru, AIN Wilayah Pekanbaru, Kanca Pekanbaru Sudirman, Cabang Pekanbaru Tuanku Tambusai, Unit Simpang Baru, Cabang Batam Nagoya, Cabang Batam Center, KCP Botania,	Mahmud	10-12 October	B.21-KOM/10/2018
17	Yogyakarta Kanwil Yogyakarta, Kanca Purwokerto, Kanca Bayumas, Kanca Bantul	Nicolaus TB Harjanto	18 - 21 April	B.08-KOM/04/2018
18	Palembang Jambi	Nicolaus TB Harjanto	15-17 November	B.14-KOM/08/2018
19	Yogyakarta Kanwil Yogyakarta	Nicolaus TB Harjanto	30 Aug - 1 Sep	B.16-KOM/09/2018
20	Palembang Kanwil Palembang	Nicolaus TB Harjanto		B.23-KOM/11/2018
21	Medan 1. Kanca Tarutung, 2. KCP Siborong Borong, 3. Unit Siborong, 4. Teras Tomok	V. Sonny Loho	14 - 17 March	B.02-KOM/03/2018
22	Malang 1. Kanwil Malang 2. BRI Unit Singosari I 3. Kanca Malang Martadinata	Hadiyanto	28 – 29 November 2018	B.24-KOM/12/2018
23	Manado 1. Kanca Airmadidi, 2. Unit Bersehati, 3. Kanwil Manado	Jeffry J. Wurangian	4 - 6 April	B.5-KOM/04/2018
24	Manado 1. Kanca Tahuna 2. Kanwil Manado	Jeffry J. Wurangian	26 - 29 May	B.11-KOM/06/2018
25	Newyork Agency Newyork Agency	Jeffry J. Wurangian	7 March 2018	B.03-KOM/03/2018
26	Manado Kanca Tahuna, Kanca Tondano	Jeffry J. Wurangian	16-19 September	B.18-KOM/09/2018
27	Jakarta 2 Kanwil Jakarta 2	Hadiyanto	27 December	B.24-KOM/12/2018

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26. Special supervision

Specific supervision is carried out on matters that are necessary to deepen or things of a strategic nature and require immediate decisions. In 2018, the specific problems of concern to the Board of Commissioners are:

- a) Management and utilization of Information Technology (IT), including transformation of IT development and BRI Digital Banking;
- b) Risk management, specifically related to efforts to improve operational risk and liquidity management;
- c) Optimizing the funding structure and improving low-cost funding sources (CASA), through structured programs related to intensification of customer acquisition and retention, and retail funds that are not sensitive to interest rates.
- d) Development of subsidiaries (Bank BRI Agro, Bank BRIsyariah, BRI Life & BRI Finance), among others, are related to plans to increase capital participation in subsidiaries, subsidiaries' governance in an integrated governance framework, integrated risk management and business alignment of subsidiaries with the Company as parent.
- e) Development of transactional solutions and services, as well as integrated e-channel access related to business models towards digital banking.
- f) Medium & corporate credit restructuring and Review of productive asset portfolios.
- g) Evaluate the implementation of the BRI Partnership and Community Development Program (PKBL).
- h) Progress on the development of BRI's Core Banking System (CBS).
- i) Development of HR in order to realize BRI's Vision as home to the best talent and transformation process through the Brivolution program to face the era of digital banking and Fintech.

Big Data Management Information System (MIS) development so that all data in BRI is well organized, integrated and useful in developing business, making strategic decisions, managing risk management, marketing activities and so on more quickly, precisely, cheaply, efficient and structured.

TYPES OF DECISIONS THAT NEED APPROVAL OF THE BOARD OF COMMISSIONERS 2018

The Board of Commissioners carries out the function of supervision and monitoring of the implementation of the Directors' policies. During 2018, the Board of Commissioners has given approval for the following matters:

Date	Letter Number	Subject
19-Jan-18	B.11-KOM/01/2018	The principle permit of cooperation planning to borrow and use a part of BRI proclamation building
19-Jan-18	B.12-KOM/01/2018	Completion of the remaining funds for the BBL BRI Peduli program activities
20-Feb-18	B.19-KOM/02/2018	Action plan document (recovery plan) of PT. BRI (Persero) Tbk
08-May-18	B.77-KOM/05/2018	Approval of 2018 Internal Audit Plan (PAT) SKAI
18-May-18	B.86-KOM/05/2018	Approval of BRIS's organization changes
05-Sep-18	B.145-KOM/09/2018	Approval request for changes in policies and procedures for implementing the AML & CFT program
06-Sep-18	B.146-KOM/09/2018	Threshold proposal for the directors' action which must obtain the approval of the BRI Board of Commissioners and Series A Dwiwarna Shareholders
08-Sep-18	B.164.a-KOM/09/2018	Approval of credit policy
15-Oct-18	B.198-KOM/10/2018	Procurement of KAP audit services

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Date	Letter Number	Subject
07-Nov-18	B.218-KOM/11/2018	Proposal of granting authority to directors to decide upon write-off of fixed assets
15-Nov-18	B.227-KOM/2018	Permit for KAP audit services for financial reports and BRI DPLK investment reports 2018
21-Nov-18	B.229-KOM/11/2018	Approval of the founder's participation in changes of BRI's pension fund regulations
27-Nov-18	B.239-KOM/11/2018	Action plan document (recovery plan) of PT. BRI (Persero) Tbk
06-Dec-18	B.254-KOM/12/2018	Threshold proposal for the directors' action which must obtain the approval of the BRI Board of Commissioners and Series A Dwiwarna Shareholders
08-Jan-18	SR.02-KOM/01/2018	Approval of prospective Commissioners and Directors of PT. BRIsyariah
05-Apr-18	SR.08-KOM/04/2018	Request for approval of prospective BRI Agroniaga Commissioners and Directors
17-Apr-18	SR.09-KOM/04/2018	Request for approval of prospective members of the Board of Commissioners and Directors of PT Bahana Artha Ventura
17-Apr-18	SR.10-KOM/04/2018	Stipulation of President Director of PT Bahana Artha Ventura
22-May-18	SR.13-KOM/05/2018	Approval of appointment of BRI Multifinance Indonesia Commissioners and Directors (BRI Finance) members
07-Jun-18	SR.14-KOM/06/2018	Approval of the appointment of BRI Life Commissioners and Directors
24-Jul-18	SR.16-KOM/07/2018	Approval of appointment of members of the Board of Commissioners and Directors of PT BRI Multifinance Indonesia (BRI Finance)
08-Jan-18	R.02-KOM/01/2018	Approval of additional capital for PT Bank BRIsyariah
09-Jan-18	R.03-KOM/01/2018	Provision of funds to related parties PT. BRINS
15-Jan-18	R.07-KOM/01/2018	Replacement of BRI Corporate Secretariat Division Head
19-Feb-18	R.16-KOM/02/2018	HPS approval for the provision of services for the Public Accountant Office in 2018
20-Feb-18	R.17-KOM/02/2018	Approval of additional capital of PT. BRIsyariah Bank
22-Feb-18	R.19-KOM/02/2018	Review's approval of the HPS Service Procurement Public Accountants Office in 2018
06-Mar-18	R.29-KOM/03/2018	KAP Proposal which conducts general audits of consolidated financial statements and financial statements of PKBL BRI 2018
16-Mar-18	R.30-KOM/03/2018	Procurement of consultant services related to preparation of the Board of Commissioners & Directors remuneration policies
20-Mar-18	R.33-KOM/03/2018	Recommendation of Audit Committee for the appointment of KAP in 2018
23-Apr-18	R.39-KOM/04/2018	Approval of implementation of the BRIsyariah Public Offering in 2018
08-May-18	R.41-KOM/05/2018	Approval of BRI Agro 2018 additional capital and plans for the BRI Agro MESOP and LTI program
06-Jun-18	R.43-KOM/06/2018	Approval 2018-2020 RBB and 2018 RKAP revision
03-Jul-18	R.48-KOM/07/2018	Provision of funds to related parties, Mr. Ahmad Fuad Rahmany
26-Sep-18	R.67-KOM/09/2018	Approval of the capital participation planning in PT Sarana Nusa Tenggara timur ventura
27-Sep-18	R.68-KOM/09/2018	Approval of equity participation in PT Danareksa Sekuritas
27-Sep-18	R.69-KOM/09/2018	Approval of equity participation in PT Danareksa Investment Management
21-Nov-18	R.75-KOM/11/2018	Approval of guidelines for cooperation in the utilization of BRI fixed assets
21-Nov-18	R.76-KOM/11/2018	Approval of the 2019-2021 RBB and 2019 RKAP
27-Nov-18	R.78-KOM/11/2018	Approval of the BRI Sustainable Financial Action Plan (RKAB) document for 2019-2023

The Board of Commissioners

INDEPENDENT COMMISSIONER

Independent Commissioner is BOC members without relationship on financial, management, share ownership and / or family up to the second degree with other members of the BOC, Board of Directors and/or controlling shareholders or other relationships that can affect their ability to act independently.

The Independent Commissioner must free from conflict of interest that can interfere with his ability to carry out his duties.

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.

Criteria of Independent Commissioner

BRI has 5 (five) Independent Commissioners of a total of 9 (nine) members of the Board of Commissioners. The number of BRI Independent Commissioners has exceeded the minimum number of 30% of Independent Commissioners according to the amount required by POJK Number 55 / POJK.03 / 2016.

The criteria of Independent BOC is as follows:

1. Has no financial relationship and family relationship with members of the Board of Directors and Controlling Shareholders of BRI or any other relationship that may affect its ability to act independently.
2. 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.

3. Not a person working or having the authority and responsibility to plan, lead, control or oversee the Company's activities within the last 6 (six) months, except for re-appointment as an Independent Commissioner of the Company in the following period;
4. Not having any share directly or indirectly to the Company;
5. Has no direct or indirect business relationship related to the Company's business activities;
6. Has passed the Fit and Proper Test in accordance with Bank Indonesia's provisions on Fit and Proper Test.
7. Proposed by the Shareholders and appointed by the GMS.
8. Within 5 (five) years prior to his 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 punished for committing a crime that is detrimental to the finances of the State and / or SOE and / or related to the financial sector.

Independency Statement

Each member of Independent Commissioner of BRI disclose his/her Independent Commissioner.

**SURAT PERNYATAAN INDEPENDEN KOMISARIS INDEPENDEN
PT. BANK RAKYAT INDONESIA (PERSERO) Tbk.**

Yang bertanda tangan di bawah ini,

1. **Andrinof A. Chaniago, Komisaris Utama/Komisaris Independen**
2. **A. Fuad Rahmany, Komisaris Independen**
3. **Mahmud, Komisaris Independen**
4. **A. Sonny Keraf, Komisaris Independen**
5. **Rofikoh Rokhim, Komisaris Independen**

dengan ini menyatakan bahwa saya :

1. Merupakan pihak yang independen terhadap pemilik bank atau 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, 19 Desember 2017
Komisaris Independen
PT. Bank Rakyat Indonesia (Persero) Tbk**


A. Fuad Rahmany
 Komisaris Independen


Andrinof A. Chaniago
 Komisaris Utama / Komisaris Independen


Rofikoh Rokhim*
 Komisaris Independen


A. Sonny Keraf
 Komisaris Independen


Mahmud
 Komisaris Independen

*) Efektif setelah dinyatakan lulus Fit & Proper Test OJK

Board of Directors

The Board of Directors is the Company's organ that is authorized and responsible for the management of the Company for the interest of the Company in coherent with the Company's purpose and objective in accordance with the Articles of Association.

Legal Basis

1. Law No. 40 Year 2007 regarding the Limited Liabilities Company.
2. Law No. 19 Year 2003 regarding the Board of Commissioners of State-Owned Enterprises.
3. SOE Ministry 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. Regulation of the Financial Services Authority No. 33/POJK.04/2014 dated 08 December 2014 regarding the Board of Directors and Board of Commissioners of Issuers or Public Companies.
5. Articles of Association of BRI.

CRITERIA, APPOINTMENT AND DISMISSAL

Criteria

BRI Board of Directors' criteria has met the requirements as stated in the applicable regulations as follows:

General Qualification

1. Any individuals that are legally competent, except within five (5) years prior to his/ her appointment:
 - 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:
 - a. Member of the Board of Directors of SOEs, Regional owned enterprises, or private enterprises.
 - b. Member of the Board of Commissioners/ Supervisory Board of the SOE.
 - c. Structural and functional positions in the central or local government institutions.
 - d. Member in the structure of political party and or legislative candidate/member and or candidate of head/ deputy head of region. and or
 - e. Other positions that may inflict conflict of interests and/or other positions pursuant to the prevailing laws and regulations.
4. 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.

Board of Directors

General Qualification

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 the Financial Services Authority/ Otoritas Jasa Keuangan Circular No. 39 / SEOJK.03 / 2016 concerning Fit and Proper Test for Prospective Controlling Shareholders, the Board of Directors Member Candidate, and Candidate Member of the Board of Commissioners of Bank (SEOJK 39 / SEOJK.03 / 2016)

Members of the BOD shall have adequate knowledge in the field of banking, relevant to his/ her position, experience and expertise in banking and/or finance. And strategic management skills to develop a healthy bank.

Integrity Requirement

The Bank Management shall meet the requirements of integrity, competency, and financial reputation. To meet the requirements of integrity, the BOC candidate shall have the following:

- a. Good character and morals.
- b. Commitment to comply with the prevailing laws and regulations. 3
- c. High commitment to the development of sound bank operations. and
- d. Excluded from the Disqualified List.

Appointment and Dismissal

Appointment

Appointment Procedures of the Board of Directors are as follows:

- a. 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 Memorandum of Nomination and Remuneration Committee.

- b. 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.

The candidate of the Board of Directors is further appointed by the decision of the General Meeting of Shareholders being effective after obtain approval from the Financial Services Authority (OJK) by referring to POJK No. 27/POJK.03/2016 on Fit and Proper Test for the Top Personnel of a Financial Services Institution. 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 must be dismissed by the GMS.

Dismissal

The terms of office of the Board of Directors shall ended if:

- a. Passed away.
- b. End of tenure.
- c. Dismissed 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 his/ her position by written notification to BRI and BRI must convene a GMS to decide the proposed resignation of respective Board of Directors member at the latest sixty (60) days after acceptance of resignation letter.

Board of Directors

Disclosure on Substitute Director and SEVP Policy

In order to ensure the efficiency and effectiveness of the company's operational, 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 Director

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, his/her main duties shall be replaced by the Substitute Director.
8. The First Substitute Director is established when a Director is absent or unavailable.
9. The Second Substitue Director is established when the Director and First Substitute Director are absent or unavailable.
10. The Third Substitute Director is established when the Director, First Substitute Director and Second Substitue 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.

Board of Directors

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.

BOD BOARD CHARTER

The BRI Board of Directors has in place the BOD Board Charter, which was approved through 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

Referring to Articles of Association, the Board of Directors is collegially responsible in managing the Company as well as 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.

Responsibility to the Board of Commissioners and Shareholders

- a. Implementing 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 to obtain 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. Create and maintain a list of shareholders and special lists containing lists of shareholdings owned by commissioners and directors including their families within the Bank and in other companies.
- e. Consult the provision of credit above a certain amount to the Board of Commissioners by referring to the prevailing provisions.
- f. Submit an Annual Report after being reviewed by the Board of Commissioners within a period of no later than 5 (five) months after the financial year of the Company ends to the General Meeting of Shareholders for approval.

Board of Directors

Responsibility 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 that 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. Preparing Annual Report and Periodic Financial Report.

Responsibility in Risk Management

- a. Ensure the adequacy of processes and systems to identify, assess and control the risks faced by the Bank.
- b. Monitor and assess the existence of a sound management process to assess the adequacy of the 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 Related with Organization

Establish an organizational structure, tasks and assign clear responsibilities including appointment of management.

Authority

In carrying out the duties and responsibilities, the Board of Directors shall attain the following authorities as stipulated under the Articles of Association:

1. Stipulate the Policy which appropriately deemed in 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 especially appointed for that purpose, or to a personnel and/or other entity.
3. Administer the regulations regarding the Company's manpower, including determining salaries, pensions or benefits and other income for the employees of the Company pursuant to the prevailing laws and regulations.
4. Appoint and discharge the employees of the Company pursuant to the Company's manpower regulations and prevailing laws and regulations.
5. Appoint and discharge the Corporate Secretary.
6. Write-off bad debt 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 receivable.

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

Based on 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 list of Shareholders, Special Lists, Minutes of GMS, and Minutes of Board of Directors' Meeting.
4. Create Annual Report which includes, among other things, the Financial Statements, as a form of accountability of the Bank's management, and the Bank's financial documents as referred to in the Law.

Board of Directors

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.
6. Submit an Annual Report after the Board of Commissioners has reviewed it 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 provisions of applicable legislation.
9. Maintain List of Shareholders, 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 List of Shareholders, 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, especially the functions of handling, recording, storage, and supervision.
13. Provide periodic reports in a manner and time in accordance with applicable provisions, 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 provisions stipulated in the Bank's Articles of Association and which are determined by the GMS in accordance with the laws and regulations.
17. Together with the Board of Commissioners shall 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. Together with the Board of Commissioners shall 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 put 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.

Board of Directors

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:
 - 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

Referring to the Articles of Association, the distribution of duties of BOD members is conducted based on the BOD Decree, which aim to ensure more effective and efficient management function. The distribution of BOD duties are as follows:

Board of Directors

Name	Scope of Duties
Suprajarto President Directors	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 based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
Kuswiyoto Director of Corporate Banking	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 state owned enterprises, agribusiness, as well as Syndication and Corporate Business Services Financial Institutions; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
Supari Director of Retail and Intermediate	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 Policy & Strategy Retail & Medium Business, Retail Business, Medium Business, and Agricultural Business; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
Priyastomo Director of Micro and Small	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 Micro & Small Business Policy, Business Micro, Small Business & Partnerships and Business Incubation Micro & Retail; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
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 Credit, Credit Card, Dana & Services, Retail Payment and Marketing Communication; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.

Board of Directors

Name	Scope of Duties
Osbal Saragi Rumahorbo 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 the Retail Business Networking, Micro Business Network, Network Brilink, E-Channel, Service & Contact Center, and the Center of Operations; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
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 based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
Indra Utoyo Director of Information Technology and Operation	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 Planning & Development, IT Operations, Satellite & Network Infrastructure, the Digital Center of Excellence, Teamwork Technology and Information Security; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
Sis Apik Wijayanto Director of Institutional Relationship	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 the Institution, Transaction Banking and Social Entrepreneurship; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
R. Sophia Alizsa 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 as well as BRI Corporate University; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.

Board of Directors

Name	Scope of Duties
Mohammad Irfan 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 Enterprise Risk & Portfolio Management, Operational and Market Risk Management, Credit Risk Analysis, Restructuring & Settlement Loans and Credit Operations; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.
Ahmad Solichin Lutfiyanto 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, Policies & Procedures, Credit Policy, and Corporate Transformation; Represent the company both inside and outside the Company based on laws and regulations, the Articles of Association and / or the General Meeting of Shareholders to ensure the Company's operations and activities carried out in accordance with the objectives and purposes.

BOARD OF DIRECTORS' COMMITTEES PERFORMANCE ASSESSMENT

In supporting the effectiveness and efficiency of their duties, BRI Board of Directors may establish the committees that are under and directly responsible to the Board of Directors.

As of 31 December 2018 there were 11 committees under the Board of Directors namely:

- Asset and Liability Committee
- Risk Management Committee
- Credit Committee

- Capital and Investment Committee
- Credit Policy Committee
- Information Technology Steering Committee
- Human Resources Policy Committee
- Job Evaluation Committee
- Project Management Office Committee
- Product Committee
- Goods & Services Procurement Committee

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.

Board of Directors

BOD DIVERSITY POLICY

The BOD Diversity Policy is stipulated in a form of diversity in competency, experience as well as educational background of BOD members. The BOD 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 goals.

Composition of the Board of Directors Diversity Data Table BRI

Usia	Gender	Religion	Educational Background / Field of Study	Work Experience	Experience / in the field of banking or financial industry
Board of Directors ages ranging from age 48 s / d 62 years	There Directors of BRI male and female sex	There is more than one religious diversity	BRI Directors of Education S3 has a background in business management, accounting education, MBA, Master of Management, agricultural science dentists, master business administration, Electrical Engineering Communication, Communication and Signal Processing	Work experience over 20 years in finance / financial and / or experience in the field task of Directors held today.	Directors of Bank BRI has director experience before becoming directors of Bank BRI, Directors of Bank BRI has experience in banking and or field tasks that are currently performed by the concerned.

BOARD OF DIRECTORS COMPOSITION AND CHANGES IN 2018

Through the Board of Directors' appointment procedures, the Board of Directors composition is determined by considering the Bank's strategic needs and objectives. In 2018 there was a change in the composition of the Board of Directors through the AGMS on March 22, 2018 whereby the AGMS approved and/or confirmed the dismissal of Mr. Donsuwan Simatupang as Director of Risk Management and Ms. Susy Liestiowaty as Compliance Director. Furthermore, the AGMS approved the appointment:

1. Mr. Supari as Director of Retail and Intermediate.
2. Mr. Osbal Saragi Rumahorbo as Director of Networks and Services.
3. Mr. Achmad Solichin Lutfiyanto as Director of Compliance.

BOD Composition for the Period 01.01.2018 - 22.03.2018

Name	Title	Appointment
Suprajarto	President Directors	AGMS dated 15 March 2017
Priyastomo	Director of Micro and Small	AGMS dated 23 March 2016
Kuswiyoto	Director of Medium Credit, Corporate and SOE	RUPSLB dated 12 August 2015
Indra Utoyo	Director of Digital Banking and Information Technology	AGMS dated 15 March 2017

Board of Directors

BOD Composition for the Period 01.01.2018 – 22.03.2018

Name	Title	Appointment
Mohammad Irfan	Director of Network and Service	AGMS dated 19 March 2015
Haru Koesmahargyo	Director of Business Strategy and Finance	AGMS dated 19 March 2015
Susy Liestiowaty	Director of Compliance	AGMS dated 19 March 2015
Donsuwan Simatupang	Director of Risk Management	AGMS dated 19 March 2015
Sis Apik Wijayanto	Director of Institutional Relationship	AGMS dated 23 March 2016
Handayani	Director of Consumer	EGMS dated 18 October 2017
R. Sophia Alizsa	Director of Human Capital	EGMS dated 18 October 2017

BOD Composition for the Period 22.03.2018 – 31.12.2018

Name	Title	Appointment
Suprajarto	President Directors	AGMS dated 15 March 2017
Kuswiyoto	Director of Corporate Banking	EGMS dated 12 August 2015
Supari	Director of Retail and Intermediate	AGMS Dated 22 March 2018
Priyastomo	Director of Micro and Small	AGMS dated 23 March 2016
Handayani	Director of Consumer	EGMS dated 18 October 2017
Osbal Saragi Rumahorbo	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 Operation	AGMS dated 15 March 2017
Sis Apik Wijayanto	Director of Institutional Relationship	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

BOARD OF DIRECTORS INDEPENDENCY

The BRI BOD Board Charter regulates the Independence of the Board of Directors where the Board of Directors must 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.

Board of Directors

DISCLOSURE ON AFFILIATES RELATIONSHIP

1. All Members of the Board of Directors of BRI does not have an affiliate relationship with other members of the Board of Directors both in terms of financial, family or management.
2. All members of the Board of Directors of BRI does not have an affiliate relationship with a member of the Board of Commissioners, both in terms of finances, family relationships, and relationship management.
3. All members of the Board of Commissioners of BRI does not have an affiliate relationship with fellow members of the Board of Commissioners, both in terms of finances, family relationships, and relationship management.

4. All members of the Board of Commissioners of BRI has no financial or family relationship with the Controlling Shareholder.
5. All members of the Committee who is not a member of the Board of Commissioners of BRI has no financial or family relationship with the Controlling Shareholder, Member of the Board of Commissioners and Board of Directors of the Bank.

As of December 31, 2018, there is no member of the Board of Directors with affiliates relationship with the controlling shareholder, or with fellow members of the Board of Directors and Board of Commissioners both financially, in management and in family relations.

Whereas Pursuant to the Articles of Association, Member of the Board of Directors and Board of Commissioners should not be related by blood to the third degree, either vertically or horizontally laterally or relationship by marriage / family relationships arising from matrimony, including the law or laws. The data can be explained in the table below:

Relations Board of Directors by the Board of Commissioners and the Controlling Shareholders Table

Name	Financial Relations with						Family Relations with					
	BOD		BOC		Controlling shareholders		BOD		BOC		Controlling shareholders	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Member of the Board of Directors (BOD)												
Suprajarto	√		√		√		√		√		√	
Priyastomo	√		√		√		√		√		√	
Kuswiyoto	√		√		√		√		√		√	
Indra Utoyo	√		√		√		√		√		√	
Mohammad Irfan	√		√		√		√		√		√	
Haru Koesmahargyo	√		√		√		√		√		√	
Susy Lestiowaty*			√		√		√		√		√	
Donsuwan Simatupang*			√		√		√		√		√	
Sis Apik Wijayanto	√		√		√		√		√		√	
Handayani	√		√		√		√		√		√	
R. Sophia Alizsa	√		√		√		√		√		√	
Suprajarto	√		√		√		√		√		√	
Priyastomo	√		√		√		√		√		√	
Kuswiyoto	√				√		√				√	
Osbal Saragi			√		√				√		√	
Rumahorbo**												
Ahmad Solichin			√		√				√		√	
Lutfiyanto**												

*) Effective January 1, 2018 ñ March 22, 2018

***) Appointed by the AGM on March 22, 2018

Board of Directors

BOARD OF DIRECTORS MULTIPLE BOARD MEMBERSHIPS

The BRI Board of Directors has fulfilled the provision of concurrent position as regulated in Bank Indonesia Regulation. The BOD 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.

DISCLOSURE ON BOARD OF DIRECTORS SHARES OWNERSHIP

Share ownership of the BRI Board of Directors members as of December 31, 2018 are as follows:

Name	Position	Ownership			
		31 December 2017		30 December 2018	
		Shares	%	Shares	%
BOARD OF DIRECTORS					
Suprajarto	President Director	-	-	466,100	0.00038
Sis Apik Wijayanto	Director	700,000	0.00057	1,328,700	0.00107
Susy Liestyowati *	Director	2,900,000	0.00235		
Donsuwan Simatupang *	Director	142,500	0.00012		
Mohammad Irfan	Director	170,000	0.00014	698,700	0.00057
Haru Koesmahargyo	Director			528,700	0.00043
Kuswiyoto***	Director	-	-	528,700	0.00043
Priyastomo	Director	-	-	528,700	0.00043
Indra Utoyo	Director	-	-	419,500	0.00034
R Sophia Alizsa	Director	25,000	0.00002	142,100	0.00010
Handayani	Director			106,600	0.00003
Osbal Saragi Rumahorbo**	Director	-	-	410,500	0.00033
Ahmad Solichin Lutfiyanto**	Director	-	-	585,000	0.00047
Jumlah					

*) Effective up to 22 March 2018

***) Effective as of 22 March 2018

****) Effective until 03 January 2019

DISCLOSURE ON SHARES TRANSACTION BY THE BOARD OF DIRECTORS IN 2018

Stock transactions carried out by the Board of Directors and Commissioners of BRI throughout 2018 has been reported to the Company within three (3) working days after the transaction is done and further reported to the Financial Services Authority/Otoritas Jasa Keuangan.

The share transactions as carried out by the Board of Directors members throughout 2018 were reported to the OJK in accordance with OJK Regulation No.

11/POJK.04/2017 on the Ownership Report or Any Amendment to Public Company Share Ownership.

Share ownership program by the Board of Directors and Board of Commissioners of Bank BRI conducted in 2018 in the framework of the Board of Directors and Board of Commissioners bonuses deferred into shares of the company (BBRI). This program is only a stock ownership program in order to award bonuses deferred portion within a specified period in accordance with the provisions / requirements disbursement has been determined. This program applies only to Members of the Board of Directors and Independent Commissioners who served during the period in 2017.

Board of Directors

The program was executed on 26 September 2018 following details.

No	Name	Position	Share Purchases / Sales	
			Shares	Transaction Date
1	Suprajarto	President Director	466.100	26 September 2018
2	Kuswiyoto	Director	528.700	26 September 2018
3	Sis Apik Wijayanto	Director	528.700	26 September 2018
4	Haru Koesmahargyo	Director	528.700	26 September 2018
5	Handayani	Director	106.600	26 September 2018
6	Priyastomo	Director	528.700	26 September 2018
7	Indra Utoyo	Director	419.500	26 September 2018
8	Mohammad Irfan	Director	528.700	26 September 2018
9	R. Sophia Alizsa	Director	106.600	26 September 2018
10	Nicolaus T B Harjanto	Commissioner	188.700	26 September 2018
11	Jeffry J Wurangian	Commissioner	237.900	26 September 2018
12	Gatot Trihargo	Vice President Commissioner	249.700	26 September 2018

BOARD OF DIRECTORS 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 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 Commissioners and Independentshareholders prior to its execution.

In 2018 there are no transactions or corporate actions containing conflict of interest.

ORIENTATION PROGRAM AND COMPETENCY DEVELOPMENT OF THE BOARD OF DIRECTORS

Board of Directors Orientation Program

The new joined Board of Directors members must follow the Orientation Program convened by the Corporate Secretary. The Orientation Programs can be in a form of presentations, meetings, visits to the Company's work unit and the 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.

In 2018, the orientation program has been conducted on first week for new appointed BRI BOD members namely Sdr. Supari , Sdr. Osbal Saragi Rumahorbo dan Achmad Solichin Lutfiyanto.

Board of Directors

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.

Implementation of competency development and trainings of the Board of Directors in 2018:

No	Participant	Training	Date of Implementation	Venue
1	Handayani Director of Consumer	The 4th international CWM Executive Europe Program 2018	22.07.2018	Frankfurt and Paris
2	Priyastomo Director Micro and Small	Risk Management Certification Refresher Program For Banks Executives "Strategic Bank Management" Workshop	07.08.2018	Amsterdam, Belanda
3	Priyastomo Director Micro and Small	Enterprise Risk Management Sebagai Upaya Meminimalisir Risiko Perusahaan	15.08.2018	Jakarta
4	Sis Apik Wijayanto Director of Institutional Relationship	Key Risk Management Challenges in 2019 "Credit Quality, Active Credit Portofolio Management & Stress Testing and Also Credit Scoring"	06.12.2018	Batam
5	Indra Utoyo Director of Information Technology and Operation	Key Risk Management Challenges in 2019 "Credit Quality, Active Credit Portofolio Management & Stress Testing and Also Credit Scoring"	06.12.2018	Batam

Risk Management Certification

Risk management certification participated by the Board of Directors members throughout 2018 is as follows:

Name	Position	Risk Management Certification /Refreshment		
		Institutions	Level	Date
Andrinof A. Chaniago	President Commissioner / Independent	LSPP	Level 2	21 April 2017
Gatot Trihargo	Vice President Commissioner	BSMR	Tingkat 1	11 April 2015
A. Fuad Rahmany	Independent Commissioner	BSMR	Tingkat 2	9 April 2017
A. Sonny Keraf	Independent Commissioner	LSPP	Level 2	2 May 2015
Mahmud	Independent Commissioner	BSMR	Level 5	7 February 2017
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

Board of Directors

MONITORING AND EVALUATION STRATEGY

The Board of Directors and the Board of Commissioners jointly carry out monitoring and evaluation of the 2018 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 2018 strategy was implemented in:

- Directors and Board of Commissioners perform tasks 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 in the form of CBP (annual), RBB (3 years) as well as the 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 of BRI. It has been held regularly and subsequently if there are revisions will be requested in accordance with the applicable regulatory provisions.

BOARD OF DIRECTORS SUCCESSION PLAN

The succession of Directors of the company held by the company's long-term goals. Implementation of Directors considers the succession of the various aspects of the field in terms of employment, work experience and leadership. The principle of the implementation of the succession of the Board of Directors based on the principles of good corporate governance in order to guarantee business continuity and long-term goals of the company.

BRI has a policy of candidate talent pool to select potential employees to occupy leadership positions in the Company or the Company's other state-owned enterprises. In addition the company also periodicals evaluating executive officers and officials under it to become the next successor to the leadership and character remain relevant and appropriate to the capacity needed and required by the company.

Candidates who are selected are then proposed to the Nomination and Remuneration Committee for the nomination of Directors subsequently undergo procedures based POJK No. 33 / POJK.04 / 2014 and Regulation of the Minister of State-Owned Enterprises Enterprises No. PER-03 / MBU / 02/2015 regarding Requirements, Procedure for Appointment and Termination of Directors of State Owned Enterprises.

Corporate Governance

GCG AWARDS

The implementation of GCG as reflected in governance outcomes in 2018 has gained recognition by achieving several awards related with governance as follows:

**Most Trusted
Company
Corporate Governance
Performance Index**



**Best Finance
& Top 50 The
Biggest Market
Capitalization PLCs
in Indonesia**

**(ASEAN Corporate
Governance Scorecard)**

GCG IMPLEMENTATION

GCG Implementation Basis

The implementation of GCG principles is conducted based on the following regulations:

1. Law of Republic Indonesia No. 7 Year 1992 on Banking as amended by Law of Republic Indonesia No. 10 Year 1998.
2. Law of Republic Indonesia No. 40 Year 2007 on Limited Liability Company.
3. Law of Republic Indonesia No. 19 Year 2003 on State-Owned Enterprise.
4. Government Regulation of Republic Indonesia No. 21 Year 1992 dated 29 April 1992 on Adjustment of Legal Entity of Bank Rakyat Indonesia into Company (Persero).
5. Regulation of Ministry of State-Owned Enterprise No. PER-01/MBU/2011 dated 1 August 2011 on the Stipulation of Good Corporate Governance of State-Owned Enterprise (SOE) as amended by the Regulation of Ministry of State-Owned Enterprise No. PER-09/MBU/2012 dated 6 July 2012.
6. Circular Letter of Bank of Indonesia No. 15/15/DPNP dated 29 April 2013 on The Implementation of Good Corporate Governance for Commercial Banks.
7. Financial Services Authority Regulation No. 4/POJK.03/2016 dated 26 January 2016 on The Rating of the Commercial Banks.
8. Financial Services Authority Regulation No. 55/POJK.03/2016 dated 07 December 2016 on the Implementation on Implementation of Corporate Governance of Commercial Banks.
9. Financial Services Authority Regulation No. 18/POJK.03/2014 dated 18 November 2014 on The Implementation of Integrated Governance For Financial Conglomerate.
10. Financial Services Authority Regulation No. 31/POJK.04/2015 dated 22 December 2015 on the Disclosure of Information or Material Facts by Issuers or Public Companies.
11. Circular Letter of Financial Services Authority No. 13/SE.OJK.03/2017 dated 17 March 2017 concerning Application of Commercial Banks Governance.
12. Circular Letter of Financial Services Authority No. 32/SEOJK.04/2015 dated 17 November 2015 on Corporate Governance of Public Companies.

Corporate Governance

BRI also adopt the best standard as well latest as guidelines and best practice in developing the GCG quality implementation as follows:

1. Principles of Corporate Governance by the Organization for Economic Co-Operation and Development (OECD).
2. ASEAN Corporate Governance Scorecard.
3. Indonesian Banking GCG Guideline by National Committee of Governance Policy (KNKG).
4. Principles for Enhancing Corporate Governance by Basel Committee on Banking Supervision.

GCG PRINCIPLES AND IMPLEMENTATION

The GCG principles are implemented by the company to improve and / or maximize the company's value and performance for sustainable management. These principles include:



The GCG principles are formulated in supporting BRI sustainable business activities 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.
3. The principle of information disclosure does not reduce the obligation of confidential Bank and Customers 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.

Corporate Governance

5. The Bank ensures ontheavailability of competencies of the Board of Commissioners and the Board of Directors as well as all levels below in accordance with their responsibilities and understand 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

1. The Bank provides fair and equal behavior to the stakeholders in accordance with the benefit and contribution made to the Bank.
2. The Bank provides opportunities for stakeholders to provide input and convey opinions for the interests of the Bank and access to information disclosure.

OBJECTIVE OF GCG IMPLEMENTATION

The principles of GCG are implemented at every level of BRI organization in carrying out the Company's business activities. BRI continues to be committed in the implementation of GCG that has been proven to have a positive impact on achieving company performance and sustainability. It aims to:

1. Support the achievement of Bank's vision and mission.
2. Support 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 relationbeing consistent with business strategy.
9. Support the creation of decision making by all Bank's personnels based on GCG principles.
10. Support the establishment of Bank policies based on GCG principles.
11. Support the realization of good corporate citizen.

GCG Roadmap Implementation

BRI continues to improve the application of GCG principles in the company environment. The stages of GCG implementation 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.
- ▶ Intergrated 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 achieved :
 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).

GCG Roadmap Implementation

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 eksternal provision, publication of research/ review result and training) to all employees.
- ▶ E-Learning implementation to all BRI Employees.
- ▶ BRI has again achieved:
 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).

2017

- ▶ Establishment of BRIGratuity Management Unit.
- ▶ BRI has again achieved:
 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).

2018

- ▶ 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.

2018 GCG IMPLEMENTATION

The application of BRI GCG for 2018 is as follows:

1. Signing of GCG Commitments by all BRI personnel.
2. Socialization of the implementation of Anti-Fraud Strategy in BRI Performance Improvement Forum.
3. Submission of GCG Self Assessment report.
4. Submission of Integrated Governance Self Assessment report.
5. Implementation of the 2018 AGM.
6. Dividend payment does not exceed the period of 1 month after the announcement of GMS minutes of meeting.
7. The implementation of the Corporate Governance Performance Index (CGPI) held by The Indonesia Institute for Corporate Governance and BRI scored at 89.06 with a predicate of the Most Trusted Company.
8. Participation in the ASEAN Corporate Governance Scorecard.
9. E-learning on gratification control.
10. Redesigning the Corporate Website of BRI Bank.
11. Revitalization of Whistleblowing System Policy and Reporting tools in the Company's Website.
12. Signing of BRI's gratification and financial conglomerate control commitment.

GCG Policy

In the GCG implementation, 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 BOC.
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.

GCG Structure Mechanism and Relation

SKB (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 chart:

GCG Commitment	GCG Structure	GCG Process	GCG Result
<ul style="list-style-type: none"> ▶ Vision and Mission ▶ Corporate Values ▶ Board Charter ▶ Code of Conduct ▶ Environment Conservation 	<ul style="list-style-type: none"> ▶ Main Organ <ul style="list-style-type: none"> · GMS · Board of Commissioners · Board of Directors ▶ Supporting Organ <ul style="list-style-type: none"> · Committees · Board of Commissioners' · Secretary · Corporate Secretary · Compliance Unit · Internal Audit Unit · Risk Management Unit ▶ Policies and Procedures <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 environment

GCG Structure Mechanism and Relation

1. GCG COMMITMENT

Vision and Mission

BRI has a vision that reflects the achievement of the corporate objectives in the future. The mission then explains on BRI's measures toward the achievement of these objectives. The Vision and Mission are elaborated further in the Company profile Chapter.

Corporate Values (Core Value)

BRI Core Value includes values and culture that become the foundation of thinking, behaviour 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 and BOD Charters

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 HR Chapter.

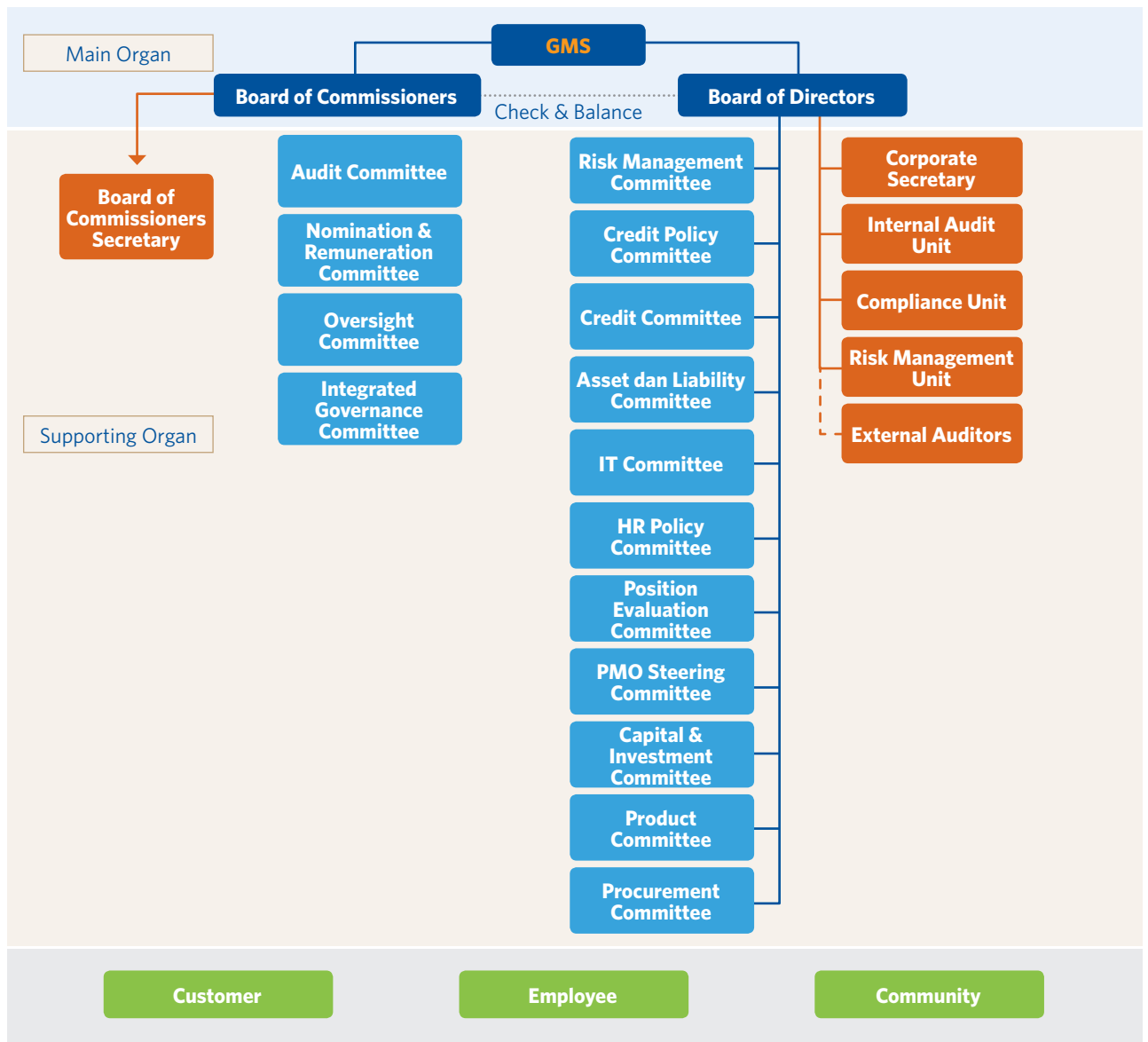
Natural Resources and Environmental Conservation

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.

GCG Structure Mechanism and Relation

2. GCG STRUCTURE

Based on Law No. 40 of 2007 the GCG structure consists of 3 (three) main organs, namely the General Meeting of Shareholders, the Board of Commissioners and the Directors. In its implementation, in order to ensure the effectiveness of GCG, and create a check and balance control mechanism, the BRI Governance structure also includes Supporting Organ and the following Policies and Procedures:



GCG Structure Mechanism and Relation

GMS

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 management of the Bank by the Board of Directors, including providing advice to the Board of Directors on the management of the Bank.

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 provisions regarding the duties and responsibilities of the Board of Commissioners of BRI are contained in the Board of Commissioners' Guidelines and work rules.

Board of Directors

The Board of Directors is an organ that responsible for Bank's management including representing the Bank with third parties inside and outside the court. The implementation of the duties and responsibilities of the Board of Directors refers to the Bank's Articles of Association, and applicable laws and regulations.

More detailed provisions regarding the duties and responsibilities of the Bank's Directors are explained in the Board of Directors Charter.

Supporting Organs for Governance Structure

Committee Under the Board of Commissioners

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Risk Management Monitoring Committee
- d. Integrated Governance Committee

More detailed provisions regarding Committees under the Board of Commissioners will be discussed in a separate chapter in this annual report.

Committee Under the Board of Directors

- a. Asset & Liabilities Committee (ALCO)
- b. Risk Management Committee.
- c. Credit Committee.
- d. Capital & Investment Committee.
- e. Credit Policy Committee.
- f. Information Technology Steering Committee.
- g. Human Capital Policy Committee.
- h. Job Evaluation Committee.
- i. Project Management Office Steering Committee
- j. Product Committee
- k. Goods and Services Procurement Committee

More detailed provisions regarding the Committees under the Board of Directors are stipulated in the Board of Directors' committee guidelines and work rules and will be discussed in a separate chapter in 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. Detail 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 each duties and responsibilities related to corporate governance implementation as well as a liaison and communication management both

GCG Structure Mechanism and Relation

between the company internally and externally, among others the shareholders, regulators and other stakeholders.

Detailed information on the Corporate Secretary is stipulated on separate chapter of this annual report.

Risk Management Unit

Implementation of Risk Management is tasked with implementing the implementation of Corporate Risk Management (ERM). A more detail explanation regarding the Risk Management Work Unit will be discussed in a separate chapter in this annual report.

Compliance Unit

An independent work unit responsible for implementing compliance functions at BRI. More detail explanations regarding the Compliance Work Unit will be discussed in a separate chapter in 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 consulting provider by evaluating the adequacy and effectiveness of risk management, internal control and corporate governance processes, with the aim of increasing added value and improving Bank operations. A more detailed explanation of the Internal Audit Work Unit will be discussed in a separate chapter in this annual report.

External Audit

Examination of the Bank is also carried out by an External Auditor, namely Bank Indonesia, the Financial Audit Agency (BPK), other examiners in accordance with regulations and the public accounting firm. Banks are required to appoint a Public accountant and Public accountant office 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 BOD, the BOC and the Company's employees, the Bank's internal policies are evaluated and refined periodically 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 functioned as the comprehensive background of the bank's business direction or the Bank's 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) years 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. cWork 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 all 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 is regulated under separate provisions.

Oversight Policy

The Bank's oversight is implemented through Three Lines of Defense concept, which are: